

12/23/82
2975A - 0003

TOWNHOME DECLARATION
FOR
HIGH TIMBER TOWNHOMES

This Declaration of Covenants, Conditions and Restrictions, hereinafter called "Declaration," is made and executed in Summit County, Colorado, this ___ day of _____, 1982, by Leisure Development, Inc., a Colorado corporation, hereinafter called "Declarant."

R E C I T A L S

WHEREAS, Declarant is the owner of certain real property situate in the County of Summit, State of Colorado, as more particularly described in Exhibit A hereto, and hereinafter the "Property".

WHEREAS, Declarant intends to construct certain improvements which consist of townhomes for residential purposes on the Property.

WHEREAS, Declarant desires to establish a townhome project to be known as High Timber Townhomes upon the Property and to sell and convey the same to various purchasers subject to the covenants, conditions, and restrictions herein reserved to be kept and observed.

WHEREAS, Declarant desires and intends by filing this Declaration to submit the Property and all buildings, structures and other improvements thereon, together with all appurtenances thereto, to the provisions of this declaration and to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the Lots and the Owners thereof.

NOW, THEREFORE, Declarant does hereby publish and declare that the Townhome Project shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and used subject to the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations, all of which shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the Property and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

I. Definitions. Unless the context shall expressly provide otherwise:

(a) "Lot" means the fee simple interest and title in and to a parcel of land designated on the map as a Lot, together with the improvements thereon.

(b) "Unit" means the improvements contained within the outside perimeter walls of the residential structure located on a Lot.

(c) "Owner" means a person, firm, corporation, partnership, cooperative association, association or other legal entity, or any combination thereof, who own(s) one or more Lots.

(d) "Common Elements" shall be owned by the High Timber Townhome Association and shall include:

(1) the improvements located on and within the Access and Utility Easement;

(2) utility lines external to the point where the utilities enter any Unit;

(e) "Townhome Project" or "Project" means all of the land and improvements submitted to this Declaration.

(f) "Common Expenses" mean and include expenses of administration, operation and management of the Project, and the expense of maintenance, repair or replacement of the Common Elements and all other expenses declared Common Expenses by provisions of this Declaration and the Bylaws of the Association.

(g) "Association of Lot Owners" or "Association" means the High Timber Townhome Association, a Colorado corporation, not for profit, its successors and assigns, the Articles of Incorporation and Bylaws of which, together with this Declaration shall govern the administration of the Project, the members of which shall be all of the Owners of the Lots in every phase of the Project, as it may be expanded pursuant to this Declaration.

(h) "Townhome Map" or "Map" means the plat of the High Timber Townhomes, as recorded under Reception No. 252334 of the Summit County records.

The initial Map and each supplement thereto shall be recorded prior to the conveyance of any of the Lots shown thereon. The initial Map and the supplements thereto shall depict and show at least the following:

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. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate and relocate easements, access roads and on-site parking areas.

(i) "Property" means the land encompassing the Project as more particularly described as follows:

High Timber Townhomes, according to the recorded plat thereof, under Reception No. _____, County of Summit, State of Colorado.

Declarant reserves the right to amend the Map, from time to time, to establish, vacate and relocate easements.

(j) "Mortgage" as used herein shall mean any mortgage, deed of trust or other document pledging a Lot or interest therein as security for the payment of a debt or obligation.

(k) "Mortgagee" shall mean any person, corporation, partnership, trust, company, association or other legal entity which takes, owns, holds or receives a mortgage or deed of trust.

(l) "Party Walls". All walls common to two adjacent Units, together with the footings beneath them and the portions of the roof above them are collectively designated "Party Walls".

2. Division of Property into Lots. The Property is hereby divided into ten (10) fee simple estates, each such estate consisting of one Lot.

3. Description of a Lot. A contract for the sale of a Lot written prior to the filing for record of this Declaration and the Map may legally describe a Lot by its identifying Lot number, followed by the words High Timber Townhomes with further reference to the Declaration and the Map.

Subsequent to the filing of the Map and the recording of the Declaration, every deed, lease, mortgage, trust deed, will or other instrument may legally describe a Townhome Lot as follows:

High Timber Townhome Lot__ according to the Townhome Declaration for High Timber Townhomes recorded _____, 1982, at Reception Number _____, and the Map thereof recorded on Feb 16, 1983, at Reception Number 252334 of the Summit County, Colorado records.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect the Lot.

4. Ownership - Title. A Lot may be held and owned by more than one person as joint tenants or as tenants-in-common, or in any real property tenancy relationship recognized under the laws of the State of Colorado.

5. Easements. Each Lot in the Project shall be subject to the following easements:

(a) Utility Easements: There are hereby dedicated nonexclusive easements for the installation, maintenance, and use of utility lines serving one or more of the Lots. The easements are granted to the Association, and the location of the easements are on and beneath the surface of the ground where the existing water, sewer, electric, telephone, and cable television lines are now installed. Parties providing or

maintaining utilities shall have the right to enter upon the easements at any reasonable time for the maintenance, repair, and servicing of these utility lines. No Owner shall commit an act or omission which would cause an interruption in the utility service to another.

(b) Easement for Encroachments: If any portion of a structure built by Declarant encroaches upon or over an adjoining Lot or Lots, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered and determined to be encumbrances on the Lots. Encroachments referred to herein include, but are not limited to, encumbrances caused by error in the original construction of any improvements, by error in the Map, by settling, rising or shifting of the earth, or by changes in the position caused by repair or reconstruction of the Project or any part thereof. Encroachments referred to herein specifically do not include encumbrances caused by the act of any Owner.

(c) Easement for Repairs, Maintenance and Emergencies: Some of the utility services and structural members are, or may be, located within a Unit or may be conveniently accessible only through a Unit. The Association or affected Lot Owner, shall have a non-exclusive easement for access through each Lot, from time to time, during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the utilities or structural members located therein or accessible therefrom or for making any repairs therein necessary to prevent damage to another Unit. Damage to the interior or any part of a Unit resulting from emergency repairs, at the instance of the Association, shall be a Common Expense of all Owners within that contiguous building. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomforts arising from the making of repairs and improvements or for action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be to substantially the same condition in which they existed prior to the damage. The foregoing notwithstanding, if any such damage is the result of the carelessness or the negligence of any Owner, then such Owner shall be solely responsible for the costs and expenses of repairing such damage. There is also hereby created a non-exclusive emergency easement for ingress and egress across the Property for the use of any governmental agency.

(d) Access and Utility Easement:

(1) Each Owner, his invitees, guests, and family shall have a non-exclusive easement over and across the Access and Utility Easement designated on the Map for ingress, egress, parking, and other purposes pursuant to Rules and Regulations that may be adopted from time to time by the Board of Managers.

(2) A Pedestrian Access Easement is hereby granted to the Owner of Lot 6 over and across Lots 4 and 5, and to the Owner of Lot 5 over and across Lot 4, for access to and from the garages appurtenant to such Lots, all as designated on the Map.

(e) Party Wall Easements. Mutual reciprocal easements are hereby established, declared, and granted for all party walls between improvements constructed or to be constructed on Townhome Lots, which reciprocal easements shall be for mutual support, and shall be governed by this Declaration. Every deed, whether or not expressly

so stating, shall be deemed to convey and to be subject to such reciprocal easements. Each wall which is built as a part of the original construction of the improvements upon the Property and placed on the dividing line between the Lots shall constitute a party wall; and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(f) Snow Storage. There are hereby dedicated nonexclusive easements to the Association for snow storage purposes as designated on the Map.

(g) Refuse Easement. There is hereby dedicated an easement for the location of a dumpster and for the collection of trash as designated on the Map.

6. Owners' Maintenance Responsibility for Lot. Unless otherwise provided herein, an Owner shall maintain and keep in repair his own Unit, including the fixtures and personal property therein, and the windows and doors in the walls that surround the Unit. All fixtures, utilities, and equipment installed within the Lot commencing at a point where the utilities enter the Lot shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of any improvements or impair any easement.

7. Termination of Mechanic's Lien Rights and Indemnification. Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Owner or his agent or his contractor, materialman, or subcontractor shall be the basis for filing of a lien against the Lot of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold each of the other Owners harmless from and against all liability or loss arising from the claim of any lien against the Lot of any other Owner or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request. The Board of Managers identified in Paragraph 8(c) may in its discretion enforce such indemnity by collecting from the Owner of the Lot on which labor was performed and materials furnished, the amount necessary to discharge any lien and all costs incidental thereto, including reasonable attorneys' fees. If such amount is not promptly paid, the Board of Managers may collect the same in the manner provided herein for the collection of Assessments.

No mechanic's lien filed against all or part of the Property will be a valid lien except against the Lot or Lots for which work was performed or materials were provided, and which are described in the lien statement. No other lien arising under the laws of Colorado shall relate to the entire Property, but shall relate only to one or more individual Lots.

8. Administration and Management; Association; Managing Agent.

(a) The Association will be formed to manage the Common Elements as provided in this Declaration and to further the interests of all Owners of Lots in the Project. The Association shall have all powers necessary or desirable to effectuate such purposes. Subject to the provisions of this Declaration, the administration and management of the Association shall be governed by the Articles of Incorporation and

Bylaws thereof. An Owner of a Lot, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership.

(b) Each Owner shall be entitled to one vote for each Lot owned.

(c) The affairs of the Association shall be managed by a Board of Managers as is provided in the Articles of Incorporation and Bylaws of the Association. Notwithstanding anything to the contrary provided herein, until six (6) Lots within the Project have been sold (meaning that title to said Lots has been conveyed by the Declarant) or until January 30, 1986, whichever is earlier, the members of the Board of Managers shall be appointed by the Declarant and need not be Owners of Lots. The Declarant shall have the option at any time to turn over control of the Board of Managers to the Owners upon sixty days' prior written notice.

(d) The Board of Managers may by resolution delegate any of its duties, powers and functions to a person or firm which will act as Managing Agent. No agreement for professional management of the Property, or any other contract providing services of the Declarant, may exceed three (3) years; any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

9. Powers and Duties of the Association. By way of enumeration and without limitation the Association shall have the following powers and duties:

(a) Association as Attorney-in-Fact for owners: The Association is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of such Owner in the Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Project upon its destruction or obsolescence as hereinafter provided and to grant utility and other easements and rights of way through any Lots. The acceptance by any Owner of any interest in any Lot shall constitute an appointment of the Association as attorney-in-fact as provided above and hereinafter. The Association shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the Project and to perform all of the duties required of it. Notwithstanding the above, unless one hundred percent (100%) of the first mortgagees of Lots and sixty-six percent (66%) of the Owners have given their prior written approval, the Association shall not be empowered or entitled to:

- (i) by act or omission, seek to abandon or terminate the Project;
- (ii) partition or subdivide any Lot;
- (iii) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any of the Common Elements;
- (iv) use hazard insurance proceeds for loss to the improvements for other than repair, replacement or reconstruction of such improvements; or

(v) change the pro rata ownership interest or obligation of any Lot for the purpose of allocating the proceeds of hazard insurance or condemnation awards.

(b) **Common Elements:** The Association, subject to the rights and obligations of Owners with respect to the interior of the Units, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition. The cost of such management, operation, maintenance, and repair by the Association shall be borne as a Common Expense. The Association shall also be responsible for the maintenance and repairs of exterior surfaces of all buildings, including without limitation, painting as often as necessary, the replacement of trim and caulking, and the maintenance and repair of roofs.

(c) **Other Association Functions:** The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Owners of Lots on a self-supporting, special assessment or common assessment basis.

(d) **Labor and Services:** The Association (i) may obtain and pay for the services of a Managing Agent to manage its affairs, or any part thereof to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any party with whom or which it contracts; (ii) may obtain and pay for legal, accounting and other professional services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration; and (iii) may arrange with others to furnish lighting, heating, water, trash collection, sewer service, landscaping maintenance, snow removal and other common services.

(e) **Property of Association:** The Association may pay for, acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise. Upon termination of the Project and dissolution of the Association, the beneficial interest in any such property shall be deemed to be owned pro rata by the then Owners as tenants in common. A transfer of a Lot shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Lot under foreclosure shall transfer ownership in such property associated with the foreclosed Lot.

(f) **Association Right to Lease and License Common Elements:** Subject to the requirements of Paragraph 11(a)(iii), the Association shall have the right to lease or license or permit the use of, by less than all Owners or by non-owners on either a short-term basis or long-term basis and with or without charge as the Association may deem desirable, any portion of the Common Elements or any Lot owned by the Association. The rights granted to the Association in this subparagraph shall only be used in the promotion of the collective best interests of the Owners.

(g) **Mortgagee Inspection:** The Association shall grant to each first Mortgagee of a Lot the right to examine the books and records of the Association at any reasonable time.

(h) Architectural Control/Approval Required:

(1) No Owner shall materially alter the construction, external decoration, external color scheme of a Unit, or permit any addition, alteration, fencing, outbuilding, shed, privacy wall, or any other structure of any kind to be commenced, erected, or maintained on the Lot or the Property until satisfactory and complete plans and specifications showing the nature, shape, heights, materials, and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures, topography, and natural surroundings by the Architectural Control Committee. Approval by the Architectural Control Committee is in addition to and not in lieu of county and other building code requirements.

The plans submitted to the Architectural Control Committee shall include any request the Owner may wish to make for temporary use of the Common Elements for storage of construction materials or use by construction equipment. This request must specify the amount of surrounding Common Elements needed, the duration of the use, and the plans to restore the Common Elements upon completion. No such use shall be permitted unless the Architectural Control Committee grants its prior written consent, and then the approval shall be only for the area and duration so approved. The Architectural Control Committee shall have the authority to so authorize use of the General Common Elements so long as the use is necessary for the construction of improvements on a Lot and so long as the use does not unreasonably interfere with the use and enjoyment of any other Lot by its Owner.

(2) Committee: The Board of Managers shall serve as the Architectural Control Committee. The Board 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, regulations, and bylaws of the Architectural Control Committee. Any decision of the Architectural Control Committee may be overturned by the decision of two-thirds of the ten Lot Owners.

(3) Rules: The Architectural Control Committee may make such rules, regulations, and bylaws as it may deem appropriate to govern its proceedings.

(4) Criteria: In passing upon plans and specifications, the Architectural Control Committee shall consider:

a. Architectural and Engineering Services: Each Owner shall employ competent architectural and engineering advisors who will coordinate the plans and specifications and provide on-site job observation for the construction of each structure, addition, or alteration with the Architectural Control Committee. The plans and specifications shall provide a construction schedule with an estimated date of completion for each phase of construction. The Architectural Control Committee will reserve the right to require additional information in order to make decisions. In addition, the Architectural Control Committee shall be entitled to charge a reasonable review fee to reimburse its expenses and to require an Owner to pay for the cost of any consulting fees paid to an architect or engineer hired by the Committee to evaluate the Owner's plan.

b. Generally. It shall be an objective of the Architectural Control Committee to make certain that no improvements impair the aesthetic and monetary values of the High Timber Townhomes. The Architectural Control Committee shall consider the suitability of the improvements and the materials of which they are to be constructed; the quality of materials to be utilized in any proposed improvement; the effect of any proposed improvement on the Project; the location and character and method of utilization of all utility lines; and impact of any proposed improvement upon the natural surroundings; and the timely and orderly completion of all such improvements.

(5) Contractor Suitability. The Architectural Control Committee shall have the right to disapprove the choice by an Owner of any construction contractor for the building of any improvement or any other structure of any kind on any Lot. Grounds for such disapproval shall be only one or both of the following: (1) a reasonable belief that the contractor is not financially responsible to complete the improvements, and (2) nonconformance by the contractor with approved plans when previously undertaking construction work on a Lot of the Property. This Declaration establishes no duty upon Declarant or the Architectural Control Committee to investigate the financial responsibility of construction contractors or the performance by the contractor of construction work, and this Declaration vests no rights in Owners, any contractor, or other third party as against Declarant, the Architectural Control Committee, or the Association with respect to approval or disapproval of construction contractors.

(6) Approval of Contractor and Inspection of Construction. No Owner shall build any structure of any kind on any Lot until the Owner has obtained a building permit from the applicable authority having jurisdiction over building permits on High Timber Townhomes and until the approved building permit and the construction contract shall have been submitted to the Architectural Control Committee for approval of contractor suitability as specified in Paragraph 9(h)(5).

(7) Utilities. The Architectural Control Committee must approve all additional utility connections to Units on the Property and improvements thereon prior to installation, subject to the same criteria set forth in this Paragraph for other improvements.

(i) Rules and Regulations: The Association shall have the right to adopt such bylaws and to promulgate such reasonable rules and regulations as it deems necessary or desirable to effectuate the intent and to enforce the duties and obligations set forth in the Declaration and the Articles of Incorporation and Bylaws of the Association.

(j) Enforcement by Association: The Association may suspend any Owner's voting rights in the Association or the right of an Owner to use the Common Elements during any period or periods during which such Owner fails to comply with the Association's rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

(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, miscalculations, 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