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DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
TAYLOR HOUSE CONDOMINIUMS
A PLANNED COMMUNITY

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March 26, 2008

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
TAYLOR HOUSE CONDOMINIUMS**

THIS DECLARATION is made by Taylor House, LLC, A Colorado limited liability company ("Declarant").

RECITALS

A. Declarant is the owner of real estate in the City of Glenwood Springs, Garfield County, Colorado, which is referred to below as the "Property" and is more particularly described as:

Condominium Units G1, G2, G3, 1, 2, 3, 4, 5, 6, 7, and 8, located on Lots 29, 30, 31, and 32, Block 26, City of Glenwood Springs, Garfield County Colorado, according to the Condominium Map and Plat recorded March 28, 2008, at Reception Number 745548, in the Office of the Garfield County Clerk and Recorder (the "Condominium Map").

and

commonly known as Condominium Units G1, G2, G3, 1, 2, 3, 4, 5, 6, 7, and 8, 903 Bennet, Glenwood Springs, Colorado 81601.

B. Declarant desires to create a planned community on the Property described above, in which in which portions of the Property described above will be designated for separate ownership and the remainder of which will be designated for common use and ownership by the Association.

C. Declarant also desires to protect and maintain the project as a prime residential area of the highest quality and value to enhance and protect its desirability and attractiveness including the Property's unique historic and architectural features.

D. Declarant further desires to provide for the operation and maintenance of the Common Elements and Limited Common Elements and other related facilities serving the project.

E. Declarant has deemed it necessary and desirable, for the welfare of the residents of the project and the preservation of the Property, to subject the Property to the covenants, restrictions, easements, charges, assessments and liens set forth below, which shall be burdens and benefits to

the Declarant and the other Owners and their respective successors, heirs, executors, administrators, devisees, grantees or assigns.

F. Declarant has created an association named Taylor House Condominiums Home Owners Association, Inc. a Colorado non-profit corporation and delegates and assigns to the association the power and duties of maintaining and administering the Common Elements, Limited Common Elements, and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges created under this Declaration. Effective upon the recording of this Declaration, Declarant does hereby convey unto the Association all the General Common Elements and Limited Common Elements as depicted on the Condominium Map.

G. The provisions of this Declaration are intended to be in conformity with the City of Glenwood Springs Land Use and Development Code which contains additional requirements pertaining to the Property, and provisions of the Code shall control over any contrary provisions in this Declaration.

H. The Declarant intends that the Property and the Condominium Units therein shall be a Planned Community consisting of less than twenty (20) Units that is not subject to any development rights as defined in the Colorado Common Interest Ownership Act ("Act") and which is therefore exempted from all provisions and obligations of the Act except Sections 38-33.3-105, 106, and 107 pursuant to C.R.S. § 38-33.3-116(2). This exemption is not intended to affect, impair, or preclude the "super-priority" status of any Association assessment lien created by virtue of Section 38-33.3-316(2)(b)(I) of the Act as now in effect or as amended.

ARTICLE I - DECLARATION

Declarant declares that the Property shall be held, sold, and conveyed subject to the following covenants, restrictions and easements which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Property.

ARTICLE II - NAME, DIVISION INTO CONDOMINIUM UNITS

Section 2.1. **Name.** The name of the project is Taylor House Condominiums.

Section 2.2. **Association.** The name of the association is Taylor House Condominiums Home Owners Association, Inc. Declarant has caused to be incorporated under the laws of the State of Colorado the Association as a nonprofit corporation with the purpose of exercising the functions as set forth in the Articles of Incorporation, this Declaration and the Bylaws of the corporation. In consideration for the exercise of such functions, Declarant sells and conveys the Common Elements and Limited Common Elements as depicted on the Condominium Map to the Association.

Section 2.3. **Number of Condominiums.** The total number of Condominiums in the project is eleven (11).

Section 2.4. **Identification of Condominiums.** The identification number of each Condominium is shown on the Condominium Map depicting the Property recorded in the real property records of Garfield County, Colorado and such amended, additional or supplemental maps as may be filed for the Property.

ARTICLE III - DEFINITIONS

Section 3.1. **Definitions.** The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

A. **"Allocated Interests"** means each Unit's pro rata share of the Common Expenses, which allocated interest shall be divided among the Condominium Units as provided in Exhibit A. The Allocated Interests are determined by calculating the square footage of each individual Condominium Unit as a percentage of the total square footage of all the Condominium Units in the Project.

B. **"Act"** means the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time.

C. **"Articles"** mean the Articles of Incorporation for Taylor House Condominiums Home Owners Association, Inc. on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.

D. **"Assessments"** means the Periodic, Supplementary, Special, and Default Assessments levied pursuant to the Article named Assessments below.

E. **"Association"** refers to Taylor House Condominiums Home Owners Association, Inc. ("Association"), a Colorado nonprofit corporation, and its successors and assigns.

F. **"Association Documents"** means this Declaration, the Articles of Incorporation, and the Bylaws of the Association, and any procedures, rules, regulations, or policies adopted under such documents by the Association.

G. **"Bylaws"** means the Bylaws adopted by and for the Association, as amended from time to time.

H. **"Common Elements"** means all the Property other than the Condominium Units. The Common Elements predominantly include the unimproved land surrounding the Condominium Units; structural walls, partition walls within units (even if not structural), water pipes, heating lines, electrical lines, and plumbing facilities which are located within a Condominium Unit but serve

other Condominium Units; roofs; eaves; the exterior windows and doors that are appurtenant to common areas such as the main entry door, lower and main floor entry doors, windows in common areas, but not including the exterior windows and doors of each Unit; water and sewer lines and facilities serving the project which are not owned by the Glenwood Springs Water and Sewer Department; and any parking spaces, storage areas on the Property, utility and mechanical areas, common laundry facilities, porches, and decks depicted on the Condominium Map. The term Common Elements shall also include the Limited Common Elements, which are exclusively reserved for use by an Owner or a Unit or as otherwise provided in this Declaration.

I. **"Common Expenses"** means (i) all expenses expressly declared to be common expenses by the Association Documents; (ii) all expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the Common Elements; (iii) the cost of supplying trash, water, and sewer services for all Owners, landscaping and snow removal for the Common Elements; (iv) all expenses of maintaining, repairing or replacing any part of the driveways, parking areas and water or sewer utility lines and other utility facilities serving more than one Owner or located on the Common Elements; (v) insurance premiums for the insurance carried by the Association under this Declaration; and (vi) expenses of maintaining and repairing any part of the exterior surfaces of all improvements as determined by the Executive Board; (vii) all expenses lawfully determined to be common expenses by the Executive Board of the Association.

J. **"Common Wall"** means any common wall separating the individual Condominium Units as shown on the Condominium Map and as depicted for each individual airspace unit.

K. **"Declarant"** means Taylor House, LLC and its successors and assigns.

L. **"Declaration"** means and refers to this Declaration of Covenants, Conditions and Restrictions of Taylor House Condominiums in Glenwood Springs, Garfield County, Colorado.

M. **"Executive Board"** means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Property and all improvements on the Property.

N. **"First Mortgage"** means any Deed of Trust or Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

O. **"First Mortgagee"** means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

P. **"Limited Common Elements"** means a portion of the Common Elements allocated by the Declaration or Condominium Map for the exclusive use of one or more Owners but fewer than all the Owners. Exterior windows and doors appurtenant to a Unit are considered Limited Common Elements.

Q. **"Manager"** shall mean a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Executive Board may authorize from time to time.

R. **"Map" or "Condominium Map"** means that part of a Declaration that depicts all or any portion of the Project is executed by the Declarant and is recorded in the real estate records of the Garfield County Clerk and Recorder. A map, showing three dimensions, and a map, showing two dimensions, may be combined in one instrument.

S. **"Mortgage"** means any mortgage, deed of trust, or other document pledging any Condominium or interest therein as security for payment of a debt or obligation.

T. **"Mortgagee"** means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

U. **"Owner"** means the owner of record, whether one or more persons or entities, of fee simple title to any Condominium, and "Owner" also includes the purchaser under a contract for deed covering a Condominium Unit, but excludes those having such interest in a Condominium Unit merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Condominium Unit pursuant to foreclosure or other proceedings.

V. **"Project" or "Taylor House Condominiums"** shall mean the residential Units created by this Declaration, consisting of the Property and any other improvements constructed on the Property and as shown on the Condominium Map.

W. **"Property"** refers to Condominium Units G1, G2, G3, 1, 2, 3, 4, 5, 6, 7, and 8, located on Lots 29, 30, 31, and 32, Block 26, City of Glenwood Springs described in the Condominium Map of Taylor House Condominiums, Glenwood Springs, Colorado.

X. **"Successor Declarant"** means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Garfield County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

Y. **"Condominium Unit or Unit"** means an individual airspace unit as depicted on the Condominium Map and designated as a "Unit" or identified by number on any Condominium Map of the Property recorded by Declarant in the office of the Clerk and Recorder of Garfield County, Colorado, together with all appurtenances and improvements, now or in the future in the Condominium Units. Each Condominium Unit shall consist of the individual airspace contained within the perimeter windows, doors and unfinished surfaces of perimeter walls, floors and ceilings of the Condominium Unit and shall also include the heating, hot water and any other utility apparatus

exclusively serving the Condominium Unit, whether or not located within the boundaries of the Condominium.

ARTICLE IV - MEMBERSHIP & VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 4.1. The Association. Every Owner of a Condominium Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of Any Condominium Unit.

Section 4.2. Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Condominium Unit and then only to the purchaser or Mortgagee of his Condominium Unit.

Section 4.3. Class of Membership. The Association shall have one (1) class of voting membership. Members shall be all Owners, who except as otherwise provided for in this Declaration, shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Condominium Unit owned. When more than one person holds an interest in any Condominium Unit, all such persons shall be members. The vote for such Condominium Unit shall be exercised by one person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Condominium Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Condominium Unit which is leased may assign his voting right to the tenant, provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one vote be cast with respect to any one Condominium Unit. In the event an amended or supplemental Condominium Map is filed and the total number of the Condominium Units on the Property is increased or decreased, the number of votes in the Association shall change accordingly so that the Owner of each Condominium Unit will have one vote.

Section 4.4. Period of Declarant's Control. Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale of the Property and who is designated as Successor Declarant in a recorded instrument executed by Declarant shall have exclusive power to appoint and remove members of the Executive Board and officers of the Association until Declarant transfers title to all Condominium Units to an Owner. This period of Declarant's control shall terminate no later than sixty (60) days after conveyance of 100% of the Condominium Units to Owners other than Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant's control, but, in that event, the Declarant may require for the duration of the period of Declarant's control, those specified actions of the Association or the Executive Board, as described in a recorded instrument by the Declarant, be approved by the Declarant before they become effective.

Section 4.5. Compliance with Association Documents. Each Owner shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens, and benefits of membership in the Association concern the land and shall be covenants running with each Condominium Unit for the benefit of all other Condominium Units.

Section 4.6. Books and Records. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents and the books, records, and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 4.7. Manager. The Association may employ or contract for the services of a Manager to whom the Executive Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board. The Executive Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Executive Board.

Section 4.8. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents, and every other duty or obligation implied by the express provisions of the Association Documents or necessary to reasonably satisfy any such duty or obligation.

V - PROPERTY RIGHTS OF OWNERS & RESERVATIONS BY DECLARANT

Section 5.1. Owner's Easement of Enjoyment. Every Owner has a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Condominium Unit, subject to the provisions contained herein.

Section 5.2. Recorded Easements. The Property shall be subject to all easements as shown on any recorded Condominium Map affecting the Property and to any other easements of record or of use as of the date of recordation of this Declaration. In addition, the Property is subject to those easements set forth in this Article.

Section 5.3. Utility Easements. There is hereby created a general easement upon, across, over, in, and under the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including, but not limited to, gas, water, sewer, telephone, electrical, and cable communications systems. By virtue of this easement, it shall be expressly permissible and

proper for the companies providing such services to install and maintain necessary equipment, wires, circuits, and conduits under and over the Property. Such utilities may temporarily be installed above ground during construction, if approved by Declarant.

Section 5.4. Declarant's Rights Incident to Construction. Declarant expressly reserves the right to perform any work, repairs and construction work, and to store materials in secure areas, on the Common Elements and the future right to control such work and repairs, and the right to access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Owner or Mortgagee. 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 drainage facilities, underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Property. Declarant also reserves the right to maintain models, sales and management offices and signs advertising the Project.

Section 5.5. Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by grant or otherwise, utility and other easements, permits, or licenses over the Common Elements for purposes including, but not limited to, drives, paths, walkways, drainage, parking areas, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interests of all the Owners and the Association, in order to serve the Owners within the Property.

Section 5.6. Easement for Ingress and Egress. Declarant hereby grants as an appurtenance of each Condominium Unit a non-exclusive easement of ingress and egress across the Common Elements to each Condominium Unit to assure access from a public road, driveway or parking area to each Condominium Unit. The specific means of ingress and egress shall be subject to change as Declarant shall from time to time deem necessary so long as a reasonable means of access is always provided.

Section 5.7. General Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Executive Board or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, including the right to enter upon any Condominium Unit for purpose of performing maintenance to the Common Elements.

Section 5.8. Association as Attorney-in-Fact. Each Owner, by acceptance of a deed or other conveyance vesting in the Owner an interest in a Condominium Unit, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution in the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action

which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment. No Owner shall have any rights against the Association or Declarant or any of their officers or directors with respect thereto except in the case of fraud or gross negligence.

Section 5.9. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to the members of his family, his tenants, guests, licensees, and invitees, but only in accordance with and subject to the limitations of the Association Documents.

Section 5.10. Inseparability. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Condominium Unit and improvements thereon shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance respectively of the entire Condominium Unit, including each easement, license, and all other appurtenant rights created by this Declaration.

Section 5.11. Partition or Subdivision. No Owner, group of Owners or the Association shall bring any action for partition or division of any Unit, the Common Elements or Limited Common Elements (except that two adjoining Units may be combined into one larger Unit subject to Executive Board approval as provided herein).

Section 5.12. Rental. A Condominium Unit may be rented for residential purposes and a Condominium Unit may be used for permanent or long-term occupancy (meaning terms of no less than three (3) consecutive months) by its Owner, its family, servants, agents, guests, invitees, and tenants, and such Owner shall not be allowed to rent or arrange for rental of its Unit for any lesser length of time, unless such lesser short-term lease periods are approved by the Executive Board. Any short-term rentals must comply with the provisions of the City of Glenwood Springs Municipal Code then in effect.

Section 5.13. Restrictions on Use. No part or parcel of the Unit shall be used except by a single family equivalent group residing in an attached single-family dwelling and for purposes incidental or accessory thereto. Determination as to whether uses are incidental or accessory to attached single-family residential purposes shall be made by the Executive Board, but under no circumstances shall such incidental or accessory use be construed to permit the carrying on of any trade, business, profession or employment (other than a home occupation as may be permitted under applicable zoning codes), or use of the Condominium Unit for a boarding house. No accessory or caretaker units shall be permitted.

ARTICLE VI - MAINTENANCE

Section 6.1. Maintenance of Common Elements.

A. The Association shall maintain and keep the Common Elements in good repair, and the cost of such maintenance shall be funded as provided in that Article named Assessments. This maintenance shall include, but shall not be limited to upkeep, repair and replacement, subject to any insurance then in effect, of the roof, all landscaping, painting, trim work, entry areas, exterior common area doors, exterior common area windows, walls, gates, fences, signage, irrigation systems, drainage and detention facilities, driveways and improvements, if any, storage areas, laundry facilities, utility lines and mechanical systems, plumbing and electrical systems, snow removal on decks and sidewalks, the repair, maintenance and annual testing of all fire suppression systems and alarms, and any other improvements located in the Common Elements. In the event the Association does not maintain or repair the Common Elements, Declarant shall have the right, but not the obligation, to do so at the expense of the Association.

B. Upon a majority vote of all the Owners, any part of the exterior surfaces of the improvements on the Units may be maintained or repaired by an individual Unit Owner if such exterior surface benefits only that Unit Owner. For example, such maintenance may include caulking or replacement of a Unit's exterior windows appurtenant to only that Owner's Unit.

Section 6.2. **Limited Common Elements.** Each Owner shall be responsible for general and day-to-day upkeep, repair, maintenance and landscaping of any Limited Common Element which is appurtenant to that Owner's Unit or as depicted on the Condominium Map. Each Owner shall at his expense keep and maintain such Limited Common Element in a clean, orderly, and attractive condition at all times. Owners are responsible for the maintenance and repair of the exterior windows and doors appurtenant to their Units, subject to the architectural restrictions set forth in this Declaration. More extensive repairs and maintenance to Limited Common Elements that are not considered routine cleaning, upkeep and maintenance and which are not caused by the Owner's misuse or negligence may be paid for as an Association common expense if a majority of the Owners approves such an expenditure.

Section 6.3. **Expense Allocation.** Any expense associated with the maintenance, repair or replacement of a Common Element which is an appurtenance and common to all Condominium Units in the Project shall be assessed as a Common Expense. Any expense associated with the maintenance, repair or replacement of a Limited Common Element which is not appurtenant to all Condominium Units shall be assessed against the Condominium Unit to which the Limited Common Element is assigned except as stated in Section 6.2 above.

Section 6.4. **Allocation of Specified Common Elements.** The Executive Board may designate parts of the Common Elements from time to time for use by less than all of the Condominium Unit Owners or by nonowners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive

Board (for example, the use of a Common Area deck or porch by a single Unit owner for a wedding function, party, reception or other limited purpose). Any such designation by the Executive Board shall not be a sale or disposition of such portions of the Common Elements.

Section 6.5. Maintenance of Common Utility Facilities. The Association shall maintain and keep in good repair the water mains, sewer lines, service lines, facilities and utilities which serve the Condominium Units and are part of the Common Elements. The Association's obligations shall commence on such facilities at the point where public maintenance and repair ends; the Association's obligations shall terminate at the Condominium Unit boundary or where utility service to only one Condominium Unit commences. Each Owner shall be responsible for repair of the utilities, water service line and any other facilities which serve only that Owner's Condominium Unit or which lie within the boundaries of any Condominium Unit.

Section 6.6. Maintenance Contract. The Association or Executive Board may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association to maintain the Common Elements. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Executive Board. The Executive Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power, or function so delegated by written instrument executed by or on behalf of the Executive Board.

Section 6.7. Maintenance of Common Walls. In the event of damage to or destruction of any Common Wall from any cause, the Association shall repair or rebuild that Common Wall. The cost of maintaining any Common Wall shall be borne by the Association, except that maintenance, repairs, and decoration of the surface of such wall facing any Condominium Unit shall be the responsibility of the Owner of such Condominium Unit. If the negligence of any one Owner or any parties claiming under such Owner shall cause damage to or destruction of a Common Wall, such negligent Owner shall bear the entire cost of such repair or reconstruction.

Section 6.8. Owner's Failure to Maintain. If a Condominium Unit is not properly maintained by an Owner, then the Association, after ten (10) day's prior written notice to the Owner and with the approval of the Executive Board, shall have the right to enter upon the Condominium Unit to perform such work as is reasonably required to restore the Condominium Unit and other improvements thereon to a condition of good order and repair. All unreimbursed costs shall be a lien upon such Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with that Article named Assessments below.

ARTICLE VII - INSURANCE

Section 7.1. Insurance on Common Elements. The Association will maintain insurance covering all insurable improvements located or constructed on the Common Elements. The Association will maintain the following types of insurance, to the extent that such insurance is

reasonably available, as determined by the Executive Board, considering the availability, cost and risk coverage provided by such insurance, and the cost of the coverage will be paid by the Association as a Common Expense. Notwithstanding any of the specific insurance requirements specified in this Article, the Association may also consider, in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any of FNMA, GNMA, FHLMC, HUD, VA, CHFA or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by any of such entities with respect to their insurance, guaranty, or purchase of First Mortgages.

A. A policy of property insurance covering all insurable improvements located on the Common Elements, except for land, foundation, excavation and other matters normally excluded from coverage, in an amount not less than the full insurable replacement cost of the improvements on the Common Elements.

B. A comprehensive policy of public liability insurance covering all of the Common Elements, insuring the Association in an amount not less than \$1,000,000.00 covering bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence. Such coverage will include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association.

C. In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it will deem appropriate, to the extent that such coverage is reasonably available as determined by the Executive Board, including but not limited to personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association.

Section 7.2. General Provisions of Insurance Policies. All policies of insurance carried by the Association will be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner will be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies will contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each First Mortgagee, insurer or guarantor of a First Mortgage. The Association will furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premiums payment and a certificate identifying the interest of the Owner in question, to any party in interest, including First Mortgagees, upon request. Any such Owner's policy will also contain waivers of subrogation. All policies will contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not acting under directions from the Association.

Section 7.3. **Association Insurance as Primary Coverage.** If at the time of any loss under any policy which his in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, the Association insurance policy will be primary insurance not contributing with any of such other insurance. An Owner will be liable to the Association for the amount of any reduction in insurance proceeds paid to the Association caused by such Owner's policies of insurance, and the Association may collect the amount from the Owner in the same manner as any periodic assessment. Any such Owner's policy will contain waivers of subrogation.

Section 7.4. **Insurance to be Maintained by Owners.** Each Owner may obtain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering the Owner's Condominium Unit and improvements, personal property and personal liability. No Owner will obtain separate insurance policies on the Common Elements.

The Executive Board may require an Owner who purchases insurance coverage for the Owner's Condominium Unit (other than coverage for the Owner's personal property) to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

ARTICLE VIII - ASSESSMENTS

Section 8.1. **Obligation.** Owners, by accepting a deed for a Condominium Unit, are deemed to covenant to pay to the Association (1) the Periodic Assessments imposed by the Executive Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements and to perform the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration, if permitted by law; and (3) Default Assessments which may be assessed against a Condominium Unit for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

Section 8.2. **Purpose of Assessments.** The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of the Property and for the improvement and maintenance of the Common Elements all as more fully set forth in this Declaration and on the Condominium Map.

Section 8.3. **Budget.** The Executive Board shall adopt a budget with Assessments sufficient to pay all Common Expenses and adequate reserves on an annual basis before the commencement of each calendar year.

Section 8.4. **Reserves.** The Association or Declarant shall require each buyer of a Condominium Unit to make a non-refundable payment to the Association in an amount equal to one-fourth (1/4) of the current annual Assessments, which sum shall be held, without interest, by the Association as a reserve fund. The Reserve Fund shall be collected and transferred to the

Association at the time of closing of the sale of each Condominium Unit, as aforesaid, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of a Condominium Unit, an Owner shall not be entitled to a credit from the transferee for any unused portion of the Reserve Fund maintained by the Association. The obligation to make the required reserve payment may be allocated by the purchaser and seller of the Unit pursuant to the contract for sale.

Section 8.5. Periodic Assessments. Periodic Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Executive Board shall from time to time determine to be paid by all of the Owners, subject to that Section named Budget above.

Periodic Assessments shall be payable monthly in advance and shall be due on the first day of each month, or such other periods as the Executive Board may determine. The omission or failure of the Association to fix the periodic Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Periodic Assessments in excess of the actual expenses incurred in any fiscal year.

Section 8.6. Apportionment of Periodic Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, not including Limited Common Elements, which shall be divided among those Condominium Units in proportion to each Condominium Unit's total square footage, so that each Owner bears a proportionate share based upon square footage of the Assessments, subject to the provisions of this Declaration. The Owners' proportionate shares are set forth on the Exhibit attached hereto. Any extraordinary maintenance, repair or restoration work on fewer than all of the Condominium Units may be allocated by the Executive Board in its reasonable discretion, to the Owners of those affected Condominium Units only. Any extraordinary insurance costs incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Any Common Expense caused by the misconduct of any Owner shall be assessed solely against such Owner's Condominium Unit.

Section 8.7. Supplementary Assessments. In the event the Executive Board shall determine, at any time or from time to time, that the amount of the annual assessments is not adequate to pay for the costs and expenses of fulfilling the Association's obligations hereunder, one or more supplementary assessments may be made for the purpose of providing the additional funds required. To determine the amount required to be raised by each supplementary assessment, the Executive Board shall revise the budget, a summary of which shall be furnished to each Owner and shall set a date for a meeting of the Condominium Unit Owners. Upon request, the Executive Board will deliver a summary of the revised budget to any Mortgagee. Based on such revised budget, the Executive Board may make a supplementary assessment for such fiscal year against each Condominium Unit.

Section 8.8. Special Assessments. In addition to the Periodic Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners as provided in this Article, subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Condominium Units may be allocated to the Owners of those affected Condominium Units only as set forth above; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given.

Section 8.9. Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Condominium Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least 30 days prior to the due date.

Section 8.10. Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to any Periodic, Special, or Default Assessment, which is not paid within thirty (30) days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

- A. Assess a late charge for each delinquency in such amount as the Association deems appropriate;
- B. Assess an interest charge from the date of delinquency at the yearly rate of two points above the prime rate charged by the Association's bank, or such other rate as the Executive Board may establish, not to exceed twenty-one percent (21%) per annum;
- C. Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;
- D. Disconnect any utility services to the Condominium Unit which are paid as a Common Expense;

E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and

F. File a statement of lien with respect to the Condominium Unit and proceed with foreclosure as set forth below.

Assessments chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit, including any improvements on the Condominium Unit. To evidence the lien created under this Section, the Association may, but is not required to, prepare a written notice setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Condominium Unit, and (v) a description of the Condominium Unit. The notice shall be signed and acknowledged by the President or a Vice-President of the Association or by the Manager, and the Association shall serve the notice upon the Owner by mail to the address of the Condominium Unit or to such other address as the Association may have in its files for such Owner. At least ten (10) days after the Association mails the Owner such a notice, the Association may record the same in the office of the Clerk and Recorder of Garfield County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. Thirty (30) days following the date the Association mails the notice, the Association may institute foreclosure proceedings against the defaulting Owner's Condominium Unit in the manner for foreclosing a mortgage on real property under Colorado law. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 8.11. Personal Obligation. The amount of any Assessment chargeable against any Condominium Unit shall be a personal and individual debt of the Owner of same. No Owner may exempt himself from liability for the Assessment by abandonment of his Condominium Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest, thereon, the cost and expenses of such proceedings, and all reasonable attorney's fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 8.12. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Condominium Unit, except as provided in the Section named Subordination of Lien below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorney's fees against such Condominium Unit without prejudice to such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Condominium Unit.

In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Association as set forth below.

Section 8.13. Subordination of Lien. The lien of the Assessments provided for in this Declaration shall be subordinate to (a) the lien of real estate taxes and special governmental assessments, (b) liens and encumbrances recorded prior to the recordation of the Declaration, and (c) liens for all sums unpaid for a first mortgage of record, recorded before the date on which the assessment sought to be enforced became delinquent except to the extent that any portion of the Association's lien shall be afforded "super-priority" status pursuant to the Act. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Colorado. Seller's transfer of any Condominium Unit shall not affect the Association's lien except that sale or transfer of any Condominium Unit pursuant to foreclosure of any first mortgage, or any proceeding in lieu thereof, or cancellation or forfeiture shall only extinguish the Association's liens. The amount of such extinguished lien may be reallocated and assessed to all Condominium Units as a Common Expense at the direction of the Executive Board. No sale or transfer shall relieve the purchaser or transferee of a Condominium Unit from liability for, or the Condominium Unit from the lien of, any Assessments made after the sale or transfer.

Section 8.14. Notice to Mortgagee. The Association may report to any Mortgagee any unpaid Assessments remaining unpaid for longer than sixty (60) days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the Mortgage and a request for notice of unpaid Assessments. Any Mortgagee holding a lien on a Condominium Unit may pay any unpaid Assessment payable with respect to such Condominium Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Condominium Unit for the amounts paid with the same priority as the lien of the Mortgage.

Section 8.15. Statement of Status of Assessment Payment. The Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a statement setting forth the amount of unpaid assessments currently levied against such Owner's Condominium Unit. If no statement is furnished to the Owner or holder of a security interest or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, the Association shall have no right to assert a priority lien upon the Condominium Unit for unpaid assessments which were due as of the date of the request.

ARTICLE IX - ARCHITECTURAL REVIEW

Section 9.1. **Approval Required.** No alteration or addition to the Common Elements or Limited Common Elements of any kind (including, without limitation, change in color texture, street number, signage, doors or windows within or exterior to a Unit) shall be commenced, erected, or maintained upon the Property, nor shall any exterior painting addition, change, or alteration to any part of the Property be made until satisfactory and complete plans and specifications showing the design, nature, kind, shape, height, materials and location of the same shall have been approved in writing as to harmony of external design and location in relation to surrounding structures, the design and historic appearance of the Property, topography, and natural surroundings by the Executive Board; provided, that improvements and alterations which are completely within a Condominium Unit and which do not involve the destruction, alteration or relocation of any walls (whether Common Walls, structural walls or not) or the removal or relocation of any historic elements of a Condominium Unit (e.g., fireplaces, mantels, ceiling tiles, doors, windows, and trim) may be undertaken without such approval. It is the intent of this provision to allow for Condominium Unit Owners to decorate, paint and wallpaper their Units, replace flooring materials, cabinets, appliances and bathroom, kitchen and plumbing fixtures without approval from the Executive Board, but to require approval for any material alteration to the historic structural, architectural, and artistic elements of the building (e.g., walls, partitions, fireplaces, mantels, ceiling tiles, doors, windows, and trim). The Owners acknowledge and agree that the building is unique in character and appearance and that the maintenance of the common historical and architectural theme of the building and the individual Units is a material part of the building's value and overall character. Accordingly, the Owners agree that the restriction on alterations set forth herein is reasonable. The Approval by the Executive Board is in addition to and not in lieu of the City of Glenwood Springs Municipal Code and other applicable code requirements.

Section 9.2. **Committee.** Declarant and the Executive Board may assign in writing said power of architectural review to an Architectural Committee. If so assigned, the Committee (or otherwise the Executive Board or Declarant) shall review, study and approve or reject proposed improvements upon the Property subject to these covenants and restrictions and as further set forth in the rules and regulations of the Executive Board, adopted as provided below. The Committee shall attempt to ensure that no improvements impair the aesthetic and monetary values of the Property. The Committee shall consider the suitability of improvements and construction materials; the quality of materials utilized in any proposed improvement; the effect of any improvements on neighboring property and Units; the location, character and method of utilization of all utility lines; the impact of any proposed improvement upon the natural surroundings; the timely and orderly completion of all such improvements.

Section 9.3. **Rules.** The Executive Board may make such written rules and regulations as it deems appropriate to govern its proceedings and the operation and maintenance of the Property.

ARTICLE X - DAMAGE OR DESTRUCTION

Section 10.1 **Damage to Common Elements.** In the event of damage or destruction to all or a portion of the Common Elements due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, will be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such Common Elements damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Common Elements, the Association will levy a special assessment in the aggregate amount of such insufficiency pursuant to that Article named Assessments and will proceed to make such repairs or reconstruction, unless the Owners and First Mortgagees agree not to repair and reconstruct such damage. No distributions of insurance proceeds will be made unless made jointly payable to the Owners and the First Mortgagees, if any, of their respective Condominium Units. The special assessment provided for herein will be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected in the same manner as any assessment lien provided for in the Declaration.

Section 10.2 **Repair and Replacement.** Any portion of the Project for which insurance is required which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- A. The Project is terminated;
- B. Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- C. Eighty percent of the Condominium Unit Owners, including every Owner of a Condominium Unit or assigned limited Common Elements that will not be rebuilt, vote not to rebuild; or
- D. Prior to the conveyance of any Condominium Unit to a person other than Declarant, the holder of a deed of trust or Mortgage on the damaged portion of the Project rightfully demands all or a substantial party of the insurance proceeds.

ARTICLE XI- CONDEMNATION

Section 11.1. **Rights of Owners.** Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed in lieu of a taking under threat of condemnation by the Executive Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 11.2. **Partial Condemnation, Distribution of Award; Reconstruction.** The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Elements was conveyed, and the award shall be disbursed as follows:

If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least two-thirds (2/3) of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Executive Board and the Architectural Review Committee. If such improvements are to be repaired or restored, the provisions in that Article named Damage or Destruction above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Condominium Unit among the Owners, first to the Mortgagees, if any, and then to the Owners, as their interests appear.

Section 11.3. **Complete Condemnation.** If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in that Section named Disbursement of Funds for Repair and Reconstruction above.

ARTICLE XII- MORTGAGEE'S RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgagee on Condominium Units. To the extent applicable, necessary, or proper, the provisions of this Article apply to this Declaration and also to the Articles and Bylaws of the Association.

Section 12.1. **Approval Requirements.** Unless at least two-thirds (2/3) of the Mortgagees holding First Mortgages against any portion of the Property (based on one vote for each Mortgage owned), and at least two-thirds (2/3) of the Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, sell, or transfer all or part of the Common Elements (provided, however 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);

B. Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner.

Section 12.2. **Right to Pay Taxes and Charges.** Mortgagees who hold First Mortgages against Condominium Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XIII- DURATION OF COVENANTS AND AMENDMENT

Section 13.1. **Term.** The covenants and restrictions of this Declaration shall run with and bind the land until twenty (20) years after the date hereof, after which time they shall be automatically extended for successive periods of time of ten (10) years each, subject to the following provisions.

Section 13.2. **Amendment.** This Declaration, or any provision of it, may be amended at any time by an instrument signed by the Owners of not less than two-thirds of the Units and also signed by Declarant (during the period of Declarant's control as further described in that Section named Period of Declarant's Control above). Any amendment must be executed by the President of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association.

Section 13.3. **When Modifications Permitted.** Notwithstanding the provisions of that Section named Amendment above or that Section named Revocation below, no termination, extension, modification, or amendment of this Declaration made prior to the termination of Declarant's control shall be effective unless the prior written approval of Declarant is first obtained.

Section 13.4. **Revocation.** This Declaration shall not be revoked, except as provided in that Article named Condemnation regarding total condemnation, without the consent of all of the Owners evidenced by a written instrument duly recorded.

ARTICLE XIV - PROTECTIVE COVENANTS

Section 14.1. **Improvements Prohibited.** No used or second-hand structure, no building of a temporary character, no mobile home, house trailer, tent, shack, or outbuilding shall be placed or used on the Common Elements, either temporarily or permanently; except those items which are necessary for construction may be used during the period extending no later than (i) eighteen (18) months after commencement of construction or (ii) the date of substantial completion of said improvement, whichever is earlier. The placement, appearance and maintenance of such temporary structures may be subject to reasonable rules of the Executive Board governing such matters.

Section 14.2. **Trash.** No trash, ashes or other refuse or debris may be thrown or dumped on the Property. The burning of refuse out-of-doors shall not be permitted. No incinerators or other

device for the burning of refuse indoors shall be constructed, installed or used. Waste materials, garbage and trash shall be kept in sanitary containers, protected from disturbance, and disposed of with reasonable promptness. All trash containers shall be bear-proof in compliance with the Glenwood Springs Municipal Code.

Section 14.3. Noxious or Offensive Activity. No noxious or offensive activity shall be conducted on or in any Condominium Unit, nor shall anything be done or placed on or in any Condominium Unit or the Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No lights shall be emitted from any Condominium Unit which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Condominium Unit which is unreasonably loud or annoying; and no odor shall be emitted from any Condominium Unit which is noxious or unreasonably offensive to other Owners.

Section 14.5. Restriction on Timesharing. No Owner of any Condominium Unit shall offer or sell any interest in such Condominium Unit under a "timesharing", "fractional ownership", or "interval ownership" plan, or any similar plan without the specific prior written approval of the Association and Declarant (during the period of Declarant's control as further described in that Section named Period of Declarant's Control). For purposes of this section, the ownership of a Unit by a corporation, limited liability company, trust or other entity shall not be deemed a violation of this provision, provided that such entity form of ownership is not being used as a means of avoiding or circumventing the above restriction against timeshare, fractional or interval ownership or any other restrictions (e.g., short-term rentals) as stated in this Declaration.

Section 14.6. Condominium Unit Number. Each dwelling shall have a Condominium Unit number with a design and at a location established by the Executive Board.

Section 14.7. Vehicles and Miscellaneous Equipment. No automobile, truck, pickup, camper, motorbike or motorcycle, trail bike, trailer, mobile home, recreation vehicle, tractor, boat, snowmobile, or any other vehicle of any type, except bicycles (in any case, "vehicles") or maintenance equipment shall be parked, stored or operated upon the Property. All vehicle parking is on-street parking only and not in any alleyway or any portion of the Common Elements. Each Condominium Unit may be assigned a storage unit in the structure identified as "Storage" on the Map to be used by the Unit Owner for storage of the Owner's property. Such storage units are Limited Common Elements, and the Owners are required to maintain their allocated storage units in a clean and orderly condition. No hazardous waste or chemicals may be stored in any Common Element or Limited Common Element storage area. Some Units may have alternate storage adjacent to the Unit, and such Units may not be allocated a storage unit in the storage shed as determined by the Executive Board.

Section 14.8. Signs. No signs, billboards, poster boards, or advertising structure of any kind, including, but not limited to "For Sale", "For Rent", or similar real estate signs, shall be erected or maintained for any purpose whatsoever except such signs as have been approved by the Executive Board pursuant to its regulations.

Section 14.9. **Pets.** Pets may not be kept on the Property. No wild animal, reptile, or bird may be trapped, transported, kept or maintained anywhere upon the Property. Breeding of any animals on the Property is specifically prohibited. The Board may grant waivers to the No Pet policy provided that the Owners of Units are not disturbed or inconvenienced by the pet on the Property and the Owner requesting the waiver signs an agreement with the Association accepting the Board's rules and regulations regarding the waiver.

Section 14.10. **Trade Names.** No word, name, symbol or combination thereof shall be used to identify for commercial purposes any structure, business, or service located on or conducted in connection with a Condominium Unit or the Property, unless the same shall have been first approved in writing by the Executive Board.

Section 14.11. **Maintenance of Property.** Every Condominium Unit and its appurtenant Limited Common Elements shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition and in good repair; and no lumber, grass, shrub, or tree clippings or plant waste, metals, bulk materials, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Unit. Each Unit Owner will take reasonable steps to prevent any waste of heat or water by maintaining the Unit in a weather-tight condition, e.g., keeping windows and doors closed in cold weather, installing weather stripping, and promptly repairing leaky plumbing fixtures.

Section 14.12. **No Mining, Drilling or Quarrying.** Mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock and earth, shall not be permitted.

Section 14.13. **No Smoking Allowed.** The Property and all Units are hereby designated as Non-Smoking. No smoking of any kind, including, but not limited to cigarettes, cigars, or pipes, is permitted anywhere upon the Property, in any Units or on any portion of the Common Elements or Limited Common Elements.

Section 14.14 **No Further Subdivision.** The partition, division, subdivision or further condominiumization of any Condominium Unit is hereby prohibited. The consolidation of two or more Units into one larger Unit may be permitted subject to review and approval by the Executive Board and compliance with all applicable governmental codes and regulations. In the event of any consolidation of Units, the Unit Owner proposing such consolidation will be liable for all costs of the Association in reviewing such proposal, including any architectural, engineering or legal fees, and all costs incurred in connection with the amendment of the Condominium Map and this Declaration to reflect such consolidation.

Section 14.15 **Maximum Occupancy of Units.** The maximum number of occupants per Unit is restricted as set forth on Exhibit B attached hereto and by the provisions of Section 404 of the International Property Maintenance Code ("IPMC"), as currently in effect and as it may be amended in the future, and as adopted by the City of Glenwood Springs, whichever is more

restrictive. Unit Owners are advised of the maximum occupancy limitations set forth in Exhibit B and Section 404 of the IPMC, and by taking title to a Unit hereby agree to comply with such limitations. The Executive Board shall have the power to enforce the limitations set forth on Exhibit B in addition to any enforcement powers that may be exercised by the City of Glenwood Springs.

ARTICLE XV - GENERAL PROVISIONS

Section 15.1. Enforcement and Dispute Resolution. Except as otherwise provided in this Declaration, the Executive Board, Declarant, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Executive Board of the Association, Declarant, or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Additionally, any such violation shall give the Declarant or the Executive Board the right, in addition to any other rights set forth therein, (a) to enter the Condominium Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein in violation of the Declaration or rules adopted by the Executive Board or Manager without being deemed guilty in any manner of trespass or any other civil or legal violation; and (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach, with each Owner or other person constructing improvements upon the Property hereby waiving the posting of a bond upon entry of such injunction. All reasonable attorney's fees and costs incurred by the Declarant or the Association in a suit to enforce the terms hereof shall, if said Declarant or the Association prevails in such action, be recoverable from the losing party.

In the event of any dispute between the Owners that cannot be resolved by good faith negotiations, the Owners agree to first mediate the dispute with an impartial third party mediator agreed to between the Owners. If mediation is not successful, the Owners will then submit the matter to arbitration under the provisions of the Colorado Uniform Arbitration Act as then in force.

Section 15.2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 15.3. Rule Against Perpetuities. Notwithstanding anything in this Declaration to the contrary, the creation of any interest under this Declaration shall vest, if at all, within the period of time measured by the life of the survivor of the now living children of Prince of Wales, plus 21 years.

Section 15.4. Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

**EXHIBIT A
ALLOCATED INTERESTS**

The Allocated Interests in the Condominium Units and the Property for purposes of establishing the pro rata share of an Owner's assessments and expenses is set forth below:

UNIT NUMBER:	UNIT AREA:	P E R C E N T A G E ALLOCATED INTEREST:
Unit G1:	326 SF	6.99%
Unit G2:	491SF	10.53%
Unit G3:	292SF	6.26%
Unit 1:	380SF	8.14%
Unit 2:	482SF	10.33%
Unit 3:	471SF	10.09%
Unit 4:	575SF	12.32%
Unit 5:	449SF	9.62%
Unit 6:	293SF	6.28%
Unit 7:	358SF	7.67%
Unit 8:	549SF	11.77%