

285203

AMENDED AND RESTATED

DECLARATION

OF

THE PLAZA

A

PLANNED COMMUNITY

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**AMENDED AND RESTATED****DECLARATION****OF****THE PLAZA****A****PLANNED COMMUNITY**

THIS AMENDED AND RESTATED DECLARATION, is made on the date hereinafter set forth, by Lot 52 Partnership, a Colorado general partnership, with an address of P.O. Box 1438, Telluride, Colorado 81435 ("Declarant") and the undersigned Unit Owners.

*RECITALS:*

a) Declarant caused the Declaration of the Plaza, a Planned Community, to be recorded at Book 506, Page 351, of the records of the Clerk and Recorder of San Miguel, Colorado (the "Declaration").

b) Various Units of the Plaza have since been conveyed to Unit Owners other than the Declarant.

c) Pursuant to paragraph 13.05 of the Declaration, after the first Unit is conveyed, the Declarant has certain reserved powers to make non-material and other changes to the Declaration.

d) Pursuant to paragraph 13.06 of the Declaration, Unit Owners with more than 67% of the votes of the Association, with the consent of the Association may amend the Declaration.

e) The Declarant and all other Unit Owners desire to amend the Declaration pursuant to the rights reserved to them in the Declaration.

NOW, THEREFORE, the Declaration is amended and restated as follows:

**ARTICLE 1****SUBMISSION/DEFINED TERMS**

Section 1.01 Submission of Real Estate. The Declarant hereby submits the real estate described in Exhibit A, and such additional real estate as may be subsequently added, pursuant to the expansion rights reserved in this Declaration, together with all easements,

rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon (collectively, the "real estate") to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101 et seq., as it may be amended from time to time (the "Act") and to the terms and conditions of this Declaration. In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable. Further, Declarant hereby declares that all of the real estate described in Exhibit A, and as added by expansion, shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real estate and be binding on all parties having any right, title or interest in the real estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Unit Owner thereof. For purposes of the Act, the Common Interest Community shall be a Planned Community.

Section 1.02 Defined Terms. Each capitalized term in this Declaration or in the plat shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration.

a) Commercial Unit means any one of the Units designated as Commercial in Exhibit C, subject to Declarant's or the successor to the Declarant's right to re-designate the type of use allowed. Units which are designated as Commercial shall not be limited to uses of only a commercial nature; but rather, commercial, retail, residential and other uses shall be permitted within Commercial Units, to the extent permitted by local zoning.

b) Common Elements means the real estate within this Common Interest Community owned or leased by the Association, other than a Unit; which real estate may also be designated on the recorded plat and as set forth in Exhibit B.

c) Common Expense Assessment(s) shall include, in supplementation to the definition of Common Expense Assessments included in the Act, late charges, attorneys' fees, fines and interest charged by the Association.

d) Design Review Committee means the three (3) member committee created by the Declarant for the purpose of establishing architectural controls over the Common Interest Community to insure the proper use and appropriate development and improvement of the Common Interest Community so as to provide for harmonious development and improvement of the Common Interest Community.

e) General Development Plan means that document setting forth land uses and development standards for the Common Interest Community, if any, and providing regulations for uses permitted therein, as the same may be amended from time to time.

f) Improvement(s) means structures and landscaping installed within or upon a Unit.

g) Limited Common Elements means those a portions of the Common Elements, designated by Declarant for the exclusive use of one or more but fewer than all of the Units.

h) Participating Builder(s) means any person(s) who purchase(s) multiple Units for the purpose of constructing Improvements thereon and for resale to the general public. All Participating Builders are also Unit Owners.

i) Person With a Disability means and includes any person with a "handicap," as defined under the Federal Fair Housing Act and the regulations adopted by the federal government in connection therewith, as such statute and regulations may be amended from time to time.

j) Residential Units means any of the Units designated as Residential in Exhibit C, subject to Declarant's right to re-designate the type of use allowed.

k) Retail Unit means any of the Units designated as Retail in Exhibit C, subject to Declarant's or the successor to the Declarant's right to re-designate the type of use allowed. Units which are designated as Retail shall not be limited to uses of only a retail nature; but rather, retail, commercial, residential and other uses shall be permitted within Retail Units, to the extent permitted by local zoning.

l) Unit means a physical portion of the Common Interest Community, designated for separate ownership, shown as a Unit on the recorded plat for the Common Interest Community, described in Exhibit C and the boundaries of which are defined in Article 4 of this Declaration.

m) Unit Owner means the Declarant, Participating Builder, or any other person who owns a Unit.

## ARTICLE 2

### NAMES/DESCRIPTION OF REAL ESTATE

Section 2.01 Name and Type. (a) Common Interest Community. The type of Common Interest Community is a Planned Community. The name of the Common Interest Community is "The Plaza".

(b) Association. The name of the Association is "The Plaza Community Association, Inc."

Section 2.02 Real Estate. The Common Interest Community is located San Miguel County, State of Colorado. The initial real estate of the Common Interest Community is described in Exhibit A.

Section 2.03 Recording Data. All easements and licenses to which the Common Interest Community is presently subject are recited in Exhibit A. In addition, the Common



Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to this Declaration, or granted by authority reserved in any recorded document.

Section 2.04 Utility Easements. Easements for utilities over and across the Common Elements shall be those shown upon the recorded plat of the Common Interest Community, and such other easements as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.05 Easements for the Executive Board. Each Unit shall be subject to an easement in favor of the Executive Board (including its agents, employees and contractors) to perform its obligations pursuant to this Declaration.

Section 2.06 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Common Interest Community, to enter upon any part of the Common Interest Community in the performance of their duties.

### ARTICLE 3

#### THE ASSOCIATION

Section 3.01 General Purposes and Powers. The Association, through its Executive Board, shall perform functions and manage the Common Interest Community as provided in this Declaration so as to further the interests of the residents, occupants, tenants and guests of the Common Interest Community and members of the Association. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.02 Authority. The business affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by its Bylaws, as amended from time to time. The Executive Board, may, by written resolution delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 3.03 Specific Powers.

(a) The Association shall have the powers, authority and duties as follows and as necessary and proper to manage the business and affairs of the Common Interest Community.

(b) The Association shall have all of the powers, authority and duties permitted or set forth in the Act.

(c) The Association shall have the power to assign its right to future income, including the right to assign its right to receive Common Expense Assessments, but only upon the affirmative vote of the Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated at a meeting called for that purpose.

Section 3.04 Membership. Every person who is a record Unit Owner of a fee interest in any Unit which is subject to this Declaration shall be a member of the Association, including contract sellers. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be members.

Section 3.05 Directors. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which, until the termination of the period of Declarant Control, shall consist of three persons, and following such date shall consist of the number of persons as set forth in the Bylaws of the Association, the majority of whom, excepting the Directors appointed by the Declarant, shall be Unit Owners.

Section 3.06 Association Agreements. Any agreement for professional management of the Common Interest Community or any contract providing for services of the Declarant, may not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty days' written notice; provided, however, the Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Declarant Control Period unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after the Turnover Date upon not more than thirty days' notice to the other party thereto.

Section 3.07 Declarant Control.

(a) The Declarant shall have the reserved power, pursuant to Section 305(5) of the Act, to appoint and remove officers and members of the Executive Board. This power of Declarant (the period of Declarant Control) terminates no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of all Units in the ordinary course of business to Unit Owners other than the Declarant or Participating Builders; (ii) two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business to a Unit Owner other than Declarant or a Participating Builder; (iii) two (2) years after the right to add new Units was last exercised; or (iv) five (5) years after the first Unit is conveyed to a Unit Owner other than the Declarant or a Participating Builder, ("Turnover Date").

(b) During the period of Declarant Control, the Declarant's Control shall be subject to the following limitations:

(i) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than the Declarant, its transferee or a Participating Builder, at least one member and not less than twenty-five percent of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(ii) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than a Declarant or a Participating Builder, not less than thirty-three and one-third percent of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(c) The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant Control, but, in that event, the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 3.08 Indemnification. To the full extent permitted by law, each officer and director of the Association shall be and are hereby indemnified by the Unit Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or director of the Association, or any settlements thereof, whether or not they are an officer or director of the Association at the time such expenses are incurred; except in such cases wherein such officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Executive Board approves such settlement and reimbursement as being for the best interests of the Association.

## ARTICLE 4

### UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

#### Section 4.01. Number of Units.

a) The number of Units in the Common Interest Community is sixteen (16), of which four (4) are Commercial Units, seven (7) are Retail Units and five (5) are Residential Units. Declarant reserves the right, for itself and for its successors and assigns, as to the Commercial and Retail Units, as more fully set forth in Article 9 of this Declaration, and subject to the requirements of applicable zoning ordinances and regulations, to redesignate Units as Commercial, Retail or Residential. In the event Declarant or a successor to Declarant exercises this reserved right to redesignate a Unit, that party shall cause a supplement to this Declaration to be recorded reflecting such redesignation.

b) The Declarant reserves the right to create and add up to the maximum number of Units allowed by any governmental entity having jurisdiction, pursuant to any development plan for the Property and the Development Property.

Section 4.02. Identification of Units/Unit Descriptions. The identification number of each Unit is shown on the plat and Exhibit C of this Declaration. Every contract for sale, deed, lease, Security Interest, will or other legal instrument shall legally describe a Unit by its identifying Unit number followed by the words:

"The Plaza, a Common Interest Community, in accordance with the recorded Declaration and plat, San Miguel County, Colorado."

The reference to the Declaration and plat in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration or plat, without specific references thereto.

Section 4.03 Unit Boundaries. Unit Owners are responsible for the maintenance, repair and replacement of the properties located within their Unit boundaries, except as provided in this Declaration. The following are designated as boundaries of each Unit, as defined below and as depicted on the plat:

(a) Upper Boundaries. The horizontal plane of the unfinished lower surface of the suspended ceilings, extended to an intersection with the vertical perimeter boundaries. Space above suspended ceilings, to which access is needed for repair and maintenance of

the Units and Common Elements above the Unit is a Limited Common Element to the Unit.

(b) Lower Boundaries. The horizontal plane of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries.

(c) Vertical Perimeter Boundaries. The planes defined by the center plane between the surfaces of the studs and framing, or the surfaces of the walls, if not built with studs and framing, of all perimeter walls between adjoining Units, including perimeter walls of areas depicted on the plat as a deck or patio area of a Unit, the unfinished inner surfaces of poured concrete or other exterior walls, the outside unfinished surfaces of corridor walls, the exterior unfinished surface of corridor doors to Common Elements, the interior surface of closed exterior windows and doors and the vertical planes indicated by lines in common corridors as shown on the plat.

(d) Inclusions. Each Unit includes the spaces and improvements lying within the boundaries described above, including decks or patio areas to Units, as depicted on the plat. Each Unit also includes the spaces and improvements within the spaces containing water heating facilities, all electrical switches, wiring, pipes, ducts, conduits, smoke detector or security systems and communications, television, telephone and electrical receptacles and boxes serving that Unit exclusively, the surface of these items being the boundaries of that Unit, whether or not the spaces are contiguous.

(e) Exclusions. Except when specifically included by other portions or this Declaration or by the plat, the following are excluded from each Unit; the spaces and improvements lying outside the boundaries described above, air conditioners and heating systems, thresholds, exterior lighting and all chutes, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and other service to other Units and the Common Elements.

(f) Noncontiguous Portions. Certain Units may include special portions or pieces of equipment, such as air conditioning compressors, meter boxes, utility connection structures, air or gas pump and storage facilities and storage portions, which are situated in buildings or structures that are detached from the Unit. Such special equipment or storage portions are a part of the Unit, notwithstanding their non-contiguity with the principal portions.

#### Section 4.04 Common Elements and Limited Common Elements.

(a) The real estate described in Exhibit B must become Common Elements. Portions of the Common Elements may be designated as Limited Common Elements, and portions of Units may become Common Elements or Limited Common Elements.

(b) The Declarant reserves, through ten (10) years after the recording of this Declaration or such maximum period of time allowed by law, but not to exceed twenty (20)

years, whichever period of time is greater, the right to allocate areas as Common Elements, and further, to allocate areas which constitute a part of the Common Elements as Limited Common Elements for the exclusive use of the owners of Units to which those specified areas shall become appurtenant. The Declarant may allocate or assign Common Elements or Limited Common Element areas (i) by making such an allocation in a recorded instrument, or (ii) in the deed to the Unit to which such Limited Common Element shall be appurtenant, or (iii) by recording an appropriate amendment or supplement to this Declaration, (iv) by recording a supplement to the plat, or (v) by recording the allocation or assignment in the minutes or records of the Association. Such allocations by the Declarant may be made as a matter of reserved right by the Declarant and may be made to Units owned by the Declarant.

(c) A reasonable area around the principal corridor doors and on each side of the door shall be a Limited Common Element appurtenant to the Commercial and Retail Units to which access is provided, for the purpose of special decorative or signage elements, applied with the consent of the Executive Board.

Section 4.05 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement of enjoyment in and to any Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- a) The right of the Association to promulgate and publish rules and regulations which each Unit Owner and their guests shall strictly comply with.
- b) The right of the Association to suspend the voting rights and rights to use the Common Element by an Unit Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations.
- c) The right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the act, if the grant is approved by the affirmative vote of Unit Owners having sixty-seven percent (67%) of the votes appurtenant to all Units, and consented to, in writing, by the holders of first lien Security Interests in the Units whose Unit Owners vote affirmatively; provided, further, that if the grant affects any Limited Common Element, such grant shall also require the express written consent of all Unit Owners having the right to use such Limited Common Element and of all holders of first lien Security Interest in the Units to which such Limited Common Element is appurtenant; provided, further that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause. Any easement, right-of-way, license or similar interest granted by the Association pursuant to this Section shall state that the

grant was approved (a) by Unit Owners having at least sixty-seven percent (67%) of the votes, and by the corresponding holders of first lien Security Interests, (b) if appropriate, by all Unit Owners having the right to use any Limited Common Element affected by the grant, and by the corresponding holder of first lien Security Interests. Such grant procedure may be used for the purpose (among other things) of permitting reasonable modification of the Common Elements to be made by or at the request of, and at the expense of, a Unit Owner, if such modifications are necessary under the Federal Fair Housing Act (as heretofore and hereafter amended) or otherwise appropriate to afford to one or more Persons With A Disability, residing at or intending to reside at the Unit, the full enjoyment of such Unit, the Limited Common Elements appurtenant to such Unit and/or the Common Elements.

d) The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements in the Common Elements.

e) The Development and Special Declarant Rights of the Declarant reserved in this Declaration.

Section 4.06 Delegation of Use. Any Unit Owner may delegate his right of enjoyment to the Common Elements and facilities to the members of his family, his tenants, guests, or contract purchasers who reside on his Unit.

Section 4.07 Title to the Common Elements. The Declarant hereby covenants that it will convey to the Association fee simple title to the Common Elements prior to the conveyance of the first Unit within the Common Interest Community to a Unit Owner other than Declarant or a Participating Builder. Declarant hereby discloses for itself, its successors and assigns, that it may convey easements, licenses, or rights to use the Common Elements to others, and that title to the Common Elements to be conveyed is subject to the reserved Development Rights, Special Declarant Rights and other rights reserved to the Declarant, and/or its assigns in this Declaration.

## ARTICLE 5

### MAINTENANCE, REPAIR AND REPLACEMENT

Section 5.01 Common Elements. The Association shall be responsible for the maintenance, repair and replacement of any Common Elements.

Section 5.02 Limited Common Elements. In the event a Common Expense is associated with the maintenance, repair or replacement of a Limited Common Element, those Common Expenses may be assessed equally against the Units to which the Limited Common Element is assigned.

Section 5.03 Units. Unit Owners shall be responsible for the maintenance, repair and replacement of their Unit and the properties located within the boundaries of their Unit. For purposes of performing exterior maintenance and other duties of the Association, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Unit Owner thereof, to enter upon any Unit at reasonable hours.

## ARTICLE 6

### ALLOCATED INTERESTS

Section 6.01 Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit are set forth in Exhibit C.

Section 6.02 Determination of Allocated Interests. The interests allocated to each Unit have been calculated as follows:

- (a) the percentage of liability for Common Expenses,
  - (i) on the basis of square footage of each Commercial Unit as a fraction or percentage of the square footage of all Units in the Common Interest Community;
  - (ii) on the basis of square footage of each Retail Unit as a fraction or percentage of the square footage of all Units in the Common Interest Community; and
  - (iii) on the basis of square footage of each Residential Unit as a fraction or percentage of the square footage of all Units in the Common Interest Community;
  
- (b) the number of votes in the Association,
  - (i) on the basis of square footage of each Commercial Unit, as a fraction or percentage of the square footage of all Units in the Common Interest Community;
  - (ii) on the basis of square footage of each Retail Unit, as a fraction or percentage of the square footage of all Units in the Common Interest Community;
  - (iii) on the basis of square footage of each Residential Unit as a fraction or percentage of the square footage of all Units in the Common Interest Community.

Section 6.03 Reallocation. When Units are added to or withdrawn from the Common Interest Community, or use rights are re-designated, or the size of a Unit is changed, pursuant to the provisions of this Declaration and the Act, the formulas set forth above shall be used to reallocate the Allocated Interests.



## ARTICLE 7

### COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 7.01 Creation of Association Lien and Personal Obligation to pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments, insurance assessments (assessed in proportion to risk), utility assessments (assessed in proportion to usage) and such other assessments as imposed by the Association. Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall also be the personal obligation of the Unit Owner of such Unit at the time when the assessment or other charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

The Association annual Common Expense Assessments, insurance assessments (assessed in proportion to risk), utility assessments (assessed in proportion to usage) and such other assessments as imposed by the Association, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such assessment or charge is made. If a Common Expense Assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.

Section 7.02 Apportionment of Common Expenses. Except as provided in this Declaration, all Common Expenses shall be assessed against all Units in accordance with formula for liability for the Common Expenses as set forth in this Declaration and as initially shown on Exhibit C of this Declaration.

Section 7.03 Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used exclusively for the purposes of promoting the health, safety, and welfare of the residents and guests of the Common Interest Community and the members of the Association. Such purposes shall include, but shall not be limited to the following: the improvement, maintenance, repair, upkeep and reconstruction of the Common Elements, and for the painting, landscape care and snow

removal and any other maintenance obligations which may be deemed desirable for the common benefit of the Unit Owners or for the maintenance of property values, or for the payment of expenses which may be incurred by virtue of agreement with or requirement of San Miguel County or other government authorities. The assessments may also be used to provide insurance of various types, and in such amounts deemed appropriate by the Executive Board. Also, a portion of the assessments may be used to provide a reserve fund for the replacement, repair, and maintenance of Common Elements of the real estate which must be replaced on a periodic basis.

Section 7.04 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Executive Board. Common Expense Assessments may begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Unit Owners from their obligation to pay.

Section 7.05 Effect of Non-Payment of Assessments. Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, as established by the Executive Board, shall bear interest at the rate of eighteen percent (18%) per annum from the due date, and the Association may assess a reasonable late charge thereon as determined by the Executive Board. Failure to make payment within sixty days of the due date thereof shall cause the total amount of such Unit Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Unit Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment Lien, and a Unit

Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Unit Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 7.06 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Unit (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under State or Federal law. Sale or transfer of any Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by applicable State law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 7.07 Working Fund. The Association or Declarant may require the first Unit Owner of each Unit (other than Declarant) to make a non-refundable payment to the Association in an amount equal to one-fourth (1/4th) of the annual Common Expense Assessment against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Unit, as aforesaid, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve a Unit Owner from making regular payments of assessments as the same become due. Upon the transfer of his Unit, a Unit Owner shall be entitled to a credit from his transferee for any unused portion of the aforesaid working fund. This account may be updated annually as of December 31st, and notice shall be given to all Unit Owners whose individual account does not equal one-fourth (1/4th) of the current annual assessment. Payment of any shortage shall be due with the next regular assessment payment, following written notice.

Section 7.08 Common Expenses Attributable to Fewer than all Units.

(a) Any Common Expense associated with the maintenance, repair or replacement of components and elements attached to or a part of a Unit or Units or to a Unit or Units to which a Limited Common Element is assigned may be assessed against that or those Units. If any such Limited Common Element is assigned to more than one Unit,

the Common Expenses attributable to the Limited Common Element may be assessed equally among the Units to which it is assigned.

(b) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner may be assessed against that Unit.

(c) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.

(d) An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

(e) If a Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against that Unit Owner's Unit.

(g) Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against a Unit Owner pursuant to this Section are enforceable as Common Expense assessments.

## ARTICLE 8

### RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Elements:

Section 8.01 Use/Occupancy. No Unit within the Common Interest Community shall be used for any purpose other than as allowed by the local zoning codes; provided, however, that uses described as "day care" or "child care" facilities (licensed or unlicensed) are expressly prohibited. No Unit shall be occupied for business, living or sleeping purposes by more persons than the Unit was designed to safely accommodate. For purposes of the foregoing occupancy restriction, each Residential Unit is deemed to have been designed to safely accommodate two (2) persons per bedroom. No Improvements located upon a Unit shall be occupied in any manner at any time prior to being fully completed in accordance with approved plans nor shall any Improvements when completed, be in any manner occupied until there is compliance with all requirements, conditions, covenants, and restrictions herein set forth. Residential Units shall not be used for any purpose other than a residential dwelling or a manager's unit, and commercial and business uses are strictly prohibited.

Section 8.02 Units to be Maintained. Each Unit at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Unit so that the same are visible from any neighboring Unit, or any street, except as necessary during a period of construction. Declarant, its agents and assigns and the Association, and its agents, shall have the authority to enter and clean up Units which do not conform to the provisions of this Section, and to charge and collect from the Unit Owners thereof all reasonable costs related thereto.

Section 8.03 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible for Declarant and Participating Builders, their employees and agents, to perform such reasonable activities, and to maintain upon portions of the Common Interest Community such facilities as they deem reasonably necessary or incidental to the construction and sale of Units in the development of the Common Interest Community, specifically including, without limiting the generality of the foregoing, the maintenance of temporary business offices, storage areas, trash bins, construction yards and equipment, signs, model units, temporary sales offices and lighting facilities.

Section 8.04 Restrictions on Animals and Pets. No animals, livestock, poultry or insects, of any kind, shall be raised, bred, kept or boarded within a Unit; provided, however, that with the prior written approval of the Executive Board Unit Owners may keep a reasonable number of dogs, cats, fish or other domestic animals which are bona fide household pets, so long as such pets are not kept for breeding purposes and are not kept in such number or in such manner as to create a nuisance to any Unit Owner. The Executive Board shall have, and is hereby given the right and authority to reasonably determine that dogs, cats, or other household pets are being kept for breeding purposes or are being kept in such a number or in such manner as to be unreasonable or to create a nuisance to any Unit Owner, or that a Unit Owner is otherwise in violation of the provisions of this Section, and to take such action or actions as it deems reasonably necessary to correct the same. A Unit Owner's right to keep household pets shall be coupled with the responsibility to pay for damage caused by such pets.

Section 8.05 Nuisances. No Nuisance shall be permitted within the Common Interest Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Unit Owner or which may unreasonably interfere with the peaceful enjoyment or possession of the proper use of a Unit or Common Element, or any portion of the Common Interest Community by Unit Owners. Further, no immoral, improper, offensive or unlawful use shall be permitted within the Common Interest Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Common Interest Community or a portion thereof shall be observed. As used herein, the term nuisance shall not include any activities of Declarant which are reasonably necessary to the development and construction of Improvements within this

Common Interest Community; provided, however, that such activities of the Declarant shall not reasonably interfere with any Unit Owner's use and enjoyment of his Unit, or any Unit Owner's ingress and egress to or from their Unit and a public way.

Section 8.06 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of the Common Interest Community which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any portion of the Common Interest Community which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Common Interest Community except with the prior written approval of the Design Review Committee.

Section 8.07 No Hazardous Activities. No activity shall be conducted on any portion of the Common Interest Community which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of the Common Interest Community and no open fires shall be lighted or permitted on any portion of the Common Interest Community except in a contained barbecue unit while attended and in use for cooking purposes or within a fireplace designed to prevent the dispersal of burning embers.

Section 8.08 Compliance with Insurance Requirements. Except as may be approved in writing by the Executive Board, nothing shall be done or kept on the Common Interest Community which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

Section 8.09 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure, including all tractors, snow removal equipment and garden or maintenance equipment, except when actually in use. Also all service areas for hanging, drying or airing of clothing shall be kept within approved structures.

Section 8.10 Utilities. All electric, television, radio and telephone line installations and connections shall be placed underground. All types of refrigerating, cooling or hearing apparatus must be concealed.

Section 8.11 Restriction on Signs and Advertising Devices. No sign, poster, billboard, advertizing device or display of any kind shall be erected or maintained anywhere within the Common Interest Community except such sign or signs as may be approved in writing by the Design Review Committee. One sign advertising a Unit for sale or for lease may be placed upon such Unit; provided, however, that standards relating to dimensions, color, style and location of such sign shall be determined from

time to time by the Design Review Committee and shall comply with local sign codes and with all other applicable statutes, ordinances and regulations.

Section 8.12 Restrictions on Loads. No Owner of a Unit may place a load on any floor which exceeds the floor load for which the floor was designed to support. No Owners of a Unit shall install, operate or maintain any item of heavy equipment or other installation, except in a manner designed to achieve a proper distribution of weight.

Section 8.13 Lease of a Unit. Any Unit Owner shall have the right to lease their Unit upon such terms and conditions as the Unit Owner may deem advisable, subject to the following:

a) Short term rentals (of less than three months) of Residential Units to overnight and short term guests shall be subject to reasonable regulations of the Association.

b) Any long term lease or rental agreement (of over 3 months) shall be in writing and shall provide that the lease or rental agreement is subject to the terms of this Declaration, the Bylaws of the Association and the Articles of Incorporation and the rules and regulations of the Association.

c) All short and long term leases and rental agreements of Residential Units shall state that the failure of the tenant or renter or guest to comply with the terms of the Declaration or Bylaws of the Association, Articles of Incorporation or the rules and regulations of the Association shall constitute a default of the lease or rental agreement and this Declaration and such default shall be enforceable by either the Association or the landlord, or by both of them.

d) All occupancies of guests of Residential Units shall be subject to the right of the Association to evict the guest for failure to comply with the terms of the Declaration or Bylaws of the Association, the Articles of Incorporation or the rules and regulations of the Association.

Section 8.14 Sale of a Unit. The right of a Unit Owner to sell, transfer or otherwise convey their Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

Section 8.15 No Restrictions on Mortgaging of a Unit. There are no restrictions on the right of the Unit Owners to mortgage or otherwise encumber their Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 8.16 No Time Shares. A Unit may not be conveyed pursuant to a time-sharing arrangement described in Sections 38-33-110 to 113, Colorado Revised Statutes



without the written consent of Declarant for 10 years from the date of recording of this Declaration, and thereafter, without the consent of the Association.

Section 8.17 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rules and regulations concerning and governing the Common Interest Community or any portion thereof may be adopted, amended, or repealed, from time to time, by the Executive Board, or its successors and assigns. The Executive Board may establish and enforce penalties for the infraction thereof.

## ARTICLE 9

### DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 9.01 Development Rights and Special Declarant Rights. The Declarant reserves, through ten (10) years after the recording of this Declaration, or such maximum period allowed by law, not to exceed twenty (20) years, whichever is greater, the following Development Rights and Special Declarant Rights:

- (a) the right to relocate boundaries between adjoining Units, enlarge Units, enlarge the Common Elements, reduce or diminish the size of Units, reduce or diminish the size of areas of the Common Elements, subdivide Units or complete or make improvements indicated on plats filed of record or filed with the Declaration;
- (b) the right to exercise any development rights reserved below or allowed in the Act;
- (c) the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for construction and for the purpose of discharging the Declarant's obligations under this Declaration;
- (d) the right to make the Common Interest Community subject to an additional master association and master declaration;
- (e) the right to merge or consolidate the Common Interest Community with another Planned Community;
- (f) the right to appoint or remove any officer of the Association or any Director during the Declarant Control period;
- (g) the right to amend the Declaration in connection with the exercise of any development right; and
- (h) the right to amend the plat in connection with the exercise of any development right.

Section 9.02 Additional Reserved Rights. In addition to the Special Declarant Rights set forth above, Declarant also reserves the following additional rights (the "Additional Reserved Rights"):



- (a) Sales. The right to maintain sales offices, management offices and models in Units or on the Common Elements.
- (b) Signs. The right to maintain signs and advertising on the Common Interest Community to advertise the Common Interest Community.
- (c) Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements for purposes including but not limited to streets, paths, walkways, skiways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the benefit of and to serve the Unit Owners.
- (d) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulations of parking and/or recreational facilities, which may or may not be a part of the Common Interest Community for the benefit of the Unit Owners and/or the Association.
- (e) Other Rights. The right to exercise any Additional Reserved Right created by any other provision of this Declaration.

Section 9.03 Rights Transferable/Rights Transferred.

(a) Any Special Declarant Right, any of the Additional Reserved Rights any and expansion rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred and recorded in the real property records of San Miguel County. Such instrument shall be executed by the transferor Declarant and the transferee.

(b) Notwithstanding the foregoing, the Development Rights and Special Declarant Rights of Declarant to relocate the boundaries of Units, to create new Units or Common Elements, and/or to further subdivide Units on or within the Basement Floor Plan Level, the Level One Floor Plan or the Level Two Floor Plan and the right of the Declarant to designate the type of use (Retail, Commercial or Residential) allowed in Units on those Levels, shall be transferred and assigned to the Owners of Units within those Levels for the maximum period of time allowed by law, not to exceed twenty (20) years. The foregoing rights are subject to the following additional terms and conditions: (i) the Unit Owners of the Units effected must comply with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6); (ii) the authority of the Owners of the specified Units to make these changes is not limited by or subject to the consent of the Association or any other person; and (iii) the express written consent may be required of the Declarant, or, alternatively, the Declarant may veto and reject the proposed change, as it

determines in its sole discretion, which powers of the Declarant to require approval by it or to veto the change shall exist as long as the above rights exist.

Section 9.04 Reservation of Expansion and Development Rights.

(a) Expansion Rights. Declarant expressly reserves the right to subject all or any part of the property described in Exhibit D attached hereto and hereby incorporated by reference and additional unspecified real estate (the "Development Property") to the provisions of this Declaration upon the substantial completion of improvements on the Development Property, but not later than December 31, 1997. The consent of the existing Unit Owners or holders of first lien Security Interests shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option.

(b) Development and Withdrawal Rights. Declarant expressly reserves the right to construct additional Units, Common Elements and Limited Common Elements (the "Additional Improvements") to subdivide Units and to convert Units into Common Elements on the real estate described in Exhibit A and on all or any portion of the Development Property. Declarant may exercise its Development Rights on all or any portion of the reserved property in whatever order of development Declarant, in its sole discretion, determines. If all or any part of the Development Property is submitted to this Declaration, this right to reserve property for future development shall apply to such property as well. Declarant expressly reserves the right to withdraw all or any portion of the Development Property by recording a document evidencing such withdrawal in the office of the Clerk and Recorder of San Miguel County; provided, however, that no portion of the Property may be withdrawn after a Unit in that portion of the Property has been conveyed to a purchaser. The property withdrawn from the Common Interest Community shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Common Interest Community. Declarant shall prepare and record in the office of the Clerk and Recorder of San Miguel County, whatever documents are necessary to evidence such easements and shall amend Exhibit A to the Declaration to include reference to the recorded easement.

(c) Amendment of the Declaration. If Declarant elects to submit the Development Property, or any part thereof, or Additional Improvements, to this Declaration, or to subdivide or to convert Units at such time as construction of the Improvements on the Development Property or the Additional Improvements are substantially complete, Declarant shall record an Amendment to the Declaration reallocating the Allocated Interests so that the Allocated Interests appurtenant to each Unit will be apportioned according to the total of Units submitted to the Declaration. The Amendment to the Declaration shall contain at a minimum the legal description of the Development Property, or a part thereof, or a description of the property on which the Additional Improvements being submitted to this Declaration are located and a schedule of the Allocated Interests appurtenant to the Units.

(d) Amendment of the plat. Declarant shall, contemporaneously with the Amendment of the Declaration, file, if deemed necessary by Declarant, an Amendment of the plat showing the location of the Additional Improvements constructed on the Development Property. The Amendment to the plat shall substantially conform to the requirements contained in this Declaration.

(e) Interpretation. Recording of amendments to the Declaration and the plat in the office of the Clerk and Recorder of San Miguel County shall automatically:

- i) vest in each existing Unit Owner the reallocated Allocated Interests appurtenant to their Unit; and
- ii) vest in each existing Security Interest a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit.

Further, upon the recording of an Amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Property, as expanded and, the Development Property, or any part thereof, or the Additional Improvements, shall be added to and become a part of the Property for all purposes. All conveyances of Units after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made to any Amendment to the Declaration or plat or map. Reference to the Declaration and plat or map in any instrument shall be deemed to include all Amendments to the Declaration, and the plat and/or map without specific reference thereto.

(f) Maximum Number of Units. The maximum number of Units shall not exceed the maximum number of Units allowed by any governmental entity having jurisdiction, pursuant to any development plan for the Property and the Development Property. Declarant shall not be obligated to expand the Common Interest Community beyond the number of Units initially submitted to this Declaration.

(g) Construction. The buildings, structures and types of improvements to be placed on the Property or the Development Property or any part thereof shall be of a quality equal to or better than the Improvements previously constructed on the Property, but need not be of the same size, style or configuration. The Improvements may be located anywhere on the Property reserved for future development or on the Development Property.

(h) Construction Easement. Declarant expressly reserves the right to perform warranty work, and repairs and construction work and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Unit Owner or holder of a Security Interest. Declarant has such an easement through the Common Elements as may be

reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the land not designated as reserved for future development in the Declaration or on the plat or map for the purpose of furnishing utility and other services to buildings and improvements to be constructed on the property so reserved for future development. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Elements not occupied by an improvement containing Units. If Declarant grants any such easements, Exhibit A to the Declaration will be amended by Declarant to include reference to the recorded easement.

(i) Reciprocal Easements. If all or part of the Development Property is not submitted to this Declaration, or if property is withdrawn ("Withdrawn Property"):

- i) the Unit Owner(s) of the Development Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Common Interest Community; and
- ii) The Unit Owner(s) shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Development Property and Withdrawn Property.

Further, Declarant shall prepare and record in the office of the Clerk and Recorder of San Miguel County, whatever documents are necessary to evidence such easements and shall amend Exhibit A to the Declaration to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the Unit Owners of the Development Property and the Withdrawn Property and the Unit Owners shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

(j) Termination of Expansion Rights. The expansion rights reserved to Declarant, for itself, its successors and assigns, shall expire on December 31, 1997, unless the expansion rights are (i) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the expansion rights by Declarant, or (ii) extended as allowed by law.

Section 9.05 Additions by Others. Additions of Units to the Common Interest Community may be made by others than the Declarant, or its successors and assigns or Owners, upon approval of the Association pursuant to a vote by its members and upon approval of two-thirds of the holders of first lien Security Interests. Such approval by the members and holders of first lien Security Interests shall be evidenced by a certified copy of such resolution of approval and a supplement to this Declaration, both recorded in records of the San Miguel County Clerk and Recorder.

## ARTICLE 10

### ARCHITECTURAL APPROVAL/DESIGN REVIEW

Section 10.01 Required Approvals and Design Criteria. No Improvement to the interior of a Unit or any structure or any attachment to the exterior of the buildings or to any existing structure, shall be constructed, erected, placed or installed within the Common Interest Community, including but not limited to a change in painting and/or staining of exterior siding, unless complete plans and specifications thereto (said plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the committee and) shall have been first submitted to and approved in writing by the Design Review Committee. However, the Design Review Committee shall not refuse to permit a Unit Owner to make reasonable modifications to their Unit or to any Limited Common Element which the Unit Owner has the right to use, if such modifications are necessary under the Federal Fair Housing Act (as heretofore and hereafter amended) to afford one or more Persons With a Disability residing at or intending to reside at such Unit the full enjoyment of such Unit and/or the Limited Common Elements appurtenant thereto. The Design Review Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to Units or Common Elements, and within this Common Interest Community shall comply with the requirements set forth herein, and in the General Development Plan. The approval or consent of the Design Review Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious; decisions shall be conclusive and binding on all interested parties. Approval shall be based upon, but not limited to, conformity and harmony of exterior appearance of structures with neighboring structures, effective location and use of Improvements on nearby Units, preservation of aesthetic beauty, and conformity with the plan specification and purposes generally set out in the General Development Plan.

(a) Expense of Review. Upon its review of such plans, specifications and submittals, the Design Review Committee may require that the applicant(s) reimburse the committee for actual expense incurred by it in its review and approval process.

Section 10.02 Establishment of the Design Review Committee. The Design Review Committee (the "Design Review Committee"), which shall consist of three (3) members, Declarant shall appoint all members and real estate owned by the Declarant (including both Units and Common Elements) shall be exempt from any control by the Committee. On the Turnover Date, the Design Review Committee may then be comprised completely of Unit Owners without regard to special qualifications and the members shall then be appointed by the Association. Until the Turnover Date, Declarant, in its sole discretion, may at any time grant the power of appointment of the members of the Design Review Committee, and the chairman thereof, to any entity succeeding to substantially all of the assets of Declarant, or to the Association. Notwithstanding the above, appointments shall be for staggered terms of a years different in termination so as to provide reasonable continuity to the design review process. The Declarant may remove any appointee at any time upon written notice to such appointee limited only to term of declarant's control.

Section 10.03 Reply and Communication. The Design Review Committee shall reply to all submittal of plans made in accordance herewith in writing within sixty (60) days after receipt. Where prior written consent of approval of the Design Review Committee is required under the Declaration with respect to the making of an Improvement, such Improvements shall be conclusively deemed to have been made in compliance with this Declaration unless a notice of intention to commence legal action challenging and objection thereto is issued by the Design Review Committee within a reasonable period of time after completion of such Improvement. All communications and submittals shall be addressed to the Design Review Committee at such address as the chairman of the Design Review Committee shall hereafter designate in writing addressed and mailed to the Unit Owners.

Section 10.04 Variances. The Design Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or by the General Development Plan in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these covenants or in the development guide. Such variances or adjustments shall be granted only when the granting thereof shall not be materially detrimental or injurious to the other Units or Common Elements nor deviate substantially from the general intent and purpose of these Covenants and of the General Development Plan. In the event that the request for a variance is disapproved by the Design Review Committee, the applicant shall have the right of appeal to the governmental entity, if any, that approved the General Development Plan.

Section 10.05 Waivers. The approval or consent of the Design Review Committee, or appointed representative thereof, to any application for design approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the committee as to any application or other matters subsequently or additionally submitted for approval or consent pursuant to these covenants or the General Development Plan.

Section 10.06 Liability. The Design Review Committee and the members thereof, as well as any representative of the committee designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or to any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants.

Section 10.07 Records. The Design Review Committee shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested party during reasonable hours of the business day.

Section 10.08 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Design Review Committee and any interested Unit Owner shall have the right but not the obligation to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this section, the Design Review Committee shall be entitled to recover its costs and reasonable attorneys fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure of the Design Review Committee or of any Unit Owner to enforce any covenant or restriction herein contained, or any provision of the General Development Plan, shall in no event be deemed a waiver of the right to do so thereafter.

Section 10.09 General Development Plan. The design criteria and control provisions of the General Development Plan, if any, are expressly incorporated herein by this reference.

## ARTICLE 11

### INSURANCE/CONDEMNATION

Section 11.01 Insurance Carried. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth herein and as set forth in the Act, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. Commencing not later than the time of the first conveyance of a



Unit to a person other than a Declarant, the Association shall maintain, to the extent reasonably available, policies with the following terms or provisions:

a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Unit Owner and shall provide that such policies may not be cancelled or modified without at least twenty (20) days prior written notice to all of the Unit Owners, holders of first lien Security Interests and the Association.

b) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien Security Interests at least ten (10) days prior to expiration of the then current policies.

c) All liability insurance shall be carried in blanket form naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, holders of first lien Security Interests, their successors and assigns and Unit Owners as insureds.

d) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Units and the Common Elements, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.

e) Unit Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by Unit Owners and provided, further, that the policies of insurance carried by the Association shall be primary, even if a Unit Owner has other insurance that covers the same loss or losses as covered by policies of the Association. In this regard, Declarant discloses that the Association's insurance coverage, as specified hereunder and under the Act, does not obviate the need for Unit Owners to obtain insurance for their own benefit.

f) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Unit Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Unit Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such



policy, as to the interests of all other insured Unit Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Section 11.02 Hazard Insurance on the Units and Common Elements. The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the Units, to the Common Elements and the other property of the Association. The insurance obtained on the Units is not required to include improvements and betterments installed by Unit Owners. If coverage purchased by the Association includes improvements and betterments installed by Unit Owners, the cost thereof shall be assessed to each Unit in proportion to risk. All policies shall contain a standard non-contributory mortgage clause in favor of each holder of first lien Security Interests, and their successors and assigns, which shall provide that the loss, if any thereunder, shall be payable to the Association for the use and benefit of such holders of first lien Security Interests, and their successors and assigns, as their interests may appear of record in the records of the office of the Clerk and Recorder of the County of San Miguel, Colorado. If obtainable, the Association shall also obtain the following and any additional endorsements deemed advisable by the Executive Board: (a) an Inflation guard endorsement, (b) a Construction Code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, (e) an increased cost of construction endorsement, and/or (f) any special PUD/Condominium endorsements.

Section 11.03 Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Units and the Common Elements, including structural coverage of the Units, in such limits as the Board may from time to time determine, but not in any amount less than One Million Dollars (\$1,000,000.00) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Common Interest Community. All liability insurance shall name the Association as the insured. If there are steam boilers in operation on the Common Interest Community, or if the Community has central heating or cooling, there must be in force boiler explosion and machinery coverage insurance providing for not less than Two Million Dollars (\$2,000,000.00) per accident, per location.

Section 11.04 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The clause "officers, directors, trustees and employees" shall not include any officer, director, agent or employee of Declarant or any officer, director, agent or employee of any independent, professional manager or managing agent heretofore or hereafter employed by the Association. The fidelity

coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

Section 11.05 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 11.06 Officers' and Directors' Personal Liability Insurance. The Association may obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association. Neither the term "officers" nor the term "directors" shall include any officer, director, agent or employee of Declarant nor any officer, director, employee or agent of any professional manager or managing agent heretofore or hereafter employed by the Association.

Section 11.07 Other Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 11.08 Insurance Premium. Except as assessed in proportion to risk, if permitted under the terms of this Declaration, insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the annual assessments levied by the Association.

Section 11.09 Managing Agent Insurance. The manager or managing agent, if any, shall be insured to the same extent as the Association, as herein provided, and as provided in the Act, for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

Section 11.10 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and Unit Owners, the Association and the Unit Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

Section 11.11 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 11.12 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association, and not to any holder of a first lien

Security Interest. The Association shall hold any insurance proceeds in trust for the Association, Unit Owners and holders of first lien Security Interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association, Unit Owners and holders of first lien Security Interests are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 11.13 Duty to Repair. Any portion of the Common Interest Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association, except as provided in the Act.

Section 11.14 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Unit Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act.

## ARTICLE 12

### SPECIAL RIGHTS OF HOLDERS OF FIRST LIEN SECURITY INTERESTS

Section 12.01 General Provisions. The provisions of this article are for the benefit of holders, insurers, or guarantors of holders of first lien Security Interests recorded within the Common Interest Community. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws of the Association. A holder, insurer or guarantor of a first lien Security Interest who has delivered a written request to the Association containing its name, address, the legal description and the address of the Unit upon which it holds a Security Interest, shall be considered an "Eligible Holder." Eligible insurers and guarantors of a first lien Security Interest shall have the same rights as Eligible Holder.

Section 12.02 Special Rights. Eligible Holders shall be entitled to: (a) timely written notice from the Association of any default by a mortgagor of a Unit in the performance of the mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association, including any annual audited financial statement; (d) receive written notice of all meetings of the Executive Board or Members of the Association; (e) designate a representative to attend any such meetings; (f) written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; (g) written notice of abandonment or termination of the Association of the plan contemplated under this Declaration; (h) thirty (30) days

written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles of Incorporation, or the Bylaws; (i) thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Elements, when professional management had been required previously under the legal documents for the Common Interest Community or by an Eligible Holder; and (j) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements or a Unit if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements or any Units.

Section 12.03 Special Approvals. Unless at least sixty-seven percent (67%) of the Eligible Holders of first lien Security Interests (based on one vote for each mortgage owned) of Units in the Association and requisite Unit Owners have given their written approval, neither the Association nor any Member shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or any improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utility easements, drainage easements and water facilities easements or easements for other public purposes consistent with the intended use of such real estate by the Association shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to architectural approval of improvement of Units, including the architectural design of the exterior appearance of Units, or the upkeep of the Common Elements; (d) fail to maintain the casualty, fire and extended coverage insurance as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses other than the repair, replacement or reconstruction of the improvements which were damaged or destroyed; (f) take action to terminate the legal status of the Common Interest Community after substantial destruction or condemnation occurs; (g) amend any material provision of this Declaration; and (h) establish self-management by the Association when professional management has previously been required by the legal documents for the Common Interest Community or by an Eligible Holder. An amendment shall not be deemed material if it is for the purpose of correcting technical errors, or for clarification only. If an Eligible Holder of a first lien Security Interest receives written request for approval of the proposed act, omission, change or amendment by certified or registered mail, with a return receipt requested, and does not deliver or post to the requesting party a negative response within 30 days, it shall be deemed to have approved such request.

Section 12.04 Right to Pay Taxes and Insurance Premiums. Any holder of a first lien Security Interest shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Unit or any of the Common

Elements and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Elements or Units, and the holder of a first lien Security Interest making such payments shall be entitled to immediate reimbursement therefor from the Association.

## ARTICLE 13

### GENERAL PROVISIONS

Section 13.01 Enforcement. The Association or a Unit Owner or Unit Owners of any of the Units may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys fees incurred in enforcing these covenants, or to restrain such violation or attempted violation. Failure of the Association or of any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Executive Board may post on a bulletin board at a conspicuous place on the Common Area notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation.

Section 13.02 Compliance with Federal Fair Housing Act. In order to comply with the requirements of the Federal Fair Housing Act (as heretofore and hereafter amended);

(a) The Executive Board may, to the extent permitted by law, make reasonable accommodations in the rules and regulations to the extent such accommodations are necessary under the aforesaid Federal Fair Housing Act or otherwise appropriate to afford a Person With A Disability equal opportunity to use and enjoy a Unit, the Limited Common Elements appurtenant thereto, and/or the Common Elements, which accommodations may include waivers and modifications (of such rules and regulations) that are applicable only to a particular Person With a Disability or to a particular category of Persons With A Disability. Unless required by law, (i) the Executive Board need not follow procedural requirements in making such waivers and modifications, and (ii) such waivers and modifications need not be approved by, or be subjected to disapproval by, the members of the Association.

(b) No rule or regulation of the Common Interest Community shall be interpreted or enforced in such a way as to make unavailable or deny a Unit to any person, or to discriminate against any person in the provision of services or facilities in connection with the sale or rental of a Unit to such person, because of the familial status of such person, as the term "familial status" is defined under the aforesaid Federal Fair Housing Act.

Section 13.03 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 13.04 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 13.05 Amendment of Declaration by Declarant. Until the first Unit has been conveyed by Declarant by deed recorded in the office of the County Clerk and Recorder of the County of San Miguel, Colorado, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Thereafter if Declarant shall determine that any amendments to this Declaration shall be necessary in order to make non-material changes, such as the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this Section, Declarant shall have the right and power to make and execute any such amendments without obtaining the approval of any Unit Owners. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to December 31, 1997. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to an amendment under this section on behalf of each Unit Owner and holder of a Security Interest. Each deed, Security Interest, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record an amendment under this Section.

Section 13.06 Amendment of Declaration by Unit Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least 67% of the votes in the Association and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of San Miguel County, State of Colorado, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

Section 13.07 Amendment Required by Government Mortgage Agencies. Prior to December 31, 1997, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which FHA, VA, FHLMC, GNMA, FNMA or any similar entity authorized to insure, guarantee, make or purchase mortgage loans

requires to be amended or repealed may be amended or repealed by Declarant or the Association. Any such amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of San Miguel County, State of Colorado, of a certificate, setting forth the amendment or repeal in full.

Section 13.08 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant of any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate on December 31, 1997, or upon conveyance of 100% of the Units to Unit Owners, whichever occurs first.

Section 13.09 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Units and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 13.10 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 13.11 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 13.12 General Declaration/Telluride Mountain Village Resort Company. The provisions of this Declaration, the Articles of Incorporation of the Association, the Bylaws of the Association and the rules and regulations of the Association are subject and subordinate to the General Declaration recorded March 9, 1984 in Book 409 at Page 714 of the records of the Clerk and Recorder of San Miguel County, Colorado.

IN WITNESS WHEREOF, the Declarant and Unit Owners have caused this Amended and Restated Declaration to be executed by their duly authorized agents this 27th day of May, 1993.

**DECLARANT:**

LOT 52 PARTNERSHIP,  
a Colorado general partnership,

By: GEORGE I. BROWN UDT,  
a certain unrecorded revocable trust,  
general partner

By: THE TELLURIDE COMPANY,  
a general partner

By: Ronald D. Allred  
Ronald D. Allred, President

By: George I. Brown  
George I. Brown, Trustee

**UNIT OWNERS:**

George I. Brown  
George I. Brown, individually and as  
Trustee for the George I. Brown UDT,  
a certain unrecorded revocable trust, as  
Unit Owner of Units 10, 11, 13, 14, 101,  
102, 103 and 302

THE TELLURIDE COMPANY,  
as Unit Owner of Units 12, 104, 105 and 201

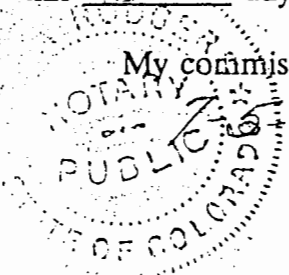
By: Ronald D. Allred  
Ronald D. Allred, President



STATE OF COLORADO )  
COUNTY OF San Miguel ) ss.

The foregoing Declaration was acknowledged before me by George I. Brown, individually, and as Trustee of the George I. Brown UDT, a certain unrecorded revocable trust, as general partner of the Lot 52 Partnership and as a Unit Owner, on this 10th day of June, 1993.

My commission expires: 7-5-96

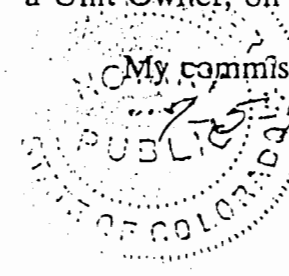


Pirinda Rodgers  
Notary Public

STATE OF COLORADO )  
COUNTY OF San Miguel ) ss.

The foregoing Declaration was acknowledged before me by Ronald D. Allred as President of the Telluride Company, as general partner of the Lot 52 Partnership and as a Unit Owner, on this 10th day of June, 1993.

My commission expires: 7-5-96



Pirinda Rodgers  
Notary Public





EXHIBIT A

DESCRIPTION OF REAL ESTATE

Lot 52, Replat of Lot 52, Telluride Mountain Village, Filing 1, a tract of land located in a portion of the NW/4 NE/4 of Section 3, Township 42 North, Range 9 West, N.M.P.M., according to the plat recorded in the office of the Clerk and Recorder, in Plat Book 1 at Page 1188, San Miguel County, Colorado.

Subject to the terms, conditions, obligations and provisions of the following:

1. Unpatented mining claims; reservations or exceptions in patents or an act authorizing the issuance thereof; water rights, claims or title to water.
2. Taxes for the current year and subsequent years.
3. Any tax or assessment by reason of the inclusion of the subject property in the Mountain Village Metropolitan District, recorded in Book 409 at Page 275.
4. Notice given by San Miguel Power Association, Inc., that it owns and maintains underground facilities within the Telluride Mountain Village, Filing 1 for the purposes of transmission and distribution of electricity; and notice that said Association may place additional underground facilities in the future within the subject property; as recorded in Book 398 at page 145.
5. Mountain Village P.U.D. Improvements Bonding Agreement, dated June 21, 1990, recorded July 17, 1990 in Book 468 at page 212, between The Telluride Company, a Colorado corporation and the Board of Commissioners of San Miguel County, as amended or supplemented.
6. The San Miguel County/Mountain Village Metropolitan District Intergovernment Agreement between The Telluride Company, San Miguel County Board of County Commissioners, and Mountain

Village Metropolitan District, recorded February 17, 1984 in Book 409 at page 369.

7. The Plat of Telluride Mountain Village, Filing 1, recorded in Plat Book 1 at page 476, and the Technical Amendment concerning density recorded in Book 462 at page 759, and the Plat of Lot 52, Telluride Mountain Village, recorded in Plat Book 1 at page 858, and the Replat of Lot 52, Telluride Mountain Village, recorded in Plat Book 1 at page 1188, subject to the following matters:
  - A. The General Notes as disclosed on said plats.
  - B. Definitions as disclosed on said plats.
  - C. Densities, designations and uses by Lot Number and Tract Name, as disclosed on said plats.
  - D. Set-back requirements, easements of a public or private nature as disclosed on said plats.
8. Mountain Village P.U.D. Subdivision Improvements Approval by the San Miguel County Planning Commission, recorded March 9, 1984 in Book 409 at page 708, as amended in Book 411 at page 211.
9. General Declaration for Telluride Mountain Village, regarding covenants, conditions and restrictions recorded March 9, 1984 in Book 409 at page 714, as amended, or supplemented.
10. Notice of Water and Sewer Tap Fee Payment pursuant to Section 8.4 of the Mountain Village Metropolitan District Water and Sewer Operation Rules and Regulations, which reads: "8.4: Tap Fee. A tap fee shall be assessed and paid for before a building permit is issued.", as recorded April 14, 1987 in Book 435 page at 603. Subject to the terms, conditions, provisions and obligations of that Development Fee Agreement between Mountain Village Metropolitan District, a quasi-municipal corporation and political subdivision duly organized and existing under the Laws of the State of Colorado, and the Telluride Company, a Colorado corporation, Developer, recorded January 3, 1989 in Book 449 at page 969, which provides, among other matters, the prepayment of Water and

Sewer Tap Fees at the date of sale of property located in Telluride Mountain Village.

11. Reserved rights, interests as reserved in Deed recorded in Book 448 at page 595.
12. Terms, conditions and provisions of the recorded plat for The Plaza, a Planned Community.

**EXHIBIT B****COMMON ELEMENTS**

All areas designated as "Common Elements" pursuant to the plat for The Plaza, a Planned Community, subject to the terms and conditions of this Declaration, County of San Miguel, Colorado.

EXHIBIT C

TABLE OF INTERESTS

Unit No.	Level	Unit Type (Commercial Retail or Residential)	Percentage Share of the Common Expense Liabilities	Square Footage	Vote in the Affairs of the Assoc.
10	Basement	Retail	5.64%	3166	5.64
11	Basement	Retail	1.67%	936	1.67
12	Basement	Commercial	3.26%	1830	3.26
13	Basement	Retail	.73%	408	.73
14	Basement	Retail	3.57%	2008	3.57
101	One	Retail	8.15%	4580	8.15
102	One	Retail	.62%	347	.62
103	One	Retail	3.90%	2192	3.90
104	One	Commercial	5.38%	3022	5.38
105	One	Commercial	.85%	482	.85
201	Two	Commercial	19.49%	10952	19.49
301	Three	Residential	5.43%	3051	5.43
302	Three	Residential	6.24%	3506	6.24
303	Three	Residential	5.51%	3096	5.51
401	Four	Residential	18.81%	10566	18.81
501	Five	Residential	10.75%	6040	10.75
16		TOTALS	100.0%	56,182	100



EXHIBIT D

**PROPERTIES WHICH MAY  
BE ADDED TO THE DECLARATION**

All or any part of a lot or parcel located in Telluride Mountain Village, Filing 1, San Miguel County, Colorado, provided, the owners thereof consent.