

01/27/83  
2992A - 0003

BYLAWS  
OF  
HIGH TIMBER TOWNHOMES ASSOCIATION, INC.

The name of the corporation shall be the High Timber Townhomes Association, Inc. (the "Association").

ARTICLE I  
OBJECT

1. The purpose for which the Association is formed is to govern the Townhome Project situate in the County of Summit, State of Colorado, described in the Townhome Declaration for High Timber Townhomes.

2. All present or future owners, tenants, future tenants or any other person that might use the facilities of the Project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition of any of the Townhome Lots or the rental of a Unit in the Townhome Project or the mere act of occupancy of any of said Units will signify that these Bylaws are accepted, ratified and will be complied with.

3. The following terms when used in these Bylaws shall have the meanings ascribed to them in Article I of the Townhome Declaration for the High Timber Townhomes: "Declarant", "Lot", "Unit", "Property", "Owner", "Common Elements", and "Association".

ARTICLE II  
MEMBERSHIP, VOTING,  
MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Any person on becoming an Owner of a Townhome Lot shall automatically become a member of the Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Townhome Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board of Managers of the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

2. Voting. The Owner or Owners of each Townhome Lot shall be entitled to one vote for each Lot owned. Except as otherwise specifically provided, an affirmative vote of the members representing a majority of the total votes present, either in person or by proxy, shall be required to transact business or to adopt decisions binding on all unit owners.

3. Quorum. A quorum shall be constituted by members present in person or by proxy representing at least 50 percent of all votes.

4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

### ARTICLE III ADMINISTRATION

1. Association Responsibilities. The Owners will constitute the Association, who will have the responsibility of administering the Project through a Board of Managers or Managing Agent.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Managers may determine.

3. Annual Meetings. The first annual meeting of the Association, at which time the members of the Board of Managers shall be elected, shall be held within ninety days after the closing of the purchase and sale of six (6) of the Lots. Thereafter, the annual meetings of the Association shall be held in the month of January on a day and at a time designated by the Board of Managers of each succeeding year.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Managers or upon presentation to the Secretary of a petition signed by Owners representing at least 25 percent of all votes. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice by registered mail shall be considered notice served.

6. Performance of Functions by Declarant. Until six (6) Lots within the Project in the Townhomes have been sold, or until January 1, 1986, whichever is earlier, the rights, duties and functions of the Board of Managers shall, at the Declarant's option, be exercised by a Board of Managers consisting of three individuals appointed by Declarant who need not be Owners of Townhome Lots.

### ARTICLE IV BOARD OF MANAGERS

1. Number and Qualification. Until the first meeting of the Association, the affairs of this Association shall be governed by the Declarant. At the first meeting of the Association, there shall be elected to the Board of Managers three (3) Owners of Townhome Lots and thereafter the Board of Managers shall consist of three persons.

2. Election of Board Members. The respective candidates for the Office of Manager shall be elected by members who own Lots. A majority of the eligible votes cast, either in person or by proxy, shall determine an election of a Manager.

3. Powers and Duties. The Board of Managers shall have the power and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class Townhome Project.

4. Other Powers and Duties. Without limitation, the Board of Managers shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Townhome Declaration, and supplements thereto.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the Townhome Project with the right to amend same from time to time. The Lot Owners may, either at any annual meeting or at a special meeting called for such purpose, amend the house rules and may adopt new house rules. House rules amended or adopted by the Owners may only be changed by the Owners. A copy of all such house rules shall be delivered or mailed to each member promptly upon adoption thereof.

(c) To at all times keep the Townhome Common Elements in good order, condition and repair.

(d) To insure and keep insured all of the insurable Common Elements of the properties (and also all fixtures; interior walls and partitions; decorated and finished surface of perimeter walls, floors and ceilings; doors; windows and other elements or materials comprising a part of the Townhome Units) in an amount equal to the replacement value as is provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering claims for personal injury and property damage arising out of a single occurrence in the amount of \$1,000,000.00. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the Owners and their first mortgagees.

(e) To fix, determine, levy and collect the monthly or quarterly pro-rated assessments to be paid by each of the Owners towards the Common Expenses of the entire premises and Townhome Project and to adjust, decrease or increase the amount of the monthly assessments based on current needs and past operating history. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To maintain a working capital account which shall be treated as an escrow account for each individual Owner.

(g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws.

(h) To protect and defend the entire premises from loss and damage by suit or otherwise.

(i) To borrow funds for any purpose in connection with their duties and to execute all such instruments evidencing such indebtedness as is expressly authorized, including mortgages and other security agreements.

(j) To incur such costs and expenses, to designate and remove personnel and to enter into contracts as may be necessary to keep in good order, condition and repair all of the Common Elements and items of common personal property; provided, however, that there shall be no alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of \$5,000.00 without the prior approval of the Owners owning six of the ten Lots. Any alteration, addition, or improvement to the Common Elements shall not change the percentage ownership, voting power or Common Expense obligation of any Owner.

(k) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners, and their mortgagees.

(m) To meet at least quarterly.

(n) Through a Managing Agent to designate the personnel necessary for the maintenance and operation of the Common Elements and the operation of the Lots.

(o) To control and manage the use of the parking areas.

(p) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable for operation of the Townhome Project.

5. No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Townhome Declaration, the Bylaws or the regulations and house rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Managers or the Managing Agent shall have the right to enforce the same thereafter.

6. Managing Agent. The Board of Managers may employ for the Association a Managing Agent at a compensation established by the Board to perform the duties listed in paragraph 4 of this Article IV; provided, however, that any agreement for professional management of the project may not exceed three years and shall provide for termination by either party without cause and without payment of a termination fee on ninety days or less written notice; however, the board when so delegating shall not be relieved of its responsibility under the Declaration.

7. Election and Term of Office. At the first annual meeting of the Association the term of office of one Manager shall be fixed for one year; the term of office for two Managers shall be fixed for two years. At the expiration of the initial term of office for each respective Manager, his successor shall be elected to serve a term of two years. The Managers shall hold office until their qualified successors have been elected and hold their first meeting.

8. Vacancies. Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association. Each vacancy shall be filled consistent with the qualifications set forth in paragraph 1 of this Article IV.

9. Removal of Managers. At any regular or special meeting of the Association duly called, any one or more of the Managers may be removed with or without cause by a majority in ownership interest of the Owners, and, consistent with the qualifications set forth in paragraph 1 of this Article IV, a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

10. Organization Meeting of Managers. The Board of Managers shall hold an organization meeting within ten days after the annual meeting of the Association at such place as shall be fixed by the Board of Managers at said annual meeting, and no notice shall be necessary to the incumbent or the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

11. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but such meetings shall be held at least quarterly during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least seven days prior to the day named for such meeting.

12. Special Meetings. Special meetings of the Board of Managers may be called by the President on five days' notice to each Manager, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Managers.

13. Waiver of Notice. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

14. Board of Managers' Quorum. At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers.

15. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

#### ARTICLE V FISCAL MANAGEMENT

Any Owner, or mortgagee, of a Townhome Lot may inspect the records of receipts and expenditures of the Board of Managers during weekday business hours at a location to be set forth by the Board of Managers, and, upon ten days written notice to the Managing Agent or Board of Managers and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

#### ARTICLE VI COMMITTEES

The Board of Managers may appoint the following committees: Executive Committee, Nominations Committee, Maintenance Committee, Audit Committee, and such other committees as in the judgment of the Board of Managers are necessary.

#### ARTICLE VII OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers, and such assistant officer positions as the Board of Managers may, from time to time, direct be filled. Assistant officers need not be Board members. The Office of Assistant Secretary need not be a member of the Association or a Board member.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees, except as is otherwise provided in these Bylaws, from among the Owners from time to time as he may in his discretion decide is appropriate.

5. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties.

6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the Office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the Lot owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall cause to be furnished to him monthly a copy of the receipts and disbursements in proper accounting form. The Treasurer may delegate the responsibility for the deposit of all monies and all valuable effects to the Managing Agent, and the Treasurer, from time to time, shall review such deposits.

ARTICLE VIII  
INDEMNIFICATION OF  
OFFICERS, MANAGERS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify each Manager, officer, Managing Agent, their respective successors, personal representatives and heirs, against all losses, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of being or having been a Manager, officer or Managing Agent of the Association, except as to matters as to which such person(s) shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Manager, officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Manager, officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense.

ARTICLE IX  
OBLIGATION OF THE OWNERS

1. Assessments. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet all of the expenses incurred by this Association. An Owner shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of Owners, within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the Townhome Lot owned by him.

2. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon his Townhome Lot, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his Townhome Lot, and such notice shall be given within five days after the Owner has knowledge thereof.

3. Maintenance and Repair.

(a) Every Owner shall be obligated for the expense of all maintenance and repair work within his own Unit, which, if omitted, would affect the habitability of the Unit. The Managing Agent shall cause the necessary work to be accomplished in order to maintain the Unit in a first class condition.

(b) All maintenance and repairs of internal installations within the Unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures including furniture and other items of personal property, shall be at the Lot Owner's expense.

(c) An Owner shall be obligated to reimburse the Association or Lot Owner promptly upon receipt of a statement for any expenditures incurred by the Association or other Lot Owner or both in repairing, replacing or restoring any Common Element or the interior or any part of a Unit damaged as a result of his negligence or the negligence of his tenants or agents.

4. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's lien filed against other Townhome Lots and the appurtenant Common Elements for labor, materials, services or other products incorporated in the Owner's Unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, the Board of Managers may require such Owner to deposit with the Association cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year together with the sum of One Hundred Fifty Dollars, which latter sum may be used by the Association for any losses, costs and expenses incurred, including attorneys' fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment of settlement. Any deficiency shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a lien against his Townhome Lot which may be foreclosed as is provided in the Declaration. All costs, losses and expenses incurred by the Association shall be forthwith reimbursed to it by such Owner(s).

5. General.

(a) Each Owner shall comply strictly with the provisions of all legal and other documents affecting his Lot and the Common Elements, including these Bylaws.

(b) Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Townhome Project was built.

6. Use of Lots - Internal Changes. All Lots shall be utilized only for residential purposes by the Owner, invitees and Tenants.

7. Use of Common Elements. Each Owner may use the Common Elements of the completed Townhome Project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

8. Right of Entry.

(a) An Owner shall grant the right of entry to the Managing Agent or to any person authorized by the Board of Managers in case of an emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

(b) An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that request for entry is made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

9. Other liens prohibited. No liens other than mechanic's liens, assessment liens and tax liens may attach to any of the common elements. An owner shall take no action which would or may result in the creation of any lien other than a mechanic's lien, assessment lien or tax lien against another unit or the common elements then existing in which the Lot owner has a percentage ownership.

ARTICLE X  
RECREATIONAL FACILITIES

The Association has the right in the future to acquire and establish recreational facilities and may adopt rules and regulations regarding the use and operation thereof, and establish reasonable charges for the use thereof in the future, but shall have no affirmative obligation to do so.

(k) Implied Rights: The Association shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

(l) Arbitration: In the event of any dispute concerning a party wall, or under the provisions of this Article, the Association, acting through its Board of Managers, shall arbitrate such dispute. Three members of the Association appointed by the President of the Association, none of whom shall be a party to the dispute, shall act as a Board of Arbitration and the decision shall be by a majority vote of the Board of Arbitration after an arbitration hearing. No legal action with respect to a party wall dispute shall be commenced or maintained unless and until the provisions of this arbitration clause have been met. The appointment of arbitrators hereunder shall be made within twenty (20) days after notice by one party to the other party and to the President of the Association that a dispute exists, which notice shall not be given after any applicable statute of limitations concerning such dispute shall have expired.

#### 10. Insurance.

(a) The Board of Managers shall obtain and maintain at all times, to the extent obtainable, policies involving standard premium rates and written with companies licensed to do business in Colorado and having a Best's Insurance Report rating of Class VI or better, covering the risks set forth below. The Board of Managers of the Association shall not obtain any policy where: (i) under the terms of the insurance company's charter, bylaws or policy, contributions or assessments may be made against the Mortgagor or Mortgagee's designee; or (ii) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the company's Board of Directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent Mortgagees or the Mortgagor from collecting insurance proceeds. The types of coverages to be obtained and risks to be covered are as follows, to-wit:

(1) Fire insurance with extended coverage and standard all risk endorsements, which endorsements shall include endorsements for vandalism and malicious mischief. Said casualty insurance shall insure the entire Project, and any property, the nature of which is a Common Element (including all of the Units and fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by Owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory mortgage clause in favor of each Mortgagee of a Lot, which shall provide that the loss, if any, thereunder, shall be payable to the Association for the use and benefit of Mortgagees as their interests may appear. Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions of this insurance paragraph, the Board of Managers or Managing Agent shall obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the entire property, without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a

co-insurance clause for less than one hundred percent (100%) of the full replacement. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost, and each first Mortgagee, if requested, shall be furnished with a copy thereof, within thirty (30) days after receipt of such written appraisals. Such amounts of insurance shall be contemporized annually in accordance with their currently determined maximum replacement value.

(2) If any part of the improvements on the Property are located in an area ever identified by the Secretary of Housing and Urban Development as an area having special flood hazard and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy flood insurance on the applicable portion of the Property in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the Mortgages on the Lots within the designated area.

(3) Public liability and property damage insurance in such limits as the Board of Managers of the Association may from time to time determine, but not in an amount less than \$500,000.00 per injury, per person, per occurrence, and umbrella liability limits of \$1,000,000.00 per occurrence, covering 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 use of the project. Said policy shall also contain a "severability of interest" endorsement.

(4) Workman's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(5) The Association shall purchase adequate fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery in an amount, at least equal to one hundred fifty percent (150%) of the Association's annual operating expenses. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(6) The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including plates or other glass insurance and any personal property of the Association located thereon.

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Lot Owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days prior written notice to all of the insureds, including Mortgagees. If requested in writing by one or more of the Mortgagees, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all Mortgagees at least ten (10) days prior to expiration of the then current policies. The insurance shall be carried in blanket form naming the Association as

the insured, as attorney-in-fact for all of the Lot Owners, which policy or policies shall identify the interest of each Lot Owner (Owner's name and Lot number designation) and first Mortgagee. Further, the Association shall require the insurance company or companies providing the insurance coverages described herein to provide each Owner and Mortgagee a Certificate of Insurance in regard to such Owner's individual Lot.

(c) Lot Owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Lot Owner.

(d) Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of personalty or other property belonging to an Owner and public liability coverage with each Lot shall be the sole and direct responsibility of the Lot Owner thereof, and the Board of Managers, the Association and the Managing Agent shall have no responsibility therefor.

(e) In the event that there shall be any damage or destruction to, or loss of or taking of a Lot which exceeds \$1,000.00 or any damage or destruction to, or loss to or taking of the Common Elements which exceeds \$10,000.00, then notice of such damage or loss or taking shall be given by the Association to each first Mortgagee of said Lot within ten (10) days after the occurrence of such event and the cost of repair is determined.

11. Compliance with Provisions of Declaration, Articles of Incorporation, and Bylaws of the Association. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and the decisions, rules and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Managing Agent or Board of Managers in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

12. Assessment for Common Expenses. All Owners shall be obligated to pay the estimated assessments imposed by the Board of Managers of the Association to meet the Common Expenses. Each Lot is responsible for an equal share of the Common Expenses. However, to the extent an Owner's use of a Lot or the utility lines serving his Unit disproportionately increases any item of the Common Expenses of the Project, the Board shall assess such Owner for such increase. Assessments for the estimated Common Expenses shall be due monthly and in advance on the first day of each month. At the option of the Board of Managers, such assessments may be due and payable quarterly in advance each year.

The reasonable costs of replacement, repair, and maintenance of any Party Wall, to the extent that proceeds from Association insurance policies are not available, shall be borne equally by the Owners on either side of the Party Wall. If one of these Owners refuses to pay his share of such costs, then the other Owner may cause the Party Wall to be replaced or repaired and shall be entitled to assess one-half of the reasonable cost against the non-paying adjoining Owner's Lot, and the same shall become and remain a lien against said Lot until fully paid, and may be foreclosed pursuant to Paragraph 14 of this Declaration.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in interest.

The assessments made for Common Expenses shall be based upon such aggregate sum as the Board of Managers of the Association shall from time to time determine is to be paid by all of the Lot Owners to provide for the payment of all estimated expenses growing out of or in connection with the maintenance and operation of the Common Elements, which sum shall include but shall not be limited to, expenses of management; taxes and special assessments, until separately assessed; premiums for insurance; telephone; landscaping and care of grounds; lighting; repairs and renovations; trash collections; wages; water charges; legal, accounting and other professional fees; expenses and liabilities incurred by the Managing Agent or Board of Managers under or by reason of this Declaration; any deficit remaining from a previous period; the creation of a reasonable contingency or reserve fund for maintenance, repairs, and replacement of those common elements that must be replaced on a periodic basis. Declarant shall have no obligation to pay the estimated Common Expense assessment on units owned by Declarant, but Declarant shall pay to the Association a sum equal to the difference between the monthly cost of operating and maintaining the Common Elements, exclusive of reserves, and the amount of Common Expense assessments payable by other Owners. The Declarant's obligation shall terminate when Declarant relinquishes its right to elect the Association's Board. The Association may require an Owner, other than Declarant, upon the acquisition of a Lot, either from Declarant or from a previous Owner, to deposit with the Association up to an amount equal to three times the amount of the then current monthly assessment, which sum shall be held as a reserve and for working capital. Such assessment reserve shall not relieve an Owner from making the regular payments of the Common Expense assessment as the same becomes due. Upon transfer of his Lot, an Owner shall be entitled to a credit from his transferee for any unused portion thereof.

The omission or failure of the Board of Managers to fix the assessment for any year shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Upon payment of a fee of \$25.00 and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lot. Unless such request shall be complied with within twenty (20) days after receipt of said request by the Association, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. If the request is made by a prospective purchaser, both the lien for the unpaid assessment and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period herein; provided thereafter, an additional written request is made by such purchaser and is not complied with within ten (10) days and the purchaser subsequently acquires the Lot.

In addition to the assessments authorized above, the Board of Managers of the Association may from time to time, determine, levy, and assess in any calendar year, a special assessment not to exceed Five Thousand Dollars (\$5,000.00) in the aggregate for all Lots, applicable to that particular year for the purpose of defraying, in whole or in

part, the unbudgeted costs, payments for any deficit remaining from a previous year, fees and expenses of any construction, reconstruction, repair, demolition, replacement, or maintenance of the Common Elements, the Property or any facilities located thereon, specifically including any fixtures and personal property related thereto. Expenditures in excess of the \$5,000.00 maximum may be authorized by a vote of two-thirds of the Lot Owners; in addition, the \$5,000.00 limit may be increased or decreased by a vote of two-thirds of the Lot Owners. The amounts determined pursuant to this paragraph shall be assessed equally to each Owner and shall be due and payable as set forth in the notice of assessment promulgated by the Board of Managers.

13. Owners' Personal Obligation for Payment of Assessments. The amount of the assessment shall be the personal and individual debt of the Owner thereof. No owner may exempt himself from liability for the assessment by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his real property interest. In the event of default in the payment of the assessment, the Owner shall be obligated to pay interest and late charges at the rate and in the amount set by the Board of Managers from the due date of the assessment together with all expenses, including attorneys' fees, incurred in the collection thereof. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

14. Assessment Lien. All sums assessed, but unpaid, for the share of expenses chargeable to any Lot shall constitute a lien on such Lot superior to all other liens and encumbrances, except only for:

(a) Tax and special assessment liens on the Lot in favor of any governmental unit, and

(b) All sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance.

To evidence such lien, the Board of Managers or the Managing Agent shall prepare a simple written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. Such a notice shall be signed by one of the Board of Managers or by one of the officers of the Association or by the Managing Agent and shall be recorded in the office of the Clerk and Recorder of the County of Summit, Colorado. Such lien may be enforced by the foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property subsequent to the recording of a notice or claim thereof. In any such proceedings the Owner shall be required to pay the costs, expenses and attorneys' fees incurred for filing the lien, and in the event of foreclosure proceedings, the additional costs, all expenses and reasonable attorneys' fee incurred. The Owner of the Lot being foreclosed shall be required to pay to the Association the monthly assessment for the Lot during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid in the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same.

In the event of a default by the owner or Mortgagee of a Lot which continues for a period of thirty days, the Association shall give prompt written notice of the default to the first Mortgagee of the Lot.

Any first Mortgagee who obtains title to a Lot pursuant to foreclosure of the mortgage or deed of trust, or by a deed in lieu thereof, will not be liable for such Lot's unpaid assessments which accrue prior to acquisition of title to such Lot by the Mortgagee.

15. Liability for Common Expense Upon Transfer of Lot is Joint. The grantee of a Lot, except a first Mortgagee who acquires a Lot by foreclosure or a deed in lieu of foreclosure, shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee, and upon written request, any such prospective grantee shall be entitled to a written statement from the Association setting forth the amount of the unpaid assessments, if any, with respect to the subject Lot, the amount of the current monthly assessment, the date that such assessment becomes due, which statement shall be conclusive upon the Association. Unless the request for such a statement shall be complied with within ten days, then such requesting grantee shall not be liable for, nor shall the Lot conveyed be subject to, a lien for any unpaid assessments against the subject Lot. The provisions contained in this paragraph shall not apply upon the initial transfer of the Lots.

16. Mortgaging a Lot - Priority. Any Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The Owner of a Lot may create junior mortgages on the following conditions: (1) That any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for Common Expenses, and other obligations created by this Declaration, the Articles of Incorporation and the Bylaws of the Association; and (2) That the Mortgagees under any junior mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if not furnished, may be executed by the Association as an attorney-in-fact for such junior mortgage.

17. Damage, Destruction, Obsolescence, or Condemnation. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project upon its destruction, repair or obsolescence. Title to any Lot is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with the Project upon its destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a Lot Owner which is necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the

damage, with each Lot, Unit, and the Common Elements having substantially the same boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacement unless the Owners and all first Mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvement(s).

(b) In the event the insurance proceeds are insufficient to repair and reconstruct the improvements, the deficiency shall be a Common Expense and made pro rata to the extent that the deficiency applies to the Common Elements. To the extent that the deficiency applies to a Unit or Units within a given building, the deficiency assessment shall be against the Owner of the damaged Unit or the Units within the building damaged. Any such assessments shall be equal to the amount by which the cost of reconstruction or repair of the improvements on a Unit exceeds the insurance proceeds and other funds allocable to such Unit. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds available to the Owner for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of the Owner and a lien on his Lot and may be enforced and collected as provided herein. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Lot of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Lot of the delinquent Owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest on the amount of the assessment and all reasonable attorneys' fees. The proceeds derived from the sale of such Lot shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

- (1) For payment of the balance of the lien of any first mortgages;
- (2) For payment of taxes and special assessment liens in favor of any assessing entity and customary expenses of sale;
- (3) For payment of unpaid Common Expenses and all costs, expenses and fees incurred by the Association;
- (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the Lot Owner.

(c) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is more than seventy percent (70%) of the total replacement cost of all of the Units, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Owners and their Lots, provided, however, that two-thirds of the Owners and at least seventy-five percent (75%) of the First Mortgagees of record may agree not to repair or reconstruct the improvements; and in such event, the Association must record a notice setting forth such fact or facts within one hundred eighty (180) days after the casualty, and upon the recording of such notice to the Association's President and Secretary or Assistant Secretary, the entire Project shall be sold by the Association pursuant to the provisions of this Section, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, Articles of Incorporation and Bylaws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be equally divided by the Association, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Lots. Each such account shall be in the name of the Association, and shall be further identified by the Lot designation and the name of the Owner. From each separate account the Association, as attorney-in-fact shall forthwith use and disburse the total amount of each of such accounts, without contribution from one account to another, toward the partial or full payment of the lien of any first Mortgagee encumbering the Lot represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire Property. Such apportionment shall be equal. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subsection (b) (1) through (5) of this paragraph. In the event that the damage is to be repaired or reconstruction is to be made then the provisions of subsection (b) of this paragraph shall apply.

(d) The Owners of seven (7) Lots may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction, which plan has the approval of eighty per cent (80%) of all first Mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen days after the date of adoption of such plan that such Lot shall be purchased by the Association for the fair market value thereof. The Association shall then have thirty days thereafter within which to cancel such plan. If such plan is not cancelled, the Lot of the requesting Owner shall be purchased according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencing date" from which all periods of time mentioned herein shall be measured. Within ten days following the commencement date, each party shall nominate in writing an appraiser and give notice of such nomination to the other party. If either party fails to make such a nomination, the appraiser nominated shall, within five days after default by the other party, appoint and associate with him

another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two appraisers and from the name of the four appraisers so nominated one shall be drawn by lot by any judge of any court of record in Colorado, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds for the same purposes and in the same order as is provided in Subparagraph (b)(1) through (5) of this paragraph, except as modified herein.

(e) The Owners of seven (7) Lots may agree that the Units are obsolete and that the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire premises shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, and the Articles of Incorporation and of the Association Bylaws. The sales proceeds shall be apportioned equally between the Owners, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Lot. Each such account shall be in the name of the Association, and shall be further identified by the Lot designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in Subparagraphs (b)(1) through (5) of this paragraph.

(f) Condemnation. If at any time or times during the continuance of the townhome ownership pursuant to this Declaration, all or any part of the Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions of this paragraph shall apply:

(1) Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award" shall be payable to the Association.

(2) Complete Taking.

(i) In the event that the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned equally among the Owners, provided however, that if a standard different from the value of the property as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

(ii) On the basis of the principle set forth in the preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in subsections (b) (1) through (5) of this Paragraph.

(3) Partial Taking. In the event that less than the entire Property is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the townhome ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award. As soon as practicable the Association shall reasonably and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners as follows: (i) The total amount allocated to taking of or injury to the Common Elements, shall be equally apportioned among the Owners; (ii) the total amount allocated to severance damages shall be apportioned to those Lots which were not taken or condemned; (iii) the respective amounts allocated to the taking of or damaged to a particular Lot and to the improvements an Owner has made within his own Lot shall be apportioned to the particular Lot involved and (iv) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances or as determined by judicial decree. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in subsections (b) (1) through (5) of this paragraph.

The Association shall timely notify each First Mortgagee of any Lot of the commencement of the condemnation proceedings or eminent domain proceedings and shall notify said Mortgagees in the event of the taking of all or any part of the common elements, if the value of the Common Elements taken exceeds \$10,000.00.

18. Revocation or Amendment to Declaration. This Declaration shall not be revoked unless all of the Owners and all of the holders of any recorded first mortgage or first deed of trust covering or affecting any or all of the Lots unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the two-thirds of the Owners and all of the holders of any recorded first mortgage or first deed of trust covering or affecting any or all Lots unanimously consent and agree to such amendment by instrument(s) duly recorded; provided, however, that Declarant shall have the right to amend this Declaration to correct discrepancies between the Townhome Map and this Declaration, typographical errors, miscomputations, definitional errors or inconsistencies, omissions, and survey errors.

19. Restrictive and Affirmative Covenants. Each Owner, upon purchase of a Lot, submits to the following restrictions and/or obligations:

(a) Residential Use: Each Lot may be used and occupied for residential purposes only.

(b) Notwithstanding the provisions of subparagraph (a) Declarant, its agent, employees, and contractors shall be permitted to maintain during the period of sale of the Lots in the Project upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient, or incidental to the sale or rental of Lots and interest, including, but not without limitation, a business office, storage area, signs, model Lots, sales office, parking areas and lighting, and temporary parking facilities for all prospective tenants and purchasers of Declarant.

(c) No animals, of any kind, shall be raised, bred or kept on the property, except that dogs, cats or other household pets may be kept, subject to rules and regulations from time to time adopted and amended by the Association.

(d) No unsightly object or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Lot or any occupant thereof. The foregoing covenants shall not apply to the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

(e) Restrictions and easements of record encumbering the Property are hereby incorporated by reference.

(f) No nuisances shall be allowed in the Project, nor any use or practice which is the source of annoyance to occupants or which interferes with the peaceful enjoyment or possession and proper use of the Property by its occupants. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard to exist. No Owner shall permit any use of his Lot or make use of the Common Elements which will increase the rate of insurance upon the Project.

(g) No immoral, improper, offensive or unlawful use shall be permitted or made of a Lot or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

(h) No building of a temporary character, mobile home, house trailer, tent, shack, or outbuilding shall be placed or used on the Property, either temporarily or permanently.

(i) No signs, billboards, posterboards, or advertising structure of any kind shall be erected or maintained for any purpose whatsoever except such things as have been approved by the Architectural Control Committee pursuant to its regulations. Any signs which are permitted under these restrictions shall be erected or maintained on the Property only with the prior written approval of the Architectural Control Committee, which approval shall be given only if such signs shall be of attractive design and shall be as small a size as possible and shall be placed or located as directed or approved by the Architectural Control Committee. Notwithstanding anything herein to the contrary, Declarant or its agent shall have the right to erect signs during the period of actual construction without prior written approval of the Architectural Control Committee.

(j) No lights shall be emitted from any Lot which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be emitted from any Lot which is noxious or offensive to others.

(k) Fences. No fences, walls, or other barriers shall be permitted except with the written consent of the Architectural Control Committee.

(l) Each Lot Owner shall have the power to time-share any Lot. As used in this paragraph "time-share" means division of the fee interest in a Lot according to time limitations or any non-fee interest, including, but not limited to, partnerships, club memberships, or right-to-use plans.

(m) Other than as stated in Paragraph 17 there are no restrictions on or requirements concerning the sale or lease of a Lot, nor shall there be imposed any rights of first refusal on sale or any other restraints on the free alienability of a Lot.

20. Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be either hand delivered or sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered address. All notices, demands or other notices intended to be served upon the Board of Managers of the Association or the Association shall be sent by certified mail, postage prepaid, to the Association, c/o High Timber Townhomes Association, Box 2590, Breckenridge, Colorado, 80424 until such address is changed by a notice to all Owners.

21. Period of Ownership. The separate estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as is provided in Subparagraphs (c) or (e) of Paragraph 17 of this Declaration.

22. General.

(a) If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance.

(b) The provisions of this Declaration shall be in addition and supplemental to all provisions of law.

(c) That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

23. Rights of Declarant. Any rights reserved by Declarant in the Declaration, except rights that are a result of ownership by Declarant of one or more Lots, will terminate on January 1, 1986 without need of notice or further action of the Board of Managers.

24. Reservation to Enlarge Townhome Project.

(a) Declarant, for itself, its successors and assigns, expressly reserves until December 31, 1987, the right to enlarge this Townhome Project by submitting additional real property (which is described in Exhibit B to the Declaration) and improvements thereon. Such additions shall be expressed in one or more Supplemental Maps and Supplemental Declarations recorded in the Summit County Recorder's Office. The reference to the Map and Declaration in any instrument shall be deemed to include any such Supplemental Maps and Supplemental Declarations without specific reference thereto.

(b) Such Supplemental Declaration shall describe the additionally submitted real property and shall provide for a division of the same and improvements thereon into Townhome Lots. Each Lot shall be separately designated.

The legal description of the land and a survey thereof; the location of the Lots; the Lot designation; and the certificate of a registered professional engineer, licensed architect, or registered land surveyor certifying that the Map was prepared after substantial completion of the improvements shown thereon and is in substantial compliance with the boundaries, measurements, and improvements shown thereon.

(c) Except as may be otherwise provided by the provisions of any such Supplemental Declaration, all the provisions contained in this Declaration shall be applicable to such additional Lots.

(d) As additional Lots are submitted to this Project, all Owners of Lots in the Project shall have a non-exclusive right in common with all of the other Owners to use all of the Common Elements within this entire Project designated on the Map and all supplements thereto.

(e) As additional Lots are submitted to this Project, the Common Expenses of each Lot shall be determined by multiplying the total amount of funds needed by a fraction, the numerator of which shall be one, and the denominator shall be the total number of Lots submitted to this Project. Further, each Lot, regardless of the number of Owners, shall be entitled to one (1) vote for all purposes hereunder, which shall not change by enlargement of the Project.

(f) It is now contemplated that the additional real property described on Exhibit B will ultimately be submitted to this Project, but the Declaration shall have no affirmative obligation to do so. The rights of the Declarant, as contained in this Declaration, shall apply to all additional real property submitted to this Project.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration  
this \_\_\_ day of \_\_\_\_\_, 1982

DECLARANT:

LEISURE DEVELOPMENT, INC.,  
a Colorado corporation

By \_\_\_\_\_  
James D. Carter, President

ATTEST:

\_\_\_\_\_  
SEAL

STATE OF \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 1982 by \_\_\_\_\_.

Witness my hand and official seal.  
My commission expires \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Address

EXHIBIT A

TO TOWNHOME DECLARATION FOR  
HIGH TIMBER TOWNHOMES

Lot 18, Block 2  
Woodmoor at Breckenridge  
Summit County, Colorado.

EXHIBIT B

TO TOWNHOME DECLARATION FOR  
HIGH TIMBER TOWNHOMES

Lot \_\_\_\_\_, Block \_\_\_\_\_  
Woodmoor at Breckenridge  
Summit County, Colorado