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CONDOMINIUM DECLARATION

FOR

COLUMBINE TOWNHOUSES ONE

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Columbine Townhouses One Construction Co., a Colorado corporation, and Richard R. Hansen, hereinafter collectively called "Declarant", the owners of the real property described on the attached Exhibit "A", which by this reference is made a part hereof; and

WHEREAS, Declarant desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado; and

WHEREAS, Declarant does hereby establish a plan for the ownership in fee simple of the real property estates, subject to the easements, restrictions, reservations, conditions and assessments as set forth in Exhibit "A", and reservations in this Declaration, consisting of the area or space contained in each of the air space units in the building improvements and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining property, which property is hereinafter defined and referred to as the general common elements;

NOW THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations 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 real property and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions, unless the context shall expressly provide otherwise.

(a) 'Unit' means one individual air space which is contained within the perimeter walls, floors, ceilings, windows and doors of each unit as shown on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained but not including any of the structural components of the building, if any, located within the unit.

(b) 'Condominium unit' means the fee simple interest and title in and to a unit together with the undivided interest in the general common elements and the appurtenant limited common elements thereto.

(c) 'Owner' means a person, persons, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns an interest in one or more condominium units.

(d) 'General common elements' means and includes the land described in Exhibit "A", the structural components of the buildings; the balconies and parking spaces; such improvements, buildings or areas as are provided for community recreation, utility or for common use; and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in common use, including the air above such land, all of which shall be owned as tenants in common, by the owners of the separate units each owner of a unit having an undivided interest in such general common elements as is provided hereinafter.

(e) 'Declaration' means this Declaration and supplements thereto, if any.

(f) 'Limited common elements' means those parts of the general common elements which are either limited to and reserved for the exclusive use of an owner of a condominium

END 607

unit or are limited to and reserved for the common use of more than one but fewer than all of the condominium unit owners.

(g) 'Condominium project' means all of the land and improvements initially submitted by this Declaration and subsequently submitted as is provided hereinafter.

(h) 'Common expenses' means and includes (i) expenses of administration, operation and management, repair or replacement of the common elements; (ii) expenses declared common expenses by the provisions of this Declaration or the By-Laws of the Association; (iii) all sums lawfully assessed against the general common elements by the Board of Managers of the Association; and (iv) expenses agreed upon as common expenses by the Association of unit owners.

(i) 'Association of unit owners' or 'Association' means the Association formed as a Colorado not-for-profit corporation bearing the name of this condominium project, the Articles of Incorporation and By-Laws of which shall govern the administration of this condominium property, the members of which Association shall be all of the owners of the condominium units.

(j) 'Building' means a single building containing units as shown on the Map.

(k) 'Map', 'Condominium Map' or 'Supplemental Map' means and includes the engineering survey of the land depicting and locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land.

## 2. Division of Property into Condominium Units.

(a) The real property described in Exhibit "A" and the improvements thereon are hereby divided into the fee simple estates as is set forth on the attached Exhibit "B" which by this reference is made a part hereof. Each such estate shall consist of the separately designated units and the undivided interest in and to the general common elements appurtenant to each unit as set forth therein.

(b) There is reserved the right to (i) physically combine the space within one unit with the space within one or more adjoining units or (ii) to combine a part of or combination of parts of the space within one unit with part or parts of the space within one or more adjoining units. Any such physical changes to units shall be reflected by an amendment to Exhibit "B" on the Map, which amendments shall set forth the reapportioned undivided interests of the affected units; provided, however, that no such physical changes shall be made without the written consent of the mortgagee(s) of the affected unit(s); and provided, further, that the cost and expense incurred for legal, architectural or engineering fees relative to preparation of such amendment shall be borne by that person requesting such physical change to the units.

3. Limited Common Elements. A portion of the general common elements is reserved for the exclusive use of the individual owners of the respective units, and such areas are referred to as 'limited common elements'. The limited common elements so reserved shall be identified on the Map. Any balcony, patio or deck, attic space and the two carport spaces which is or are accessible from, associated with and which adjoin(s) a unit shall, without further reference thereto, be used in connection with such unit to the exclusion of the use thereof by the other owners of the general common elements, except by invitation. All of the owners of condominium units in this condominium project shall have a non-exclusive right in common with all of the other owners to use of sidewalks, pathways, roads and streets located within the entire condominium project. No reference thereto, whether such limited common elements are exclusive or non-exclusive, need be made in any deed, instrument of conveyance or other instrument, and reference is made to the provisions of paragraph 4 of this Declaration.

## 4. Description of Condominium Unit.

(a) Every contract for the sale of a condominium unit written prior to the filing for record of the Map or Declaration may legally describe a condominium unit by its identifying unit designation, the building symbol, followed by the name of this condominium. The location of such condominium unit shall be depicted on the Map subsequently filed for record.

(b) Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit designation, the building symbol, followed by the name of this condominium, with further reference to the Map and Declaration filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also the general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress to an owner's unit and use of all of the limited common elements.

(c) The reference to the Map and Declaration in any instrument shall be deemed to include any supplements to the Map or Declaration without specific reference thereto.

5. Condominium Map. The Map may be filed for record in whole or in parts, sections or supplements, as construction of the units and other improvements are substantially completed. The Map (or any part or section thereof) depicting units shall not be filed for record until the building in which the units are located has been substantially completed in order to permit the location thereof, both horizontally and vertically. Each such Map shall be filed for record prior to the conveyance of the condominium units shown thereon. Each such Map shall depict and show at least the following: The legal description of the land and a survey thereof; the location of the building(s); the floor and elevation plans; the location of the unit within the building, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements of a building located within a unit; and, the unit designations and the building symbol. Each such Map shall contain the certificate of a registered professional engineer or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the units, the unit designations, building symbols, ceilings as constructed, the elevations of the unfinished floors and that such Map was prepared subsequent to substantial completion of the improvements. In interpreting the Map, the existing physical boundaries of each separate unit as constructed shall be conclusively presumed to be its boundaries. 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 constructed improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

6. Off-Site Automobile Parking Facilities. Off-site parking areas and facilities for guest parking shall be under the control of the Declarant until the condominium project has been completed. Thereafter, such parking areas shall be under the control of the Association, and use thereof will be subject to the rules and regulations adopted by the Board of Managers.

7. Inseparability of a Condominium Unit. Each unit, the appurtenant undivided interest in the general common elements and the appurtenant limited common elements shall together comprise one condominium unit, shall be inseparable and may be conveyed, leased, devised or encumbered only as a condominium unit.

8. Separate Assessment and Taxation - Notice to Assessor. Declarant shall give written notice to the Assessor of Jefferson County, Colorado, of the creation of condominium ownership in this property, as is provided by law, so that each unit and the undivided interest in the general common elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation.

9. Form of Ownership - Title. A condominium unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado.

10. Non-Partitionability of General Common Elements. The general common elements shall be owned in common by all of the owners of the units and shall remain undivided, and no owner shall bring any action for partition or division of the general common elements. Nothing contained herein shall be construed as a limitation of the right of partition of a condominium unit between the owners thereof, but such partition shall not affect any other condominium unit.

11. Use of General and Limited Common Elements. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner may use the general and limited common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners. The Association may adopt rules and regulations governing the use of general and limited common elements and pursuant to which general common elements are allocated to the exclusive use of an owner or to the use of more than one but fewer than all of the owners, provided that such rules and regulations shall be uniform and non-discriminatory.

12. Use and Occupancy. The units shall be used and occupied by the owner, his family and their guests, his business invitees and his tenants and their guests only as and for a resident dwelling.

13. Easements for Encroachments. If any portion of the general common elements encroaches upon a unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of a unit encroaches upon the general common elements, or upon an adjoining unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does similarly exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements or on the units for purposes of marketability of title or other purposes.

14. 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 unit owner, his agent, his contractor or subcontractor shall be the basis for filing of a lien against the unit of any other unit owner not expressly consenting to or requesting the same, or against the general common elements. Each owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the unit of any other owner or against the general 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 provisions herein contained are subject to the rights of the Managing Agent or Board of Managers of the Association as set forth in paragraph 17.

15. Columbine Townhouses One Association. The interests of all owners of condominium units shall be governed and administered by the Articles of Incorporation and By-Laws of Columbine Townhouses One Association. An owner of a condominium unit upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership. Declarant expressly reserves the functions and duties of the Managing Agent to Ridgewood Realty, Incorporated, a Colorado corporation. The Management Agreement between the Association and Ridgewood Realty, Incorporated shall be recorded with the Office of the Clerk and Recorder of Jefferson County, Colorado, and the terms and other provisions therein are incorporated in this Declaration as if fully set forth herein.

16. Certificate of Identity. There shall be recorded from time to time a Certificate of Identity and the Addresses of the persons then comprising the management body (Managers and Officers) together with the identity and address of the Managing Agent, if any. Such Certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith regardless of time elapsed since date thereof. The first such Certificate shall be recorded on or before ninety (90) days after recording this Declaration.

17. Reservation for Access - Maintenance, Repair and Emergencies.

(a) The owners shall have the irrevocable right, to be exercised by the Managing Agent or Board of Managers of the Association, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the general common elements therein or accessible therefrom, or at any hour for making emergency repairs therein necessary to avert damage to the general common elements or to another unit.

(b) Damage to the interior or any part of a unit resulting from the maintenance, repair, emergency repair or replacement of any of the general common elements or as a result of emergency repairs within another unit, at the instance of the Association, shall be a common expense of all of the owners; provided, however, that if such damage is caused by negligent or tortious act of a unit owner, members of his family, his agent, employee, invitee, licensee or tenants, then such unit owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored substantially to the same condition in which they existed prior to the damage. All maintenance, repairs and replacements of the general common elements, whether located inside or outside of units (unless necessitated by the negligence, misuse or tortious act of a unit owner, in which case such expense shall be charged to such unit owner), shall be the common expense of all of the owners.

18. Owners' Maintenance Responsibility.

(a) For maintenance purposes, an owner shall be deemed to own the interior non-supporting walls, the materials such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the sub-flooring, which make up the finished surfaces of the perimeter walls, ceilings and floors within the unit, including unit doors and windows. The owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are herein and hereafter referred to as utilities) running through his unit which serve one or more other units except as a tenant in common with the other owners. Such utilities shall not be disturbed or relocated by an owner without the written consent and approval of the Board of Managers. An owner's right to repair, alter and remodel the interior of his unit shall be coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials of at least equal quality.

(b) An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the utilities enter the unit 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 the building or impair any easement or hereditament. An owner shall always keep the balcony or patio area adjoining and appurtenant to his unit in a clean and sanitary condition.

19. Compliance with Provisions of Declaration, By-Laws of the Association. Each owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and the decisions 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, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be 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.

20. Revocation or Amendment to Declaration. Except as is otherwise provided, 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 condominium units consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the owners representing an aggregate ownership interest of sixty percent, or more, of the general common elements and sixty percent, or more, of the holders of the recorded first mortgages or first deeds of trust consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the undivided interest in the general common element appurtenant to each unit, as expressed in this Declaration, shall have a permanent character and shall not be altered without the consent of all of the unit owners and all of the first mortgagees as expressed in an amended Declaration duly recorded. The consent(s) of any junior mortgagee shall not be required under the provisions of this paragraph.

21. Additions, Alterations and Improvements - General and Limited Common Elements. There shall be no additions, alterations or improvements of or to the general and limited common elements by the Association requiring an expenditure in excess of One Hundred Dollars per unit in any one calendar year without prior approval of a majority of the owners. Such expenditure(s) shall be a common expense. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any general or limited common personal property.

22. Assessment for Common Expenses.

(a) All owners shall be obligated to pay the estimated assessments imposed by the Board of Managers or Managing Agent of the Association to meet the common expenses. The assessments shall be made according to each owner's interest in and to the general common elements. The limited common elements shall be maintained as general common elements, and owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. Assessments for the estimated common expenses shall be due in advance on the first day of each calendar month, or less frequently as may be determined by the Board of Managers or Managing Agent. The Managing Agent or Board of Managers shall prepare and deliver or mail to each owner a statement for the common expenses.

(b) In the event the ownership of a condominium unit, title to which is derived from Declarant, commences on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

(c) Assessments shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or the Board of Managers of the Association shall from time to time determine is to be paid by all of the condominium unit owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the general common elements, which sum may include, but shall not be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for insurance; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash and garbage collections; wages; common water and sewer charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Managing Agent or Board of Managers on behalf of the unit owners under or by reason of this Declaration and the Articles of Incorporation and By-Laws of the Association; for any deficit remaining from a previous period; for the creation of a reasonable contingency, reserve, working capital and sinking funds as well as other costs and expenses relating to the general common elements.

(d) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

23. Insurance.

(a) The Managing Agent or the Board of Managers of the Association shall obtain and maintain at all times insurance of the type and kind provided hereinabove and providing for such other risks, of a similar or dissimilar nature, as are or shall hereafter be customary for other similar condominium buildings, fixtures, equipment and personal property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Colorado. The insurance shall be carried in blanket policy form naming the Association the insured, as attorney-in-fact for all of the condominium unit owners, which policy or policies shall identify the interest of each condominium unit owner (owner's name, unit number, building designation), and which policy or policies shall provide a standard, non-contributory mortgagee clause in favor of each first mortgagee. It shall also provide that the policy cannot be cancelled either by the insured or the insurance company until after ten days prior written notice is first given to each owner and each first mortgagee. The Managing Agent

or the Board of Managers shall also obtain and maintain, to the extent obtainable, public liability insurance in such limits as may from time to time be determined, covering each unit owner, each member of the Board of Managers, the Managing Agent and the resident manager. Such public liability coverage shall also cover cross liability claims of one insured against another and shall contain waivers of subrogation.

(b) Determination of maximum replacement value of all condominium units (for insurance purposes) shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost. Each owner may obtain additional insurance at his own expense for his own benefit, provided that all such policies shall contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance shall not be affected or diminished by reason of any such insurance carried by any unit owner. In no event shall the insurance policy contain a co-insurance clause for less than ninety (90) percent of full replacement cost.

(c) Insurance coverage on the furnishings and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual unit shall be the responsibility of the owner thereof.

24. Owner's Personal Obligation for Payment of Assessments. The amount of the common expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. Both the Board of Managers and Managing Agent shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid for more than 10 days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of twelve percent per annum on the amount of the assessment from due date thereof, together with all expenses, including attorney's fees, incurred together with such late charges as provided by the By-Laws of the Association. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

25. Assessment Lien.

(a) All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for taxes and special assessments liens on the condominium unit in favor of any assessing unit, and 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 encumbrances. To evidence such lien, the Board of Managers or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the owner of the condominium unit and a description of the condominium unit. 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 Jefferson County, Colorado. Such lien shall attach from the due date of the assessment. Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof.

(b) In any such foreclosure proceedings, the owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien, and in the event of foreclosure proceedings, all additional costs, all expenses and reasonable attorney's fees incurred but not less than the amount recommended by the Bar Association of said County (and if none, then by the amount recommended by the Denver Bar Association) according to the then current published and recommended fee schedule for foreclosure proceedings (for foreclosure proceedings through Court). The owner of the condominium unit being foreclosed shall be required to pay to the Association the monthly assessment for the condominium unit 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 condominium unit 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.

(c) Any encumbrancer holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such unit, and upon such payment, such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance without the necessity of having to record a notice or claim of such lien. Upon request of a mortgagee, the Association shall report to the mortgagee of a condominium unit any unpaid assessment remaining unpaid for longer than twenty-five days after the same is due; provided, however, that a mortgagee shall have furnished to the Managing Agent or to the Board of Managers notice of such encumbrance.

(d) The recorded lien may be released by recording a Release of Lien to be signed by an officer of the Association or by the Managing Agent on behalf of the Association.

26. Liability for Common Expenses Upon Transfer of Condominium Unit is Joint.

(a) Upon payment to the Managing Agent, or if there is no Managing Agent, then to the Board of Managers of the Association, of a reasonable fee not to exceed Fifty Dollars, and upon the written request of any owner or any mortgagee or prospective mortgagee of a condominium unit, the Association, by its Managing Agent, or if there is no Managing Agent, then by an officer of the Association, shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments and for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten days from receipt thereof, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement.

(b) The grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the unpaid common assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Fifty Dollars, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent or Board of Managers of the Association, setting forth the amount of the current monthly assessment, the date that such assessment becomes due, and credits for any advanced payments of common expenses and prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten days from receipt thereof, then such requesting grantee shall not be liable for, nor shall the unit conveyed be subject to a lien therefor together with all costs of collection, interest, penalties and reasonable attorney's fees.

(c) The provisions set forth in this paragraph shall not apply to the initial sales and conveyances of the condominium units made by Declarant, and such sales shall be free from all common expenses to the date of conveyance made or to a date as agreed upon by Declarant and Declarant's grantee.

27. Encumbrances - Priority. An 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 and shall be superior to the assessment(s) for common expenses, subject, however, to the terms, conditions, covenants, restrictions, uses, limitations and obligations created by this Declaration, the Articles of Incorporation and By-Laws of the Association.



The owner of a condominium unit may create junior mortgages, liens or encumbrances on the following conditions: (i) 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 By-Laws of the Association; (ii) that such junior mortgagee 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 by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if such request is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee.

28. Destruction, Damage or Obsolescence - Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction, for repair, reconstruction or obsolescence and to maintain, repair and improve the condominium units, buildings and general and limited common elements. Title to any condominium unit 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 and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with the property upon its damage, destruction or obsolescence as is hereinafter provided. As attorney-in-fact the Association, by its President and Secretary or Assistant Secretary or other duly authorized officers or agents, 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 condominium unit owner which are 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 they existed prior to the damage, with each unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction or replacements 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, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvements 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). Assessments for common expenses shall not be abated during the period of repair and reconstruction.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than sixty percent of the total replacement cost of all of the condominium units in this project, 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 condominium units. Such special deficiency assessment shall be a common expense and made pro rata according to each owner's interest in the general common elements and shall be due and payable within thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of the improvement(s) using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in paragraph 25. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit 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 condominium unit of the delinquent

owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. Assessments for common expenses shall not be abated during the period of repair and restoration. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of eight percent per annum on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

1. For payment of taxes and special assessments liens in favor of any assessing entity and the customary expense of sale;
2. For payment of the balance of the lien of any first mortgage;
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 condominium unit owner.

(c) If the insurance proceeds are insufficient to repair and reconstruct the damaged improvement(s), and if such damage is more than sixty percent of the total replacement cost of all of the condominium units in this project, not including land, and if the owners representing an aggregate ownership interest of fifty-one percent, or more, of the general common elements do not voluntarily, within one hundred days thereafter, make provisions for reconstruction, which plan must have the approval or consent of fifty-one percent, or more, of the first mortgagees of record, then 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 remaining premises shall be sold by the Association pursuant to the provisions of this paragraph, 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 the By-Laws. Assessment for common expenses shall not be abated during the period of repair and restoration. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each owner's interest in the general common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the condominium units. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit 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 mortgage against the condominium unit 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 based upon each condominium unit owner's interest in the general common elements. 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 subparagraph (b) 1 through 5 of this paragraph.

(d) In the event of such damage or destruction under subparagraph (c) of this paragraph, and if a plan for reconstruction is adopted as therein provided, then all of the owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a common expense and made pro rata according to each owner's interest in the general common elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. Assessments for common expenses shall not be abated during the period of repair and restoration. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in paragraph 25. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided and if not so paid, the Association shall

cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of eight percent per annum on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) 1 through 5 of this paragraph.

(e) The owners representing an aggregate ownership interest of eighty percent, or more, of the general common elements may agree that the general common elements are obsolete and adopt a plan for the renewal and reconstruction, which plan has the approval of eighty percent, or more, of the 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 a common expense, whether or not they have previously consented to the plan of renewal and reconstruction. The Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of eight percent per annum on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) 1 through 5 of this paragraph.

(f) The owners representing an aggregate ownership interest of eighty-five percent, or more, of the general common elements may agree that the condominium units are obsolete and that the same should be sold. Such plan or agreement must have the unanimous approval of every first mortgagee. 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, the Articles of Incorporation and the By-Laws. The sales proceeds shall be apportioned among the owners on the basis of each owner's interest in the general common elements, and such apportioned proceeds shall be paid into separate accounts each such account representing one condominium unit. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit 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 subparagraph (b) 1 through 5 of this paragraph.

29. Right of First Refusal.

(a) In the event any owner of a condominium unit other than the Declarant wishes to sell or lease such unit and receives a bona fide offer therefor from a prospective purchaser or tenant, such owner shall give a written notice thereof to the Board of Managers or Managing Agent together with an executed copy of such offer. The Board of Managers or Managing Agent shall then notify the owners of such offer by giving written notice thereof. One or more of the owners shall have the right to purchase or lease the condominium unit upon the same terms and conditions as set forth in the offer. The first such owner giving notice to the Board of Managers or Managing Agent shall have the first right to purchase or lease; provided, however, that such written notice of such election to purchase or lease and a matching down payment or deposit is given to the selling or leasing owner on or before ten days immediately following the delivery of the notice of the bona fide offer and copies thereof.

(b) If any owner other than Declarant attempts to sell or lease this condominium unit without affording to the other owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no possessory rights, no title or interest whatsoever upon the intended purchaser or lessee.

(c) Subleasing or subrenting shall be subject to the same limitations as are applicable to leasing. All liabilities and obligations of the owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

(d) The right of first refusal reserved herein shall not affect the right of an owner to subject his interest to a trust deed, mortgage or other security instrument, but the provisions regarding encumbrances shall apply.

(e) The right of first refusal shall not apply to leases or subleases having a term of less than 90 days, but any renewal or extension thereof which would extend the total tenancy beyond 90 days shall be subject to such right.

(f) Failure of or refusal to exercise the right to so purchase or lease shall not constitute or be deemed a waiver of such right to purchase or lease when such owner or any successor receives any subsequent bona fide offer from a prospective purchaser or tenant.

(g) The right of first refusal, as provided herein, shall extend for and run for a period of twenty-five (25) years from the date of recording this Declaration.

(h) Except as otherwise provided in paragraph 30, and except upon a transfer of title to a Public Trustee or to a first mortgagee, each grantor of a condominium unit, subsequent to the original conveyance thereof by Declarant, in transferring or conveying his interest, shall incorporate in such instrument of conveyance an agreement that the grantee carry out the provisions of the "right of first refusal" herein provided; provided, however, that grantor's failure so to do shall in no way affect such right.

### 30. Exempt Transfers.

(a) In the event of any default on the part of any owners under any first mortgage which entitled the holder thereof to foreclose same, any sale under such foreclosure, including delivery of a bona fide deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 29, and the purchaser (or grantee under such deed in lieu of foreclosure) of such condominium unit shall thereupon and thereafter be subject to the provisions of this Declaration and By-Laws. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) shall be the then holder of the first mortgage, or its nominee, said holder or nominee may thereafter sell and convey the condominium unit free and clear of the provisions of paragraph 29, but its grantee shall thereupon be subject to all of the provisions thereof.

(b) In addition to transfers by Declarant, the following transfers are exempt from the provisions of paragraph 29; provided, however, that further transfers shall be subject thereto except as provided herein:

1. The transfer by operation of law of a deceased joint tenant's interest to the surviving joint tenant(s).
2. The transfer of a deceased's interest to a devisee by will or his heirs at law under intestacy laws.
3. The transfer of all or any part of a partner's interest as a result of withdrawal, death or otherwise, to the remaining partners carrying on the partnership business.
4. The transfer of a corporation's interest to the persons formerly owning the stock of the corporation as a result of a dissolution, or a transfer to the resulting entity following a corporate merger or consolidation; provided, however, that at least fifty percent of the stock of the resulting entity is owned by the stockholders of the corporation formerly owning the condominium unit.

(c) If an owner of a condominium unit can establish to the satisfaction of the Managing Agent or Board of Managers that a proposed transfer is not a sale or lease, then such transfer shall not be subject to the provisions of paragraph 29.

(d) Upon written request of any prospective transferor, purchaser, tenant or an existing or prospective mortgagee of any condominium unit, the Managing Agent or Board of Managers of the Association shall forthwith, or where time is specified, at the end of the time, issue a written and acknowledged certificate in recordable form, evidencing that:

1. With respect to a proposed lease or sale under paragraph 29, that proper notice was given by the selling or leasing owner and that the remaining owners did not elect to exercise their option to purchase or lease;
2. With respect to a deed to a first mortgagee or its nominee in lieu of foreclosure, and a deed from each first mortgagee or its nominee, pursuant to paragraph 29(a), that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of paragraph 29;
3. With respect to any contemplated transfer which is not in fact a sale or lease, that the transfer will not be subject to the provisions of paragraph 29; such a certificate shall be conclusive evidence of the facts contained therein.

31. Registration of Mailing Address. Each owner shall register his mailing address with the Association, and notices or demands intended to be served upon an owner shall be sent by mail, postage prepaid, addressed in the name of the owner at such registered mailing address.

32. Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as is provided in paragraph 30 of this Declaration or until terminated in the manner and as is provided in subparagraph (c) or (f) of paragraph 28 of this Declaration.

33. Restrictive Covenants.

(a) The property is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use. All buildings or structures erected upon the property shall be of new construction, and no buildings or structures shall be moved from other locations onto said premises, and no subsequent buildings other than buildings shown on the Map shall be erected or constructed on the property except by vote of the majority in interest of the condominium unit owners. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used or permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently.

(b) Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant, his agent, employees and contractors to maintain during the period of construction and sale of the condominium units, 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 construction and sale or rental of condominium units and interests, including, but without limitation, a business office, storage area, construction yards, signs, model units, sales office, construction office, parking areas and lighting.

(c) No animals, livestock or poultry 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 advertising signs (except one of not more than four square feet "For Rent" or "For Sale" sign per unit), billboards, unsightly objects 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 condominium unit or any resident thereof. Further, no business activities of any kind whatever shall be conducted in any building or in any portion of the property; provided further, however, that the foregoing covenants shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings and improvements, if any, of the Declarant, its agent, contractors and assigns during the construction and sale and rental period, and of the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

(e) All clotheslines, equipment, garbage cans, service yards, wood piles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring units and streets; provided, however, that the same shall always be confined to the limited common elements (area) associated within that owner's unit. All rubbish, trash or garbage shall be regularly removed from each condominium unit and the condominium project and shall not be allowed to accumulate therein or thereon.

(f) Except in individual yard, patio areas or other appropriate limited common element (area), no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said property, except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association; provided, however, that the Board of Managers may adopt uniform architectural controls for the erection thereof; provided, further, that the maintenance expense thereof shall be the expense of the owner of the condominium unit with which the improvements are associated.

(g) No exterior additions, alterations or decorating to any buildings, nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the property by the Association, or by a representative designated by it.

34. Assessment Reserves. The Association or the Managing Agent may require an owner other than Declarant to deposit with the Association up to three times the amount of the estimated monthly common assessment, without interest, which sum shall be held by the Managing Agent as a reserve to be used for paying such owner's monthly common assessment and for working capital. Such an advance payment shall not relieve an owner from making the regular monthly payment of the monthly common assessment as the same comes due. Upon the sale of his condominium unit, an owner shall be entitled to a credit from his grantee for any unused portion thereof.

35. Association Right to Acquire Additional Property. The Association may acquire and hold for the benefit of all of the condominium unit owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the condominium unit owners in the same proportions as their respective interests in the general common elements, and such interest therein shall not be transferable except with a conveyance of a condominium unit. A conveyance of a condominium unit shall transfer to the grantee ownership of the grantor's beneficial interest in such personal property associated with the foreclosed condominium unit.

36. General Reservations.

(a) Declarant reserves the right to establish easements, reservations, exceptions and exclusions consistent with the condominium ownership of the condominium project and for the best interests of all of the condominium unit owners, including the Declarant, in order to serve the entire condominium project.

(b) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or By-Laws of the Association.

Declarant reserves the right to exercise the rights, duties and functions of the Board of Managers of the Association until eighty-five percent of the condominium units have been sold. During such period of development and sale, the monthly assessment for common expenses shall be based upon the estimate of the actual cost excluding therefrom any estimated amount for contingencies, reserves or sinking funds, and Declarant shall pay its pro rata share thereof for those condominium units which have been completed, are ready for occupancy and are depicted on the Map or section thereof which has been filed for record.

(c) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, Declarant reserves to itself or Ridgewood Realty, Incorporated, a Colorado corporation, the exclusive right to exercise the rights, duties and functions of the Managing Agent for a term of five years with an option to extend or renew the term thereof for an additional five years, the terms and provisions thereof being set forth in the Management Agreement, an executed copy of which has been recorded and which is on file at the office of the Association. Each purchaser of a condominium unit accepts the terms and provisions of the Management Agreement as if the same were fully set forth herein.

(d) Declarant reserves the right to develop and construct the condominium units described in Exhibit "B" in separate stages, each such stage to consist of at least one building. Declarant therefore reserves the right to use that part of the property described in Exhibit "A" as is reasonably and appropriately necessary for the construction of all of the buildings, improvements and appurtenances thereto during the separate or continuous development and construction stages. As is provided in paragraph 5, the Map may be filed for record in whole or in parts, sections or supplements as construction of the units and other improvements are subsequently completed. Declarant reserves the right to convey the separate condominium units which are constructed subsequent to the first construction stage, and each such conveyance shall vest in the grantee thereof a fee simple interest in and to the unit (the air space) together with the 1/44th appurtenant fee simple interest in and to all of the general common elements in this condominium project. Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit as is provided in paragraph 4 without the necessity of an express reservation of the rights reserved herein and without the necessity of an express exclusion or exception in each contract, deed or other instrument excluding or excepting (therefrom) any other condominium unit (both the air space within the unit and the appurtenant undivided interest as expressed in this Declaration), whether such other condominium units have been constructed in the initial stage or in a subsequent stage. During the period when fewer than all of the condominium units described in Exhibit "B" have been erected, the common expenses shall be allocated equally among the owners of such existing condominium units, and during such period, Declarant shall pay the real estate taxes and assessments on that part of the land described in Exhibit "A" which remains undeveloped but on which condominium units will be subsequently constructed. Declarant's reserved rights to develop this condominium project in separate stages shall be coupled with the duty to construct each of the six buildings referred to in Exhibit "B" substantially similar in design, and all units shall be substantially similar in size and construction. Declarant shall commence construction of all of the condominium units described in Exhibit "B" on or before September 30, 1973; otherwise all of Declarant's right, title and interest in and to all of the property described in Exhibit "A", the improvements thereon and the rights herein reserved shall cease, terminate and be at an end, in which event, Declarant hereby grants and conveys to the owners of the then existing condominium units all of such rights, title and interest so that the interest of each such owner of a condominium unit in and to the general common elements shall be equal and based upon the total number of such condominium units. For example, if there are thirty-six units then in existence, the fractional interest in and to the general common elements appurtenant to each unit shall be 1/36th.

37. Title Subject to Declarant's Reservations. Title to and ownership of a condominium unit is expressly subject to the General Reservations set forth in paragraph 36.

38. Acceptance of Provisions of Documents. The conveyance or encumbrance of a condominium unit shall be deemed to include the acceptance of all of the provisions of





EXHIBIT "A"

Lot 1, Block 4, Columbine West Filing No. 1, Jefferson County, Colorado; subject to the liabilities and obligations imposed upon the herein described property by reason of the inclusions thereof within the Jefferson Soil Conservation District, the Littleton Fire Protection District and the Holiday Hills Water and Sanitation District and easements and rights-of-way for existing power and telephone lines and for county roads.

EXHIBIT "B"

<u>Unit</u>	<u>Building</u>	<u>Appurtenant Undivided Interest</u>	<u>Unit</u>	<u>Building</u>	<u>Appurtenant Undivided Interest</u>
7985	A	1/44th	7925	B	1/44th
7981	A	1/44th	7921	B	1/44th
7975	A	1/44th	7915	B	1/44th
7971	A	1/44th	7911	B	1/44th
7965	A	1/44th	7905	B	1/44th
7961	A	1/44th	7901	B	1/44th
7885	C	1/44th	7835	D	1/44th
7881	C	1/44th	7831	D	1/44th
7875	C	1/44th	7825	D	1/44th
7871	C	1/44th	7821	D	1/44th
7865	C	1/44th	7815	D	1/44th
7861	C	1/44th	7811	D	1/44th
7855	C	1/44th	7805	D	1/44th
7851	C	1/44th	7801	D	1/44th
7785	E	1/44th	7735	F	1/44th
7781	E	1/44th	7731	F	1/44th
7775	E	1/44th	7725	F	1/44th
7771	E	1/44th	7721	F	1/44th
7765	E	1/44th	7715	F	1/44th
7761	E	1/44th	7711	F	1/44th
7755	E	1/44th	7705	F	1/44th
7751	E	1/44th	7701	F	1/44th