

COPY

**DECLARATION OF CONDITIONS,
COVENANTS, RESTRICTIONS AND EASEMENTS FOR PINE RIDGE
TOWNHOMES, A COLORADO COMMON INTEREST COMMUNITY**

THIS DECLARATION, is made this 30th day of April, 1996, by THOMAS DIVINE TRUSTEE ("Declarant"), whose address is c/o Dan Karzen, 7575 East Indian Bend Road, No. 2047, Scottsdale, Arizona 85253.

R E C I T A L S

Declarant is the owner of certain real estate in the City of Steamboat Springs, County of Routt, State of Colorado, described in Exhibit "A" attached hereto (the "Real Estate"). Declarant desires to create a common interest community on the Real Estate, the name of which is Pine Ridge Townhomes, in which portions of the Real Estate will be designated for separate ownership and the remainder of which will be designed for common ownership solely by the Association, as defined below. Declarant shall cause to be incorporated, no later than the date set forth in Section 38-33.3-301 of the Act, as defined below, under the laws of the State of Colorado, the Pine Ridge Townhomes Property Owners Association, Inc., a nonprofit corporation, for the purpose of exercising the functions as set forth herein (the "Association").

**ARTICLE 1
SUBMISSION AND DEFINED TERMS**

1.01 Submission of Real Estate.

(a) Declarant does hereby submit the Real Estate described on Exhibit "A" to this Declaration to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq., as such Act may be amended from time to time (the "Act"). Pine Ridge Townhomes is a Planned Community under such Act. In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable.

(b) Declarant does further hereby establish a plan for the ownership of real property estates in fee simple consisting of the Lots designated on the Plat, and the ownership by the Association (subject to the rights reserved by the Declarant herein) of the Common Elements of Pine Ridge Townhomes. Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, grants, limitations and obligations shall be deemed to run with the Real Estate, and the same shall be a burden and benefit to Declarant, its successors and assigns, and to any person acquiring or owning any interest in the Real Estate, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1.02 Definitions. Each capitalized term in this Declaration not otherwise defined in this Declaration or in the Plat shall have the meanings specified or used in the Act. As used in this Declaration, unless otherwise provided:

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Kay Weinland Routt County Clerk & Recorder
REC 156.00 DOC

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(a) **"Allocated Interest"** means the percentage liability for Common Expenses and the votes in the Association allocable to a Unit, as may be set or re-allocated from time to time by this Declaration or any subsequent amendments to this Declaration.

(b) **"Association"** means the Pine Ridge Townhomes Property Owners Association, Inc., a Colorado nonprofit corporation, the members of which shall consist of all of the Owners of Units or, following termination of the Common Interest Community pursuant to the Act, shall consist of all former Unit Owners entitled to distributions of proceeds under C.R.S. §38-33.3-218, or the heirs, personal representatives, successors, or assigns of such former Unit Owners. The Board of Directors of the Association is hereinafter referred to as the "Executive Board."

(c) **"Association Control Period"** means the time period between the initial recording of this Declaration in the real property records of Routt County, Colorado and the last to occur of (1) sixty (60) days after conveyance of 75% of the maximum number of Units that may be created pursuant to Section 3.01 below to Unit Owners other than a Declarant, or two years after the last conveyance of a Unit by the Declarant in the ordinary course of business.

(d) **"Building"** means either of the two building structures containing or including Units and located on the Real Estate and made subject to this Declaration.

(e) **"Common Elements"** means (i) all portions of the Project other than within the boundaries of the Units (provided that certain Common Elements described herein may be located wholly or partially within the boundaries of the Units); (ii) the easements for access to and the maintenance and repair of the Buildings and other improvements on Units provided for in this Declaration or the Act; (iii) the roofs, fascia, soffits, exterior walls, foundations and other structural portions of the Buildings, (iv) any chute, flue, duct, wire, pipe, conduit, bearing wall, bearing column or other fixture lying wholly or partially within a Unit and which serve another Unit or serve any portion of the Common Elements outside of such Unit; (v) the Real Estate and easements described on Exhibit "A", except those portions of the Real Estate completely within the boundaries of the Units (provided that certain Common Elements described herein may be located on the Real Estate within the boundaries of the Units); (vi) the area designated "Common Area" on the Plat; (vii) the 10 foot wide drainage easement described in Book 711, Page 817 of the Routt County records; and (viii) all fixtures, utilities, facilities, improvements and apparatus thereon outside of the Unit boundaries.

(f) **"Common Expenses"** means all expenses expressly declared to be Common Expenses by the Act, this Declaration or the Bylaws of the Association, together with all funds assessed for or allocated to the creation, funding or maintenance of reserves.

(g) **"Declarant"** means Thomas Divine Trustee and his successors and assigns to the Special Declarant Rights created or reserved herein.

(h) **"Declarant Control Period"** means five (5) years from and after the initial recording of this Declaration in the real property records of Routt County, Colorado.

(i) **"Declaration"** means this instrument and all amendments to this instrument hereafter recorded in the real property records of Routt County, Colorado, together with the Plat and all amendments and supplements to the Plat.

(j) **"First Lienor"** means the person who is the beneficiary of or holds the first lien security interest on a Unit, other than the Association with respect to its lien under the Act as described in Section 8.10 of this Declaration.

(k) **"Limited Common Elements"** means that portion of the Common Elements designated in this Declaration, on the Plat, or by the Act, or in any amendment to any of the foregoing, for the exclusive use of one or more but fewer than all of the Units.

(l) **"Mortgagee"** means any person who owns, or who holds as beneficiary, any security interest, lien or encumbrance on a Unit, including a First Lienor and including any person owning or holding a non-consensual lien encumbering a Unit, such as (but not limited to) a mechanic's lien or judgment lien. If the security interest is a deed of trust, then the "Mortgagee" is the beneficiary thereof and is not the Public Trustee of Routt County or the private trustee identified therein.

(m) **"Owner"** means any person who is the record owner of an undivided fee simple interest in any Unit, including a contract seller but excluding those having such interest merely as security for the performance of any obligation, and where the context clearly requires, "Owner" also means all co-owners of undivided fee simple interests in such Unit.

(n) **"Plat"** means that part of this Declaration and any proper amendment to this Declaration that is a land survey plat as set forth in C.R.S. §38-51-102, depicts all or any portion of the Project in two dimensions, is executed by a person that is authorized by the Act to execute the Declaration or amendment to the Declaration for the Project, and is recorded in the real estate records of Routt County, Colorado. The Plat has been recorded in File /232/ of the Routt County, Colorado real estate records.

(o) **"Project"** means the entirety of Common Elements and Units located on the Real Estate which are subject to this Declaration.

(p) **"Real Estate"** means the real property situated in the County of Routt, State of Colorado, described in Exhibit "A" to this Declaration, which is hereby submitted to this Declaration, subject to any Special Declarant Rights reserved or created herein.

(q) "Unit" means the separate Lots designated on the Plat, together with the Allocated Interest in the Common Expenses and votes in the Association allocated to such Unit.

ARTICLE 2

NAMES; DESCRIPTION OF UNITS

2.01 Name of Common Interest Community. The name of the Common Interest Community is Pine Ridge Townhomes. Pine Ridge Townhomes is a Planned Community.

2.02 Name of Association. The name of the Association is the Pine Ridge Townhomes Property Owners Association, Inc., which is a Colorado nonprofit corporation.

2.03 Real Estate. The Common Interest Community is located in Routt County, Colorado. The Real Estate of the Project is described in Exhibit "A" attached hereto.

ARTICLE 3

UNITS

3.01 Number of Units. The Common Interest Community shall include seven (7) Units, whose boundaries are delineated on the Plat and designated as Lots on the Plat. The identifying number of each Unit (Lot) is shown on the Plat. The maximum number of units in the Project shall not at any time exceed seven (7) units.

3.02 Boundaries of Units. The boundaries of each Unit are located as shown on the Plat.

3.03 Allocated Interests. The percentage Allocated Interest in Common Expenses and the votes in the Association appurtenant to each Unit described in Section 3.01 is set forth and scheduled in Exhibit "B" to this Declaration. The formula to establish the Allocated Interest of Common Expense liability for each Unit has been calculated on the basis of 100% divided by the total number of Units described in Exhibit "B." In the event of a dispute, the decision of the Executive Board as to the method of calculation of and as to actual calculations shall be conclusive and binding on all interested parties.

3.04 Subdivision of Units. No further subdivision of Units shall be allowed.

3.05 Relocation of Boundaries of Units. Pursuant to the Act, upon approval by the Executive Board, the boundaries between adjoining Units may be relocated by an amendment to the Declaration, and each Unit whose boundaries are so relocated shall be deemed a separate Unit under this Declaration. In order to relocate the boundaries between adjoining Units, the Owners of such Units shall submit to the Executive Board an application which includes matters required by the Act and such other information as may be reasonably requested by the Executive Board. The Executive Board shall approve upon

reasonable conditions, or disapprove such application within a reasonable period of time, and shall communicate promptly to the applying Owners the reasonable conditions of approval or all of the reasons for disapproval, as applicable. Relocation of the boundaries between such Units shall be accomplished by an amendment to the Declaration, prepared in accordance with this Declaration and the Act, executed by the Owners of the Units whose boundaries are relocated and by the president of the Association, and recorded in the Routt County, Colorado real property records.

3.06 Alteration of Units. Subject to the provisions of Article 7 hereof, an Owner may alter such Owner's Unit as permitted in the Act.

3.07 Use of Units. The Units listed on Exhibit "B" and any Units created by relocation of the boundaries thereof shall be used and occupied solely for residential purposes, including (but not limited to) for nightly and transient rentals and for dwelling and lodging purposes. Owners of Units may rent or lease Units to others; provided, however, that each such lease or rental agreement and the use and occupancy of the leased or rented Unit is subject to the Act, this Declaration and the Articles of Incorporation, Bylaws and Rules and Regulations of the Association.

3.08 Title. Title to a Unit may be acquired, held, encumbered and conveyed individually or in any form of concurrent ownership recognized in Colorado.

ARTICLE 4 AMENDMENTS TO THE PLAT

The Plat may be amended from time to time pursuant to the Act and this Declaration, and shall be amended upon relocation of the boundaries of adjoining units.

ARTICLE 5 COMMON ELEMENTS; LIMITED COMMON ELEMENTS; PARTY WALLS

5.01 Ownership of Common Elements. All of the Common Elements shall be owned only by the Association, subject to the Special Declarant Rights created or reserved in this Declaration. The Association has the right and power to cause improvements to be made to or upon the Common Elements, as a part of the Common Elements, subject to Special Declarant Rights. The Association shall have an easement on, over, across and above all Units for access to and the maintenance, restoration, repair and replacement of existing or future Common Elements and improvements on Common Elements.

5.02 Use of Common Elements. Each Owner shall be entitled to use the Common Elements in accordance with the purposes for which they are intended, without hindering, impeding or imposing upon the rights of the other Owners, but subject to this Section and Section 5.04 below, and provided that such use shall be in accordance with rules and regulations duly established from time to time by the Association. Limited Common

Elements may be used only by the Owner or Owners to whose Unit(s) such Limited Common Elements are allocated. Notwithstanding the foregoing, the Association may, by Rules and Regulations or action of the Executive Board, limit or restrict access to or the use of Common Elements located on, above or beneath the Building or any Unit in the Project, mechanical areas, utility vaults, crawl spaces, drainage facilities and similar items and areas. The Executive Board may, in its discretion, charge reasonable fees and establish reasonable conditions for the use of any recreational facility which is a part of the Common Elements or which is situated on property owned or leased by the Association.

5.03 Access. Each Owner of a Unit in the Project is vested with and shall have during his period of ownership, for his own use and the use of his guests, employees, agents and invitees, a non-exclusive easement in common with all other Unit Owners on, over and across (i) all exterior motor vehicle driveways, parking areas and roads, (ii) all pedestrian walkways, trails and sidewalks as are now situated or as may hereafter be constructed by the Declarant or the Association on the Common Elements outside of any Unit or on real property owned by the Association outside of any Unit, and (iii) all other parts of the Common Elements, for purposes of vehicular and pedestrian ingress and egress to such Owner's Unit from Walton Creek Road and for purposes of pedestrian and non-motorized vehicle ingress and egress to such Owner's Unit from public trails and sidewalks adjoining the Project; provided, however, that (i) no Owner shall, by reason of such non-exclusive easement, have any right or privilege to use or occupy any Limited Common Elements which have not been allocated to such Owner's Unit by this Declaration or any amendment hereto, (ii) such easement shall not exist upon or burden or encumber any land within any Unit (except for the common walkways or sidewalks which provide access to the Units) and (iii) such easement is subject and subordinate to any Special Declarant Right and to the right and authority of the Association to regulate, encumber and convey the Common Elements pursuant to the Act and to construct, locate and place improvements and structures on Common Elements and on real property owned or leased by the Association; provided, however, that a reasonable route of vehicular and pedestrian ingress and egress from each Unit across the General Common Elements to Walton Creek Road shall never be denied. Such easement shall be appurtenant to each Owner's Unit, shall run with such Unit to the respective successive Owners thereof, and shall be irrevocable by Declarant, the Association, or any other Unit Owner.

5.04 Limited Common Elements and Party Walls. The Units described on Exhibit "B" to this Declaration do not include any Limited Common Elements except as otherwise described in this Section or in C.R.S. §38-33.3-202(1)(b) and (d), if any. The following provisions shall apply to the adjoining or common walls located on boundaries of the Units described on Exhibit "B" (herein "Party Walls"): (i) that portion of a Party Wall consisting of foundations, stem walls and structural components of the Building shall be Common Elements; (ii) the lathe, furring, wallboard, plaster board, plaster, paneling, tiles, wallpaper, paint and other materials constituting a part of the finished surface of a Party Wall and located within the boundary of a Unit is a part of that Unit and not a Common Element, and any such item located outside the boundary of a Unit but serving one Unit only is a

Limited Common Element allocated exclusively to that Unit; (iii) any chute, flue, duct, wire, conduit or similar fixture located within a Party Wall and serving one Unit only is a Limited Common Element allocated solely to that Unit, or if serving adjoining Units, is a Limited Common Element allocated equally to such adjoining Units, provided that any such item serving more than two Units shall be a part of the General Common Elements. Each Owner of a Unit on which a Party Wall is located shall have an easement on the contiguous Unit for the Party Wall and for the purpose of structural support, repair and maintenance of the same, including reasonable access through the contiguous Unit for the repair, maintenance, restoration and replacement of the Building components constituting the Party Wall and situated on the common boundary of the Units. No Unit Owner shall construct, permit or allow the construction or continuation of any openings in any Party Wall without the consent of the adjacent Unit Owner, excepting only as permitted for repair, maintenance, restoration and replacement of Party Wall improvements.

5.05 No Reallocation of Common Elements as Limited Common Elements. Common Elements in the Real Estate not described as Limited Common Elements elsewhere in the Declaration or in the Act may not hereafter be allocated as Limited Common Elements.

5.06 Reallocation of Limited Common Elements Among Units. Pursuant to the Act, upon approval by the Executive Board, a Limited Common Element may be reallocated between or among Units. In order to reallocate any Limited Common Element between or among Units, the Owners of such Units shall submit to the Executive Board an application for approval of the proposed reallocation which includes matters required by the Act and such other information as may be reasonably requested by the Executive Board. The Executive Board shall approve, approve upon reasonable conditions, or disapprove such application within a reasonable period of time, and shall communicate promptly to the applying Owners the reasonable conditions of approval or all of the reasons for disapproval, as applicable. Reallocation of the Limited Common Element between or among such Units shall be accomplished by an amendment to the Declaration, prepared in accordance with this Declaration and the Act, executed by the Owners of the Units between or among whose Units the reallocation is made and by the president of the Association, and recorded in the Routt County, Colorado real property records.

ARTICLE 6

THE ASSOCIATION; ADMINISTRATION, MANAGEMENT AND VOTING

6.01 Association Authority. The affairs of Pine Ridge Townhomes shall be administered and managed by the Association, pursuant to the Act and this Declaration, and pursuant to the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association.

6.02 Powers. The Association shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of

the Project. The Association may assign its future income, including its rights to receive Common Expense assessments, only by the affirmative vote of the Owners of Units to which at least 51% of the votes in the Association are allocated, at a meeting of the Association called for that purpose.

6.03 Declarant Control. Subject to C.R.S. §38-33.3-303(6), the Declarant hereby reserves, and shall have, the Special Declarant Right for Declarant, or any person designated by Declarant in writing delivered to the Executive Board, to appoint and remove the members of the Executive Board and the officers of the Association at any time and from time to time, in the sole discretion of the Declarant or the designee of Declarant, with or without cause, but only during the Association Control Period. Declarant may voluntarily surrender the right to appoint and remove the members of the Executive Board and the officers of the Association before termination of the Association Control Period, but in that event the Declarant may require, for the duration of the Association Control Period, that specified actions of the Association or the Executive Board, as described in a recorded instrument executed by the Declarant, shall be approved by the Declarant before such actions become effective.

6.04 Managing Agent. The Executive Board of the Association may contract with or employ any managing agent for the Association (including Declarant or any Affiliate of Declarant), to perform inter alia any of the duties, services, powers and responsibilities of the Association set forth in the Act or in this Declaration or in its Articles of Incorporation or Bylaws.

6.05 Membership in Association. Each Owner (including Declarant with respect to Units from time to time owned by Declarant) shall be a member of the Association and shall remain a member until he ceases to be an Owner. Each Owner of an undivided fee interest in a Unit amounting to less than the entire fee interest in such Unit, including a co-owner as tenant-in-common or in joint tenancy, shall be a member of the Association. Each member shall comply strictly with the provisions of this Declaration and of the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association.

6.06 Votes. Each Unit described in Exhibit "B" hereto shall be allocated one (1) vote on all and any matters to be voted on by the members of the Association. The allocation of votes among the Units shall be calculated on the basis of one (1) vote per Unit described in Exhibit "B." Division of the vote allocated to a single Unit among multiple Owners of such Unit shall not be allowed; rather, the vote allotted to a Unit shall be voted entirely and undivided for or against or in abstention of an issue or matter put to vote among the members of the Association.

6.07 Rules and Regulations. Each member and his guests, invitees and tenants shall be bound by and shall comply with the Rules and Regulations of the Association duly made and adopted in the manner set forth in the Act and in the Articles of Incorporation or Bylaws. After notice and an opportunity to be heard, the Association may levy

reasonable fines for violations of this Declaration or the Bylaws or Rules and Regulations of the Association. Any fine levied against an Owner, or against any person occupying such Owner's Unit with the consent of such Owner, shall be a special Common Expense assessment to such Owner's Unit.

6.08 Ratification of Budget by Members. Within thirty (30) days after adoption by the Executive Board of any proposed budget for the Project, the Executive Board shall mail, by ordinary first-class mail, a copy of the budget as adopted, or a summary thereof, to all members at the mailing addresses of the members determined under Section 13.05 below, and shall set a date for a meeting of members, which may be the annual meeting of members, to consider ratification of the budget, such meeting to be not less than 14 nor more than 60 days after mailing of the copy or summary of the budget to the members. Unless at that meeting Owners having a majority of the votes of all members reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected by the affirmative vote of Owners having a majority of the votes of all members, the periodic budget last ratified by the Members shall be continued until such time as the members ratify a subsequent budget proposed by the Executive Board.

ARTICLE 7
MAINTENANCE AND REPAIRS;
ALTERATIONS AND ARCHITECTURAL CONTROL

7.01 Maintenance of Units. Except as otherwise expressly provided in Section 7.02 and Section 7.03, each Owner shall be responsible for maintenance and repair of such Owner's Unit and any Limited Common Elements allocated exclusively to such Unit. Unit Owners shall be responsible for snow removal from and routine cleaning of decks, exterior cleaning of windows and the repair and maintenance of garage doors, except exterior painting of garage doors located upon such Owner's Unit.

7.02 Maintenance of Certain Exterior Features. The Association shall be responsible for the maintenance and repair of the Common Elements (except the Limited Common Elements as set forth in this Declaration), including stucco, siding, shutters, porches, balconies, decks, patios and painted surfaces on the exterior of the Building, the Building foundation and structural components, the Building roof, the concrete floor slab or crawl space, the exterior of garage doors and drainage facilities. In addition, the Association shall be responsible for the maintenance of lawns and landscaping located on Units and for the repair, replacement and removal of snow on concrete walkways and sidewalks which provide access to the Units, including the sidewalk located in the public right-of-way adjacent to the Project. Expenses of maintenance and repair incurred in connection with the foregoing shall be Common Expenses of all Owners. The Association, its managing agent and the employees and contractors of each shall have access to any Unit at any time during an emergency, and otherwise from time to time during business hours and after reasonable notice to the Owner thereof, for purposes of carrying out the maintenance and repairs specified in this Section.

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7.03 Maintenance of Common Elements. Except as otherwise provided in this Section, the Common Elements shall be administered, insured, conserved, managed, maintained, operated, cleaned, repaired, reconstructed and replaced by the Association, and all of the costs and expenses of such administering, insuring, conserving, managing, maintaining, operating, cleaning, repairing, reconstructing, and replacing are Common Expenses of all Owners. Notwithstanding the foregoing, (i) Limited Common Elements allocated solely to one Unit pursuant to this Declaration or the Act shall be maintained, cleaned, repaired, reconstructed and replaced solely by the Owner of such Unit, and (ii) those portions of Limited Common Elements serving two adjacent Units (including improvements in Party Walls) shall be maintained, repaired, reconstructed and replaced jointly by the Owners of the contiguous Units, and each Owner shall pay one-half the cost thereof within fifteen (15) days after billing, and in the event the same is not paid when due, said sum shall be collected by the Association as a special assessment of the non-paying Owner only.

7.04 Failure of Owner to Maintain. In the event an Owner fails for any reason, after reasonable notice from the Association, to accomplish any maintenance, cleaning, repair or replacement for which such Owner is responsible, then the Association may do so and the Common Expense therefor shall be a liability and obligation, as a special assessment, of such Owner only.

7.05 Damage by Owners or Occupants. If any Owner or occupant causes damage to the Common Elements, any other property owned by the Association, or property which the Association is otherwise obligated to maintain or repair, the Common Expense incurred in the cleaning, repair or replacement thereof shall be a liability and obligation, as a special assessment, of the Owner of the Unit who, or whose occupants, caused the damage. If any Owner or occupant causes damage to a Party Wall or to Limited Common Elements which another Owner or Owners are obligated to maintain or repair, the expenses incurred in the cleaning, repair or replacement thereof shall be the liability and obligation of the Owner of the Unit who, or whose occupants, caused the damage, which shall be due and payable within fifteen (15) days after billing, and in the event the same is not paid when due, said sum shall be collected by the Association as a special assessment against such Owner only.

7.06 Access to Units. The Association and its managing agent, and the employees and contractors of each, shall have access to any Unit at any time during an emergency, and otherwise from time to time during business hours and after reasonable notice to the Owner thereof, for purposes of administering, conserving, managing, maintaining, repairing, renovating or replacing the Common Elements, taking action pursuant to Section 7.04 or otherwise exercising its powers and carrying out its purposes. Without limiting the foregoing, the concrete floor slab or crawl space beneath the Building is a Common Element, and the Association and its managing agent, and the employees and contractors of each, shall have access to said concrete slab or crawl space at any time during an emergency, and otherwise from time to time during business hours and after reasonable notice to the Owner thereof,

for purposes of administering, conserving, managing, installing, maintaining, repairing, renovating or replacing any improvements located therein.

7.07 **Architectural Controls.** No improvement of any nature, including decks, patios, sheds, fences, pet shelters, lights, satellite dishes, antennas, sidewalks, landscaping, permanent or portable hot tubs or spas, or signs shall be erected, placed, altered or rebuilt on any Unit or within the Common Elements, nor shall there be any alteration of the exterior, attic, foundations, subfloor or structural components of the Building or other structure on any Unit or within the Common Elements, including without limitation any alteration of colors, materials or landscaping, unless such action shall have been approved in writing by the Executive Board. The Executive Board shall have the right to charge a reasonable fee and/or collect reimbursement of its expenses incurred in reviewing any action or matter for which consent or approval of the Executive Board is required. The Executive Board may condition the issuance of consent or approval upon payment of its fees and reimbursement of expenses or upon the applicant's agreement to make modifications to the proposed action or matter. Prior to the commencement of any action or matter requiring approval of the Executive Board, the applicant shall submit to the Executive Board plans and specifications of the proposed work in such detail as the Executive Board shall require. The decision of the Executive Board shall be made within thirty (30) days after receipt by the Executive Board of all materials required by the Executive Board, unless such time is extended by mutual agreement. The vote of at least two (2) members of the Executive Board shall be necessary to approve any action or matter. Any action or matter approved by the Executive Board shall be promptly completed in accordance with the terms and conditions of the approval and the materials submitted to the Executive Board upon which the approval was based. In considering any such action or matter, the Executive Board may consider, among other factors it deems relevant, the compatibility and consistency of the proposed action or matter with the remainder of the Project. Notwithstanding any other provision of this Declaration or any rule of law, the Executive Board shall have no obligation to give consent or approval to any proposed addition or modification to roofs, attics, foundations, subfloors or structural components of the Building, any alteration of the exterior of the Building, or any item which the Association has an obligation to maintain. The Executive Board, its representatives, employees and agents, shall not be liable to any owner, occupant or any party for any matter resulting from mistakes in judgment, negligence, nonfeasance or any other action related to approval, disapproval or failure to approve any action or matter, and in no event shall the Executive Board or its representatives be responsible for the design, construction or any other matter related to the action or matter approved.

ARTICLE 8

ASSESSMENTS FOR COMMON EXPENSES; UTILITIES; LIEN; COLLECTION OF ASSESSMENTS; REMEDIES OF ASSOCIATION; AND ESTOPPEL CERTIFICATE OF ASSESSMENTS

8.01 **Association to Levy Assessments.** The Association shall assess the Owners for payment of the Common Expenses. The Association shall fix, determine, assess and collect general Common Expense assessments from the Owners of all Units on an annual basis, based upon the Association's advance budget of the cash requirements needed by it to

provide for the management of the Project and the administration and performance of the Association's duties during such assessment year, and to fund and contribute to any reserves deemed appropriate by the Executive Board of the Association, including (without limitation) a capital reserve for repairs, maintenance, replacement and acquisition of Association property and Common Elements (herein called the "Capital Reserve Fund") and an operating reserve to meet unanticipated Common Expenses and to permit payment of Common Expenses in advance of receipt of assessments (herein called the "Operating Reserve"). Upon the initial sale and conveyance of each unit by Declarant, other than to an Affiliate of Declarant, the transferee of such Unit shall pay to the Association for deposit in the Operating Reserve, a non-refundable amount equal to three months' general Common Expense assessments of the Association to such Unit. Assessments permitted hereunder to the Capital Reserve Fund shall be made on a regular and periodic basis as part of the Association's annual budget. The Association may also fix, determine, assess and collect special Common Expense assessments authorized by the Act, this Declaration or in the Bylaws of the Association, subject to any limitations provided by the Act, this Declaration or the Bylaws. Common Expense assessments shall begin on the first day of the month following the month in which conveyance of the first Unit to an Owner other than the Declarant occurs. Until the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses.

8.02 Obligation to Pay Assessments. Pursuant to C.R.S. §38-33.3-315(6), each Owner is liable for assessments made against such Owner's Unit during the period of ownership of such Unit. Declarant covenants and agrees for each Unit from time to time owned by Declarant, and each Owner of a Unit, by acceptance of a deed of conveyance for such Unit, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree with and for the benefit of the Association to pay to the Association all of the assessments for Common Expenses levied and made to such Unit by the Association, and all and any fines levied by the Association against the Owner or any person occupying any part of the Unit with the consent of the Owner, for violation of the Rules and Regulations of the Association.

8.03 Apportionment. Common Expenses shall be assessed against all Units in accordance with the Allocated Interest of each Unit for Common Expenses as set forth in Exhibit "B" to this Declaration, or as reallocated by any proper amendment to this Declaration, except as provided in Section 8.05 below and except that the following Common Expenses shall be apportioned and assessed to one or more but less than all of the Units as follows:

- (a) Common Expenses for repairing, renovating and replacing a Limited Common Element, other than the Limited Common Elements described in C.R.S. §38-33.3-202(1)(b) serving more than one Unit, and costs of utility services to a Limited Common Element, shall be assessed and collected by the Association from only the Owner or Owners of the Unit or Units to which use and enjoyment of such Limited Common Element has been assigned and

) allocated, allocated among such Units in the proportion that the Allocated Interest appurtenant to each such Unit bears to the total of the Allocated Interests appurtenant to all Units to which use and enjoyment of such Limited Common Element has been assigned and allocated;

- (b) If any Common Expense is caused by the misconduct of any Unit Owner, the Association may assess that expense exclusively against such Owner's Unit as a special Common Expense assessment. If any fine is levied by the Association for violation of this Declaration or the Bylaws or Rules and Regulations of the Association against an Owner, or against any person occupying such Owner's Unit with the consent of such Owner, such fine shall be a special Common Expense assessment to such Owner's Unit only; and
- (c) Any assessments required by the Act to be made to the Owners of one or more but less than all of the Units shall be the responsibility of only such Owners.

The allocation of Common Expense liability among the Units has been calculated on the basis of the respective Allocated Interests for Common Expenses allocated to each Unit, which has been calculated on the basis described in Section 3.03 above.

8.04 Liability of Co-Owners. Each Owner is liable, and if a Unit is owned at any time by two or more persons in undivided interests pursuant to a form of concurrent co-ownership recognized by Colorado law, then each co-Owner of such Unit is jointly and severally liable with all other co-Owners of such Unit, to the Association for payment of all Common Expenses, assessments, fees (including attorney's fees), interest and charges levied against or with respect to such Unit, and for the performance and observance of all of the duties and responsibilities of an "Owner" with respect to the Unit.

8.05 Apportionment of Utility Expenses.

- (a) Utility Facilities. The expense of connecting, maintaining, operating, repairing and replacing facilities within the boundaries of a Unit which are connected or may be connected to utility lines, such as telephones, electrical appliances, gas fixtures, and the like, shall be the obligation and liability of the Owner or Owners of such Unit, and shall not be a Common Expense, regardless of the time at which such connection, repair or replacement is made.
- (b) Utilities Metered to Individual Units. Service charges for use of any utility service which is separately metered or allocated by the utility supplier to individual Units in the Project shall be apportioned by the Association among the Unit Owners on the basis of actual utility usage charged and metered or allocated by the utility supplier to each Unit. Alternatively, the Association may cause the utility supplier in such circumstances to render billings direct

7) to the Owner or Owners of each Unit, in which event the service charges shall not be Common Expenses but shall be paid and discharged directly by such Owner or Owners. Electrical and telephone service will be separately metered to each Unit, and therefore such service charges shall be apportioned or billed as provided in the preceding sentence.

- (c) Utilities Metered to a Group of Units. Service charges for use of any utility service which is separately metered by the utility supplier collectively to more than one, but less than all, of the Units shall be a Common Expense of all Units. Water shall be metered to each Building, but water service charges for each Building shall be a Common Expense as provided in the preceding sentence. Service charges for cable television service shall be a Common Expense as provided in the first sentence of this paragraph, except as otherwise determined by the Executive Board.
- (d) Utilities Not Metered or Metered to Project as a Whole. Service charges for use of any utility which is not metered to any Unit, including trash removal, shall be apportioned among the Units on the basis of the respective Allocated Interest of each Unit. It is expected that sewage collection services will not be metered to any Unit, and therefore service charges for such sewage collection service shall be apportioned as provided in the preceding sentence. Service charges for use of any utility which is metered solely and only to the Project as a whole shall likewise be apportioned among the Units on the basis of the respective Allocated Interest of each Unit. Water supply services and electrical service to the Common Elements will be metered to the Project as a whole, and therefore service charges for such water supply and Common Element electric service shall be apportioned as provided in the preceding sentence.
- (e) Advance Billing. The Association may assess Owners of Units for utility service charges which are separately metered to each Unit or to a group of Units or to the entire Project, in advance based upon an annual budget, or in arrears based upon actual billings from the respective utility suppliers. Such billings by the Association shall be deemed to be special Common Expense assessments to the affected Units, and the Association shall collect the same and account for and pay collections over to the respective utility suppliers. If such user charges are so billed and collected by the Association in advance, the Association shall adjust the accounts of the Owners at least annually, based upon actual metered usage of the utility services and the apportionment rules set forth above.
- (f) Utilities to Common Elements. Electrical, telephone, gas, water, sewage and trash collection services supplied to or within Common Elements which are not Limited Common Elements shall be metered to or allocated to the

Association itself, and all of the charges for such common electrical, telephone, gas, water, sewage and trash collection services shall be included as part of the Common Expenses assessed to all Units and apportioned among the Units in accordance with their Allocated Interests.

8.06 Procedures for Payment. The Bylaws of the Association shall establish the procedures by which the general and special Common Expense assessments shall be made known to and paid by the Owners. Such procedures may include the determination and levying of such assessments as a periodic (but not less often than quarter annual) installment billing of the annual general Common Expense assessment based upon the annual budget of the Association (including funding of reserves), in which event the general Common Expense assessment shall be deemed to have been severally incurred as of the respective dates of the installment billings.

8.07 Suit. An action may be brought by the Association in a court of competent jurisdiction to recover unpaid general and special Common Expense assessments, late payment charges, and accrued interest from the Owner or Owners liable for payment thereof, with or without foreclosing the lien of the Association described in Section 8.10 below. In any such action the Association shall also be entitled to recover judgment from such Owner or Owners for all of the Association's attorney's fees, costs of discovery and court costs incurred in connection with such suit. All of such attorney's fees and costs incurred after delinquency of general or special Common Expense assessments shall be a special assessment to the Unit of the delinquent Owner in any event.

8.08 Interest; Late Charges. Unpaid general and special Common Expense assessments shall bear interest from and after the date the same are due until paid at the interest rate set from time to time by the Association, but not to exceed 21% per annum. If the Association shall not have set such interest rate, then the interest rate shall be 21% per annum, compounded annually. The Bylaws of the Association may also empower the Association to levy reasonable late charges against a delinquent Owner and such Owner's Unit for late payment of any general or special Common Expense assessment.

8.09 Suspension of Voting Rights. The Association may, during the period any general or special Common Expense assessment is past due and unpaid by an Owner, suspend the voting rights and privileges in the Association allotted to such Unit; provided, however, that such suspension may be imposed only after at least three (3) days' advance written notice given by the Association to the delinquent Owner and to the First Lienor of the affected Unit; and provided, further, that no suspension of voting rights shall affect the rights of any First Lienor to vote pursuant to a proxy granted in a first lien security interest on the affected Unit.

8.10 Lien. All unpaid general Common Expense assessments (including, but not limited to, funds budgeted for contributions to any reserves approved by the Executive Board of the Association), all unpaid special Common Expense assessments (including, but

not limited to, Common Expenses incurred for Limited Common Elements, and utility charges separately metered to Units or Limited Common Elements), all fines for violations of the Declaration or Rules and Regulations or Bylaws of the Association which are levied against an Owner of a Unit, accrued interest on and any late charges levied with respect to any unpaid general or special Common Expense assessment or fine, attorney's fees and costs of discovery and suit incurred in connection with enforcement of any unpaid general or special Common Expense assessment or fine (whether or not suit is brought), and unpaid fees and charges for the use, rental or operation of the Common Elements other than Limited Common Elements, shall each and all constitute a continuing lien on such Unit pursuant to and as granted by C.R.S. §38-33.3-316, and shall also constitute a continuing lien on and security interest in the furniture, furnishings, appliances, equipment and fixtures in such Unit, in favor of the Association, as secured party. Such lien of the Association on the Unit shall be prior and superior to all other security interests and non-consensual liens and encumbrances on the Unit EXCEPT as provided in C.R.S. §38-33.3-316(2), as amended from time to time.

The Association's continuing lien shall be perfected and attach to each Unit from the date of the initial recording of this Declaration in the real property records of Routt County, Colorado. The Association's lien shall also attach to the furniture, furnishings, appliances, equipment and fixtures within a Unit from the date any such personalty or fixtures became situated in such Unit or from the date of the initial recording of this Declaration in the real property records of Routt County, Colorado, whichever date is later, but such lien shall be inchoate until any assessment levied against such Unit has become past due. Declarant and each successive Owner of an interest in a Unit, by acquiring title to such interest, grants and is hereby conclusively deemed to have granted to the Association, as secured party, a security interest in all furniture, furnishings, appliances, equipment and fixtures at any time situated in such Unit, to secure payment of all assessments, charges, fees, interest and other sums at any time due and unpaid to the Association with respect to such Owner's interest in such Unit. This Declaration shall constitute a financing statement when a copy hereof is filed with the Colorado Secretary of State or with the Routt County Clerk and Recorder. Such security interest in favor of the Association shall be governed by the Colorado Uniform Commercial Code and shall, nevertheless and whether or not a financing statement for this security interest has been filed, be junior, inferior and subordinate at all times to a perfected security interest in any of such furniture, furnishings, appliances, equipment and fixtures to secure purchase money financing thereof or in favor of the First Lienor of the Unit, as secured party.

No recordation of any claim or lien by the Association after the initial recordation of this Declaration is required. However, the Association may, in its sole discretion, determine to record in the real property records of Routt County, Colorado a notice of such claim of lien, setting forth therein (i) the amount of the unpaid sums (itemized showing general and special Common Expense assessments, fines, interest, fees and charges), (ii) the name of the Owner or reputed Owner and the legal description of the Unit against which such lien is asserted, and (iii) a statement that such lien extends to reasonable attorney's fees

) and costs of the Association incurred in enforcing such lien. Failure of the Association to record any such notice shall not, however, defeat such lien nor affect its priority.

If an assessment is payable in installments, and if an Owner shall default and fail to pay any installment, then unless the Act requires otherwise, the Executive Board may elect, by notice to the defaulting Unit Owner, to accelerate payment of the full amount of the assessment and to require the full amount of such assessment to be immediately due and payable. In the event of such acceleration, the full amount of the assessment is a lien from the time of the acceleration of the assessment by the Executive Board.

8.11 Foreclosure. The Association's lien against a Unit as described in Section 8.10 above may be foreclosed by the Association in like manner as foreclosure of a mortgage on real estate under Colorado law. The Association shall be entitled to purchase the Unit at the foreclosure sale, and thereafter to acquire, hold, lease, mortgage or convey the same. The Association's lien and security interest in all furniture, furnishings, appliances, equipment and fixtures in a Unit may be foreclosed by the Association in the manner provided in the Colorado Uniform Commercial Code.

8.12 Receiver. In any action by the Association to collect assessments or to foreclose the lien of the Association for unpaid assessments, the court may appoint a receiver of a Unit pursuant to C.R.S. §38-33.3-316(9), and may also order such receiver to take possession of all furniture, furnishings, appliances, equipment and fixtures in such Unit, and to collect all of the rents, income and profits therefrom, during the pendency of such action and until such assessments, and all interest, charges, fees and costs, are paid in full. The Association shall be entitled to appointment of such receiver as a matter of right without regard to the solvency or insolvency of the then Owner of said Unit and personal property and without regard to the value thereof, and such receiver may be appointed by the Routt County District Court upon ex parte application of the Association and without notice, notice being hereby expressly waived by all Owners. All rents, income and profits therefrom shall be applied by such receiver according to the law and the orders and directions of the court, and the court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the receivership action to the extent of the Association's general and special Common Expense assessments. All Owners, tenants, occupants and lienors of a Unit shall be deemed to have confessed the jurisdiction of the Routt County District Court to appoint a receiver for the Unit and the furniture, furnishings, appliances, equipment and fixtures therein.

8.13 Conditional Assignment of Rents. Each Owner hereby conditionally assigns to the Association as additional security for unpaid general and special assessments, charges, interest, fees and costs, all rights in and to any rental management contract affecting the Owner's Unit and all net rents and net income otherwise payable to the Owner for occupancy of his Unit for and during all periods any assessments or other sums remain unpaid to the Association after the same were due, and during such periods the rental management agent for the Unit of the delinquent Owner shall forthwith pay over to the

Association upon its written demand all rents and income otherwise payable to the delinquent Owner, but not to exceed the amounts due and unpaid to the Association. All net rentals and net income received by the Association pursuant to this Section 8.13 shall be paid and applied as follows: first, to the expenses incurred by the Association in obtaining such rentals and income (including attorney's fees incurred); second, to payment to the Association of late payment charges and attorney's fees owed to it by the Owner; third, to payment to the Association of the accrued interest on all unpaid assessments; fourth, to payment to the Association of the delinquent general and special Common Expense assessments levied against such Unit, in the chronological order such assessments became due; and last, to payment to the First Lienor on the first lien security interest encumbering such Unit, if any, and if none, to payment to the delinquent Owner. Any rental management agreement respecting any Unit shall be subject and subordinate to the exercise by the Association of its rights under this Section 8.13.

8.14 Liability of Transferee. In case of sale or other voluntary transfer of a Unit or an interest therein with respect to which general or special Common Expense assessments, interest, charges, costs or fees are accrued and unpaid to the Association as of the date of transfer, the purchaser or other transferee shall be jointly and severally liable with the seller or transferor for such unpaid sums and shall be deemed to have personally assumed the obligation for payment of same. Therefore, if any lienor (including the First Lienor) of a Unit obtains title to such Unit by a voluntary deed in lieu of foreclosure, such lienor shall be jointly and severally liable for all unpaid general and special Common Expense assessments, charges, interest, costs and fees accrued against such Unit as of the date of transfer, and such lienor shall be deemed an Owner for all purposes from and after such transfer. However, if the First Lienor obtains title to a Unit by sheriff's deed or public trustee's deed upon foreclosure of the first lien security interest against a Unit, then such First Lienor is not liable for any unpaid assessments, charges, interest, costs or fees which accrued against such Unit prior to the vesting of title in such beneficiary, EXCEPT as provided in C.R.S. §38-33.3-316(2)(b).

8.15 Estoppel Certificate. Within fourteen (14) calendar days after written request of any Owner or such Owner's designee or to the holder of a security interest in a Unit or its designee, or of any title insurer, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, the Association shall issue a written statement to the requesting party setting forth with respect to such Unit the amount of any unpaid general and special Common Expense assessments, interest, charges, fees and costs due with respect to such Unit. Such statement, for which a reasonable fee may be charged, is binding upon the Association in favor of the person or entity who requested such statement and who has relied thereon in good faith, and when such request has been made by a title insurer, shall be binding upon the Association also in favor of the person or entity whose interest in the Unit was insured by such insurer. If the Association fails to issue and mail such statement to the requesting party within fourteen (14) calendar days after actual receipt by the Association's registered agent of such written request, all unpaid general and special Common Expense assessments, charges, fees, interest

and costs which became due prior to the date such request was actually received by the Association shall be subordinated to the lien or other interest in the Unit of the person requesting such statement, and when such request has been made by a title insurer, shall be subordinated to the lien or other interest in the Unit of the person whose interest in the Unit was insured by such insurer. In addition, the beneficiary of a first lien security interest, and the insurer or guarantor thereof, who has sent a prior written request to the Association in the manner described above, shall receive timely written notification from the Association of (i) any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing the first lien security interest, (ii) any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Unit encumbered by the first lien security interest, (iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action that requires the consent of a specified percentage of the First Lienors of Units. The Association shall have current copies of this Declaration and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association, and the books, records of receipts and expenditures, and financial statements of the Association, available for inspection by any Owner and any First Lienor during normal weekday business hours. If no audited financial statements of the Association are available, then any holder, insurer or guarantor of a first lien security interest shall be allowed to have an audited financial statement prepared at the sole expense of such holder, insurer or guarantor.

8.16 First Lienor Right to Pay. Any First Lienor of a Unit may (but shall not be required to) pay any unpaid general or special Common Expense assessments, accrued interest, charges, fees or costs with respect to such Unit, and upon such payment such First Lienor shall be subrogated to the Association's lien on such Unit for the amount so paid, and shall be subrogated to the rights and remedies of the Association to collect such amount.

ARTICLE 9 INSURANCE

9.01 Policies to be Maintained. Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant or an Affiliate of Declarant, the Association shall maintain, to the extent reasonably available:

- (a) Property insurance on the Common Elements and the Units and all fixtures therein (but not including furniture, furnishings or other personal property owned and supplied or installed by a Unit Owner), all structures situated on real property owned by the Association, and all personal property owned by the Association, with extended coverage "all risks" endorsement, in an amount not less than 100% of the maximum insurable value thereof less applicable deductibles (being 100% of the current replacement cost excluding land, excavations, foundations, and other items normally excluded from such policies);

- (b) Commercial general liability insurance pursuant to the Act, with limits of not less than \$1,000,000 per occurrence and not less than \$1,000,000 aggregate, or with higher limits deemed sufficient in the judgment of the Executive Board;
- (c) Fidelity bond or insurance coverage against dishonest acts on the part of directors, managers, managing agent, trustees, employees or volunteers of the Association responsible for handling funds belonging to or administered by the Association, such bond or insurance coverage to be in the name of the Association and in an amount not less in aggregate than 2 months' current Common Expense assessments of the Association plus reserves, as calculated from the current budget of the Association. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers; and
- (d) Such additional endorsements to the above policies, and such other insurance, in such amounts or with such provisions as the Executive Board may consider necessary or advisable against such other insurable hazards or in connection with such matters as may from time to time be commonly insured against in the case of similar Planned Communities in similar locations elsewhere or which the Executive Board deems to be reasonable and proper.

9.02 Endorsements. The Executive Board shall make reasonable efforts to obtain policies of casualty insurance providing or containing the following provisions or endorsements: (i) the insurance coverage shall not be brought into contribution with insurance purchased by individual Unit Owners; (ii) each Unit Owner may obtain additional insurance covering his property interests at such Owner's own expense; (iii) the insurance coverage cannot be canceled, invalidated, reduced or suspended because of the conduct of any one or more Unit Owners or their respective lessees, employees, agents, contractors, invitees and guests; (iv) the insurance coverage cannot be cancelled, invalidated or suspended without at least thirty (30) days' prior written notice to the Association, and if any proposed cancellation, invalidity or suspension is due to the conduct of any officer or employee of the Association or its managing agent, such insurance coverage cannot be so cancelled, invalidated or suspended without prior written demand that the Executive Board cure the defect and then only if the defect is not cured within thirty (30) days after demand; and (v) the insurer waives its right of subrogation as to any claims against each Unit Owner. Evidence or certificate of continuing insurance shall be delivered by the Association to any Owner or any First Lienor promptly upon written request.

9.03 Standards for Insurers. So long as Best's Insurance Reports is published, each hazard insurance policy carried by the Association must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of Class B/VI or better, or by an insurance carrier which has a current rating by Best's Insurance Reports of Class V, provided such carrier has a general policy holder's rating of at least A. Each carrier must

be specifically authorized by law to transact business within Colorado. Policies are unacceptable where: (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, any Owner or any First Lienor; or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses not required by the Act (other than insurance conditions) which could prevent the Association or the insurance trustee under C.R.S. §38-33.3-313(5) from collecting insurance proceeds; or (iv) the policy provisions violate the requirements of the Act.

9.04 Owners' Policies. Each Owner shall be responsible to obtain and pay premiums for all insurance covering loss or damage to personal property within such Owner's Unit, and is also responsible to obtain and pay premiums for all liability insurance covering injury to persons, death or damage to personal property occurring within such Unit. Any such policy shall contain waivers of subrogation against the Association and shall be so written that the liability of the carriers issuing insurance for the Association shall not be affected or diminished thereby. Each Unit Owner shall be liable for any increase in premiums or coverage for insurance maintained by the Association as a result of improvements or fixtures installed or made by an Owner within his Unit, and each Owner shall promptly notify the Association in writing of any such improvements or fixtures which may cause or require any such increase in premiums or coverage. Each Owner shall bear the sole risk of loss for all improvements and fixtures installed or made to his Unit which were not the subject of written notice to the Executive Board. Any Owner who obtains casualty insurance covering his Unit, other than for only personal property at any time situated within such Unit, shall file a copy of such policy with the Association within thirty (30) days after obtaining such insurance coverage.

9.05 Premiums. Premiums on all insurance policies carried pursuant to this Article 10 by the Association shall be Common Expenses, apportioned among the Owners of Units as provided in the Act or in Article 8 above.

ARTICLE 10

SPECIAL DECLARANT RIGHTS

Declarant hereby reserves the right, from time to time during only the Declarant Control Period, to perform each and all of the acts and to exercise each and all of the special Declarant rights hereinbelow specified (the "Special Declarant Rights"). The Special Declarant Rights hereby reserved by Declarant are the following:

10.01 Completion of Improvements. The right to complete or make improvements within the Project.

10.02 Sales, Management and Marketing. The right to maintain sales offices, management offices, and model units of any sizes in any of the Units in the Project, and to

locate and relocate any such offices and models anywhere within the Project. Such reserved Special Declarant Right extends to any Unit of any size, and there is no limit with respect to the number of such sales offices, management offices, and model units.

10.03 Signs. The right to place and maintain signs on the Project advertising the Project, and to relocate and remove such signs.

10.04 Reserved Easements. Easements through the Common Elements, and the right to use such easements, as may be reasonably necessary for the purposes of discharging the Declarant's obligations under the Act and this Declaration, for making or completing improvements within the Project, for making or completing improvements within any property adjacent to the Project whether or not added to the Project, and for exercising any reserved Special Declarant Rights. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other utility facilities on, under and across land within the Project. Without limitation, such easement also includes the right to construct underground utility lines, pipes, wires, ducts, conduits and other utility facilities on, under and across lands within the Project for the purpose of furnishing utility services to the Buildings and improvements to be constructed on any property adjacent to the Property whether or not added to the Project. Declarant's reserved easement hereunder also includes the right to grant easements to public utility companies and to convey improvements within those easements. If Declarant grants any such easements, Exhibit "A" to this Declaration should be amended by Declarant to include reference to the recorded easement.

10.05 Master Association. The right to make the Project subject to a Master Association which is a Colorado nonprofit corporation. If the Project is made subject to a Master Association, then the powers of the Association described in C.R.S. §38-33.3-302 (including but not limited to the power to adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Unit Owners) shall be deemed delegated to and are exercisable by such Master Association that may exercise those or other powers on behalf of the Unit Owners and unit owners of one or more other common interest communities, provided that the executive board of the Master Association must be elected after the Association Control Period in one of the ways specified in C.R.S. §38-33.3-220(5).

10.06 Control of Association and Executive Board. Subject to C.R.S. §38-33.3-303(6), the right for Declarant, or any person designated by Declarant in a writing delivered to the Executive Board, to appoint and remove the officers and members of the Executive Board at any time and from time to time, in the sole discretion of the Declarant or the designee of Declarant, with or without cause, during the Association Control Period.

10.07 Warranty Work. The right to perform warranty work, and repairs and construction work and to store materials in secure areas, in Units and on Common Elements, and the future right to control such work and repairs, and the right of access

thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Unit Owner or Mortgagee.

ARTICLE 11

ADDITIONAL RESERVED RIGHTS

In addition to the Special Declarant Rights set forth in Article 10 above, Declarant also reserves the following additional rights (the "Additional Reserved Rights"):

11.01 Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements for purposes of benefiting the Project and the Owners, including but not limited to streets, paths, walkways, skiways, drainage or recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the benefit of and to serve the Unit Owners within the Project.

11.02 Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking and/or recreational facilities, which may or may not be a part of the Project, for the benefit of the Unit Owners and/or the Association.

11.03 Future Amendments to Colorado Common Interest Ownership Act. The right to amend this Declaration from time to time, without necessity of the consent of Owners, First Lienors, or the Association, if necessary to bring the Declaration and/or the Project into compliance with any amendments to the Act hereafter adopted.

11.04 Other Rights. The right to exercise any other reserved right created by any other provision of this Declaration or permitted by the Act.

ARTICLE 12

PROHIBITED ACTIVITIES AND REQUIREMENTS

12.01 Prohibited Activities. Without limiting other provisions of this Declaration, the following restrictions, limitations and affirmative obligations shall apply to all Owners and occupants of Units in the Project:

(a) Noxious, offensive or illegal trades, services or activities shall not be conducted within the Project, nor shall anything be done therein which constitutes a nuisance to the Owners of other Units, or their tenants, by reason of unsightliness, the excessive emission of fumes, odors, glare, vibration, gases, radiation, dust, liquid waste, smoke or noise.

(b) Except as otherwise approved by the Executive Board or in the Rules and Regulations, no pets other than tropical fish and exotic birds in cages shall be allowed or kept in any Unit, except for any pet which enters a Unit with a guest or invitee for a short duration during the visit of such guest or invitee to such Unit, except one (1) dog and/or up

to two (2) cats may be kept and maintained by an Owner occupying the Unit. If an Owner violates this provision, the Owner shall be liable to the Association for fines as set forth in the Rules and Regulations. The written complaint to the managing agent or to any director of the Association by an Owner of any Unit, setting forth in detail the violation of these provisions by an Owner, guest, invitee or tenant of any Unit, shall require the Executive Board or managing agent to give notice to the offending Owner and, after hearing on such complaints, to assess such fines. In no event shall any pet, including any allowed dog or cat, be kept for commercial purposes or in such a manner which creates a nuisance or inconvenience to any resident of the Project, nor shall any pet be allowed to run at large within the Project or to habitually bark, howl or yelp.

(c) Refuse, garbage, trash, plant clippings, plant waste, compost, scrap or debris of any kind shall not be kept, stored or allowed to accumulate on any Unit and shall be promptly disposed of in receptacles provided for that purpose. There shall be no open fires, incinerators or burning of rubbish or trash within the Project.

(d) There shall be no outside storage of building materials, supplies, tools or equipment.

(e) Established drainage patterns within the Project shall not be modified or interfered with.

(f) There shall be no storage of boats, trailers, campers, recreational vehicles, motorcycles or other equipment at the Project, except inside a garage. Abandoned or inoperable vehicles or equipment of any kind shall not be parked or stored within the Project. Vehicles or equipment shall not be repaired or serviced in the Project. The Association may establish rules and regulations limiting the number of vehicles which may be parked at the Project. The Association shall have the right, but not the obligation, to remove improperly parked or stored vehicles at the expense of the owner thereof, and the cost thereof shall become an assessment against the Unit of the owner who or whose occupant parked or stored the vehicle. The Association and the Declarant shall not be liable for any loss or damage resulting from such removal.

12.02 Parking. The Association may assign one or more outside parking spaces for the exclusive use of a Unit. Parking is not permitted in any space exclusively assigned to a Unit except by the Owner or occupant of such Unit. Unassigned parking is available on a first-come, first-served basis. All parked vehicles shall be moved at the times specified by the Association to allow plowing and removal of snow. Without limiting other provisions of this Declaration, the Association may establish and collect fines for violation of rules relating to parking, which fines shall be assessed against the Owner of the Unit who or whose occupant commits the violation.

ARTICLE 13
GENERAL

13.01 Rights Transferable. Any Special Declarant Right and any Additional Reserved Right created or reserved pursuant to this Declaration for the benefit of Declarant, or created or reserved in any proper amendment to this Declaration, may be transferred to any person by an instrument describing the right transferred and recorded in the real property records of Routt County. Each such instrument of transfer shall be executed by the transferor Declarant and the transferee. After transfer, the transferee shall be deemed to be the "Declarant" for purposes of exercising the transferred Special Declarant Right or Additional Reserved Right.

13.02 Quality of Work. Any repairs, renovation, improvement or restoration of any portion of the Common Elements by the Association, or by any Owner pursuant to any right or permission granted pursuant to this Declaration or the Act, shall be done and performed diligently, in good faith, and in a good and workmanlike manner, using good quality materials, all consistent with the quality of workmanship, materials and style of the Project as constructed by Declarant, to the extent then reasonably and economically feasible.

13.03 Amendment. This Declaration may be amended (a) upon the written approval in recordable form of the Owners of at least 67%, and the First Lienors of at least 67%, of the Units then subject to this Declaration, (b) by the Association and one or more Owners for the purposes and in accordance with the procedures described in Sections 3.05 or 5.06, and (c) by the Declarant upon exercise of any Special Declarant Right and pursuant to Section 11.03 herein; provided, however, that no amendment hereto may be in conflict with or prohibited by the Act.

13.04 Property of the Association. The Association may acquire, by purchase, lease or otherwise, and may develop, improve, manage, lease, operate, use, encumber and hold for the common use and benefit of all the Owners, real property and all kinds of structures and improvements on and interests in real property, and tangible and intangible personal property, and may sell, convey and dispose of all of such property or any portion thereof or interests therein. Title to all such property shall be in the name of the Association or a nominee for the Association. Each Owner may use property of the Association in accordance with the purposes for which it is intended, without hindering, impeding or imposing upon the rights of the other Owners, but in accordance with Association Rules and Regulations and subject to the right of the Association to allocate any such property for the exclusive use of the Owners of one or more but less than all of the Units, to impose and receive payments, fees, or charges for the use, rental or operation of such property, and to regulate the use of such property. All costs and expenses of acquiring, developing, improving, managing, leasing, operating, using, holding, selling and disposing of such real and personal property, including (without limitation) all sums paid as fees, costs, interest or payments (whether in installments or otherwise) on any loan or promissory note or any mortgage or other security arrangement or encumbrance securing such loan or promissory

) note, made or entered into by the Association to finance or pay for all or any part of such acquisition, development, improvement, management, leasing, operating, using, holding, selling and disposing, shall be Common Expenses. Any property acquired by the Association, and any development, improvement, management or lease thereof, shall conclusively be deemed to be for the common use and benefit of the Owners if such property is made available by the Association for the use by the Owners in the manner for which the same is intended, subject to reasonable Rules and Regulations and the imposition and receipt of payments, charges, and fees of the Association duly established from time to time for the use, rental or operation thereof, irrespective of whether or not any particular Owner does in fact use such property.

462044 B-719 P-1054 04/30/96 11:28A 26 OF 31
13.05 Registration by Owner of Mailing Address. Each Owner and each First Lienor shall register his mailing address with the Association as provided in its Articles or Bylaws, and shall register with the Association all changes in such mailing address, so that the Association will at all times have a current mailing address of all Owners and First Lienors. If an Owner or First Lienor fails to so register his mailing address, or if such registration occurred more than one year before a notice is given, then either the mailing address shown in the deed to such Owner or in the security interest of such First Lienor, or the mailing address of such Owner or First Lienor as contained in the records of the Routt County Treasurer, shall also conclusively be deemed to be the mailing address of such Owner or First Lienor, respectively. Periodic statements for general assessments, notices of special assessments, notices of meetings, and other routine notices from the Association to an Owner shall be sent by regular mail, postage prepaid, addressed to the name of the Owner at the most current mailing address of such Owner in the records of the Association. Any Owner may give written notice to other Owners in the same manner. All other notices or demands intended to be served by the Association upon an Owner shall be sent by certified mail, postage prepaid, return receipt requested, addressed to the name of the Owner at his most current mailing address. All notices, demands or other notices intended to be served upon the Association shall be sent certified mail, postage prepaid, to the registered address of the registered agent of the Association. The Association or managing agent for the Association shall at all times keep and maintain up-to-date records of the names and addresses of all First Lienors of Units.

13.06 Remedies. The Association, and any aggrieved Unit Owner, shall have the right of action in equity and at law against any Unit Owner (including Declarant) who fails to comply with the provisions of this Declaration or the Articles of Incorporation, Bylaws, Rules or Regulations of the Association or the Act. In addition, any Unit Owner shall have the right of action in equity and at law against the Association if the Association fails to comply with the provisions of this Declaration or the Articles of Incorporation, Bylaws, Rules and Regulations of the Association or the Act.

13.07 Invalidity. 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 circumstances shall not be affected thereby.

13.08 No Time-Sharing. No time share estates shall be created with respect to any Unit in the Project, and time-sharing of any Units subject to this Declaration in any form is not permitted.

13.09 Supplemental to Colorado Law. The provisions of this Declaration shall be in addition and supplemental to the Act and to all other provisions of law.

13.10 Gender and Number. 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 other genders.

13.11 Headings. The headings of sections and paragraphs in this Declaration are for convenience of reference only, and shall not be deemed to expand, limit or define any of the provisions hereof.

13.12 Limitations on Declarant's Obligations. Nothing contained in this Declaration or in the Articles of Incorporation, Bylaws, or Rules and Regulations of the Association shall be deemed to impose upon Declarant or the successors or assigns of Declarant any obligation to build, construct, or provide the Buildings or improvements or to warrant the Buildings or improvements which are in fact constructed. All obligations upon Declarant of this nature, if any, shall arise only from any executed purchase agreement signed by Declarant and a prospective Unit Owner.

13.13 Easements of Record. The recording data for recorded easements and licenses appurtenant to or included in the Real Estate or to which any portion of such Real Estate is or may be subject are set forth in Part II of Exhibit "A" to this Declaration.

13.14 Incorporation of Exhibits. All exhibits referenced in this Declaration are incorporated herein by this reference.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration of Conditions, Covenants, Restrictions and Easements for Pine Ridge Townhomes, a Colorado Common Interest Community, this 34th day of April 1996.

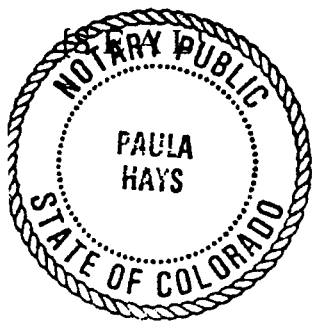
Dan Karzen
Thomas Divine Trustee, by Dan Karzen,
his attorney-in-fact

STATE OF COLORADO)
SS.
COUNTY OF ROUIT)

The foregoing instrument was acknowledged before me this 24th day of April, 1996 by Thomas Divine Trustee, by Dan Karzen, his attorney-in-fact.

Witness my hand and official seal.

My commission expires: 5-16-99



Paula Hays
Notary Public

EXHIBIT "A"

**ATTACHED TO THE DECLARATION
OF CONDITIONS, COVENANTS, RESTRICTIONS AND EASEMENTS
FOR PINE RIDGE TOWNHOMES,
A COLORADO COMMON INTEREST COMMUNITY**

PART I

**DESCRIPTION OF PROPERTY SUBJECTED
TO THIS DECLARATION**

A tract of land located in the NW¼SW¼ Section 27, Township 6 North, Range 84 West of the 6th P.M., bounded by a line described as follows:

Commencing at the W¼ corner of Section 27,

thence S 00deg 00min 55sec W 52.37 feet along the West line of the NW¼SW¼ to the South ROW of Walton Creek Road as shown on the Map or Plat and Boundary Agreement as filed by Plat with the Clerk and Recorder appearing in File No. 8406,

thence N 86deg 20min 46sec E 354.50 feet along said South ROW to the True Point of Beginning,

thence S 03deg 24min 21sec E 218.28 feet to the NW corner of Lot 3, Sunray Meadows, a subdivision as filed by Plat with the Clerk and Recorder appearing in File No. 7031 and as corrected by that certain Letter of Correction appearing in Book 470 at Page 232,

thence N 86deg 35min 39sec E 78.80 feet along a North line of Lot 3,

thence S 88deg 06min 43sec E 97.01 feet along a North line of Lot 3 to the West line of Condo Green Subdivision,

thence N 08deg 17min 50sec E 218.0 feet along said West line to the above said South ROW of Walton Creek Road. Said point being a curve from which the radius point bears S 08deg 17min 50sec W 679.75 feet,

thence along said South ROW on a curve to the left a distance of 141.79 feet and whose chord bears N 87deg 40min 42sec W 141.53 feet,

thence S 86deg 20min 46sec W 78.79 feet along said South ROW to the True Point of Beginning,

County of Routt, State of Colorado.

TOGETHER WITH all right, title and interest of the undersigned in that certain easement granted in Book 711, Page 817 of the Routt County records.

PART II

THE RECORDING DATA FOR RECORDED EASEMENTS AND LICENSES APPURTENANT TO, OR INCLUDED IN, THE ABOVE-DESCRIBED PROPERTY OR TO WHICH ANY PORTION OF THE ABOVE-DESCRIBED PROPERTY IS OR MAY BECOME SUBJECT IS AS FOLLOWS:

The above-described property is subject to the following recorded easements:

1. Right of Proprietor of a Vein or Lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, and Right-of-Way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded in Book 49 at Page 261.
2. Terms, conditions, provisions, restrictions, stipulations and obligations as contained in SUBDIVISION IMPROVEMENTS AGREEMENT FOR PINE RIDGE TOWNHOMES recorded 4/30/96 in Book 719 at Page 1056.
3. Notes, provisions, easements and restrictions as shown on the plat of PINE RIDGE TOWNHOMES recorded 4/30/96 in Book _____ at Page _____.
File # 12321
4. Covenants, conditions and restrictions for PINE RIDGE TOWNHOMES which do not contain a Forfeiture or Reverter clause, and deleting restrictions, if any, based upon race, color, religion or national origin, as set forth in an instrument recorded 4/30/96 in Book 719 at Page 1054.
5. Terms, conditions, provisions, restrictions, stipulations and obligations as contained in OFFSITE IMPROVEMENT FEE AGREEMENT FOR PINE RIDGE TOWNHOMES recorded 4/30/96 in Book 719 at Page 1055.

EXHIBIT "B"

**ATTACHED TO THE DECLARATION
OF CONDITIONS, COVENANTS, RESTRICTIONS AND EASEMENTS
FOR PINE RIDGE TOWNHOMES,
A COLORADO COMMON INTEREST COMMUNITY**

UNIT DESIGNATIONS AND TABLE OF ALLOCATED INTERESTS

<u>Unit (Lot) Number</u>	<u>Percentage Share of Common Expenses</u>	<u>Vote in the Affairs of the Association</u>
1	14.28	1
2	14.28	1
3	14.28	1
4	14.28	1
5	14.28	1
6	14.28	1
7	<u>14.28</u>	<u>1</u>
TOTALS	100.00%	7

Certificate of Occupancy

County of Routt

City of STEAMBOAT SPRINGS
Department of Building Inspection

This Certificate issued pursuant to the requirements of Section 307 of the Uniform Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances regulating building construction or use.
For the following:

Use Classification TOWNHOMES WITH GARAGE UNIT 5 Bldg. Permit No. S-95-127
Group R-111, M-1 Type Construction VN Use Zone RMH
Owner of Building FIRST TRACKS CORP. Address P.O. BOX 19405 AVON, CO 81620
Building Address 1915 WALTON CREEK RD. Locality PINE RIDGE TOWNHOMES BLDG B
BY: RON GOODRICH, BUILDING OFFICIAL
Date: MAY 3, 1996
RON Goodrich
Building Official

POST IN A CONSPICUOUS PLACE

THESE SIGNATURES CERTIFY COMPLIANCE WITH THE
VARIOUS ORDINANCES AND REGULATIONS FOR THE
CITY, COUNTY AND TOWNS WITHIN THE COUNTY OF
ROUTT REGULATED BY BUILDING CONSTRUCTION.

CITY/COUNTY ENGINEER

HEALTH OFFICER

FIRE MARSHAL

PLANNING DEPT.

FINANCE DEPT.

Certificate of Occupancy

County of Routt

City of

STEAMBOAT SPRINGS

Department of Building Inspection

This Certificate issued pursuant to the requirements of Section 307 of the Uniform Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances regulating building construction or use.
For the following:

Use Classification TOWNHOMES WITH GARAGE UNIT 6 Bldg. Permit No. 5-95-127
Group R-111, M-1 Type Construction VN Use Zone RMH
Owner of Building FIRST TRACKS CORP. Address P.O. BOX 1940 AVON, CO 81620
Building Address 1915 WALTON CREEK RD. Locality PINE RIDGE TOWNHOMES BLDG B
By: RON GOODRICH, BUILDING OFFICIAL
Date: MAY 3, 1996
Building Official: [Signature]

POST IN A CONSPICUOUS PLACE

THESE SIGNATURES CERTIFY COMPLIANCE WITH THE
VARIOUS ORDINANCES AND REGULATIONS FOR THE
CITY, COUNTY AND TOWNS WITHIN THE COUNTY OF
ROUTT REGULATED BY BUILDING CONSTRUCTION.

CITY/COUNTY ENGINEER




HEALTH OFFICER

VA 

FIRE MARSHAL



PLANNING DEPT.



FINANCE DEPT.



**NOTICE AND ACKNOWLEDGEMENT OF
OFF-SITE IMPROVEMENT FEE**

PINERIDGE TOWNHOMES

THIS NOTICE AND ACKNOWLEDGEMENT is made and entered into by and between the CITY OF STEAMBOAT SPRINGS, a municipal corporation ("CITY"), and THOMAS DIVINE, TRUSTEE ("Developer"), and provides as follows:

DOC

REC
41.00

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B-719 P-1055 04/30/96 11:31A PG 1 OF 8
Kay Weinland Routt County Clerk & Recorder

- A. WHEREAS, the Steamboat Springs Revised Municipal Code for the CITY of Steamboat Springs, contains in Article VII a Residential Density Bonus System ("Bonus System"); and
- B. WHEREAS, the Bonus System provides for a density bonus in the amount of ten percent (10%) in exchange for the agreement of the developer to pay a fee to the City for the purpose of constructing certain off-site improvements; and
- C. WHEREAS, such Off-Site Improvement bonus requires the payment of one percent (1%) of the sale price of each unit or lot in the project at the time of the first sale of such unit or lot; and
- D. WHEREAS, upon application by the Developer, the Steamboat Springs City Council approved on May 2, 1995, a Major Development Permit for a townhome project known as Pine Ridge Townhomes. Pine Ridge consisting of seven (7) townhome units in two (2) buildings to be constructed on a tract of land located in a portion of the NW1/4SW1/4, Section 27, T6N, R84W of the 6th P.M., City of Steamboat Springs, Routt County, Colorado ("the Approved Plan"); (which application included the Off-Site Improvement density bonus) and
- E. WHEREAS, the Approved Plan includes a density bonus of ten percent (10%) based on the Off-Site Improvement bonus; and
- F. WHEREAS, the Developer has constructed seven (7) townhome units pursuant to the Approved Plan, as shown on the final plat for Pine Ridge Townhomes, and the Developer acknowledges that each such condominium unit is subject to payment of an Off-Site Improvement Fee.

NOW THEREFORE, IN CONSIDERATION OF THE RECITALS, ACKNOWLEDGEMENTS AND AGREEMENTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. **Acknowledgement of Fee**

In consideration of a 10% density bonus as provided in the Steamboat Springs Revised Municipal Code Sec. 26-1756 and Sec. 26-1759, it is hereby acknowledged by the Developer that each

of the townhome units in Pine Ridge, described in this paragraph 1 (sometimes herein referred to as "townhome unit" or "unit") is subject to payment of an Off-Site Improvement Fee ("Fee"). The Fee for each of the condominium units shall be due and payable at the time of first sale or other disposition of such unit or an interest in such unit. For purposes of this instrument, "sale or other disposition" shall mean and include (whether or not the same is in writing or recorded) any sale, grant, assignment, transfer, letting, exchange or conveyance of title to, or a possessory interest in all or a part of, a condominium unit, but "sale or other disposition" shall not mean or include;

- a. a transfer made pursuant to reorganization, merger or consolidation of corporations, or by a subsidiary to a parent corporation for no consideration other than cancellation or surrender of the subsidiary's stock, or a transfer made to a corporation, partnership, limited partnership, joint venture, business trust or other association or organization if that association or organization is owned by the persons from whom such transfer was made or if such owners have the same relative interests in said association or organization as they had in the unit or units immediately prior to said transfer and there is no consideration other than their respective interests in the new association or organization;
- b. a transfer to make effective any plan confirmed or ordered by a court of competent jurisdiction under the Bankruptcy Act or in an equity receivership proceeding;
- c. a transfer by document, decree or agreement partitioning, terminating or evidencing termination of a joint tenancy, tenancy in common or other co-ownership in real property; however, if additional consideration of value is paid in connection with such partition or termination, the Fee shall apply and be based upon such additional consideration;
- d. any lease or rental of a condominium unit, provided that such lease or rental is for a period of less than a year's duration;
- e. a transfer by operation of law or pursuant to a will in the event of death, or a transfer to a conservator of an incompetent;
- f. a transfer for security only, whether by grant of a mortgage, deed of trust or other lien, and whether voluntary or involuntary, but "sale or other disposition" shall include a transfer of title pursuant of foreclosure of or execution on any such lien; and

- g. any transfer or disposition exempted by resolution of the Planning Commission of the City of Steamboat Springs.

The townhome units subject to this Notice and Acknowledgement are described as follows:

Pine Ridge Townhomes- Lots 1-7.

2. Amount of Fee

- a. Sale or disposition of entire unit. In the event of the sale or other disposition of fee simple title to an entire unit, the Fee shall be one percent (1%) of the consideration received on account of the sale or other disposition of the unit. For purposes of this instrument, "consideration" shall mean the full value received for the townhome unit transferred, including cash, bonds or other evidences of indebtedness and value of property received, or contracted to be received, in return for the sale or other disposition of such townhome unit, and including the amount of any recorded lien, mortgage, or deed of trust to which such townhome unit is subject both before and after transfer, whether or not assumed by the transferee. "Consideration" shall include items included within the meaning of "selling price" as such term has been and shall be interpreted pursuant to Section 453 of the Internal Revenue Code. "Consideration" shall in no event be less than the consideration recited to the County Clerk and Recorder in connection with the granting or conveyance of title to the unit by any deed or instrument in writing to which the documentary fee described in Sections 39-13-101 et seq., C.R.S. 1973, applies. In the event the transfer or disposition is by lease agreement not specifically excepted herein, or in the event that the consideration is indeterminate or contingent on a future event, then the "consideration" shall be the fair market value of the townhome unit as of the date of sale or other disposition.
- b. Sale or disposition of an interest in a unit. In the event of the sale or other disposition of an interest in a unit consisting of less than the fee simple title to an entire unit, including (but only as illustration and not by way of limitation) sale or disposition of (i) an undivided percentage interest of less than 100%, (ii) a future interest, (iii) a time share estate in such unit, then the Fee shall be one percent (1%) of the fair market value of the entire townhome unit as of the date of sale or other disposition, and upon payment of the Fee, the entire townhome unit shall be released from the lien

described in Section 4.

3. Interest, Costs and Expenses

If the Fee for a townhome unit is not paid within 30 days of the sale or other disposition of such unit, then thereafter the Fee shall bear interest at the rate of 3% per month until paid. In addition, if the Fee is not paid within 30 days of the sale or other disposition of such unit, and if the City shall pursue collection of such Fee by suit or foreclosure of the lien described in Section 4, then the City shall be entitled to recover in such suit or foreclosure all costs and expenses of suit plus reasonable attorney's fees.

4. Security for Fee

- a. Until paid, the Fee for a condominium unit and the costs and expenses and attorney's fees incurred in collecting the same, shall constitute a perpetual lien on and against the townhome unit from and after the recording of this Notice and Acknowledgement in the Routt County property records, and such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of a mortgage lien. Such lien shall attach to and encumber each condominium unit described in Section 1 from and after such recording of this Notice and Acknowledgement, notwithstanding that the Fee is inchoate and not determinate and not yet due until the later sale or other disposition of such unit. Such lien shall have priority over all other liens affecting each townhome unit subject to the Fee, except for the real property taxes and special assessments and the lien for fees, rates, tolls, penalties or charges of any special district or the City of Steamboat Springs.
- b. The obligation to pay the Fee shall be a covenant running with the land, and until discharged by payment to the City, shall constitute a burden in favor of the City on each such townhome unit benefitting from the Off-Site Improvement density bonus. The obligation to pay the Fee shall not be terminated, impaired or affected by foreclosure of any statutory lien or by foreclosure of any deed of trust, mortgage, or other lien or encumbrance. No townhome unit or lot for which payment of the Fee is in default shall be used or occupied, nor shall the City issue a building permit or certificate of occupancy for any such unit or lot.

5. Personal Liability for Fee, Costs and Expenses

- a. In addition to the security provisions of Section 4, the Developer and the Transferee of the first sale or other disposition of a townhome unit shall be personally and jointly and severally liable for payment of the Fee for such unit and all costs, expenses and attorney's fees incurred by collecting the Fee.
- b. Any remedies provided for herein shall be cumulative and not exclusive and shall be in addition to any other remedies provided by law.

6. Enforcement and Administration

- a. The City Manager of the City of Steamboat Springs is charged with the enforcement of the provisions of this Notice and Acknowledgement.
- b. On or after a sale or other disposition of a condominium unit for which the Fee must be paid, the Developer shall submit to the City Manager, on a form provided by the City, an application for Receipt of Fee and Release of Lien described in subsection 6(c) herein, setting forth the consideration for the sale or other disposition, the name and address of the transferee, a description of the unit sold or disposed of, the date of sale or other disposition, and the consideration receipted to the County Clerk and Recorder for purpose of any documentary fee pursuant to Section 39-13-101 et seq., C.R.S., 1973. Such application shall be executed by the Developer and by the transferee and shall be accompanied by payment of the Fee plus a processing fee of \$6.00/1st page and \$5.00/page thereafter. Upon receipt of such application and payment of the Fee, the City Manager shall prepare, execute and acknowledge the Receipt of Fee and Release of Lien in the form described in subsection 6(c) herein and shall promptly record or cause the instrument to be recorded with the Routt County Clerk and Recorder.
- c. The Receipt of Fee and Release of Lien executed and acknowledged by the City shall be in substantially the following form:

RECEIPT OF FEE AND RELEASE OF LIEN

This certifies that the Off-Site Improvement Fee ("Fee")

for Townhome Unit _____, Pine Ridge Townhomes (the "Unit"), has been paid in full to the City of Steamboat Springs. Therefore, the City of Steamboat Springs does hereby forever release and discharge the lien to secure payment of such Fee and described in Notice and Acknowledgement recorded on _____, 199____, in Book _____, Page _____, Routt County records, as respects only said Unit. The City of Steamboat Springs also hereby releases all past, present and future owners of all or any interest in such unit from any personal liability for payment of the Fee.

EXECUTED this _____ day of _____, 199____.

CITY OF STEAMBOAT SPRINGS

By: _____
City Manager

ATTEST:

By: _____
City Clerk

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 199____, by _____ as City Manager, and _____ as City Clerk, of the City of Steamboat Springs, a municipal corporation.

WITNESS my hand and official seal.

Notary Public

- d. For good cause shown and upon provision of substitute security, the City Council of the City may, in its sole discretion, direct the City Manager to release any townhome unit described in Section 1 prior to or in the absence of payment of the Fee.

7. Use of Fees

All Fees and interest on Fees paid to the City shall be segregated from all other funds of the City, shall be held in

an interest bearing account, and such Fees and interest (the "Fund") shall be used only for the acquisition of Land for park, recreation, trailsystem and open space purposes, and for capital improvements and landscaping of public right-of-way and of newly acquired or existing parks, recreational lands, trailsystems or public open space areas. Nothing herein shall be construed to require that monies in the Fund be applied to the acquisition of land or construction of improvements for the exclusive benefit of the residents of Pine Ridge Townhomes, provided that any such land or improvements acquired or constructed shall be such as are reasonably available to the residents of Pine Ridge Townhomes.

8. This Notice and Acknowledgement shall be binding upon and inure to the benefit of the City and Developer and their respective successors and assigns, and may not be amended, nor rights hereunder waived, except in a writing executed by the party to be charged therewith. This Notice and Acknowledgement is made pursuant to the Steamboat Springs Revised Municipal Code "Code", and in the event of any conflict between this instrument and Code, the Code as the same has been or may from time to time be amended shall control. If any term covenant or provision of this Notice and Acknowledgement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Notice and Acknowledgement on the respective dates set forth below.

Date: April 24, 1996

By: [Signature]

Dan Karzen, attorney in fact for
Thomas Divine, Trustee

STATE OF COLORADO)

) ss.

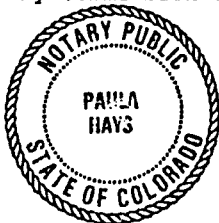
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this 24th
day of April, 1996, by Dan Karzen, attorney in fact for
Thomas Divine, Trustee

WITNESS my hand and official seal.

My commission expires: 5-16-99

[Signature]
Notary Public



CITY OF STEAMBOAT SPRINGS
A Municipal Corporation

Date: April 29, 1996

By: Kevin Bennett Paula Cooper Black
City Council President Pro-Tem


ATTEST

Julie Jordan Struble
City Clerk

STATE OF COLORADO)
COUNTY OF ROUTT) ss.

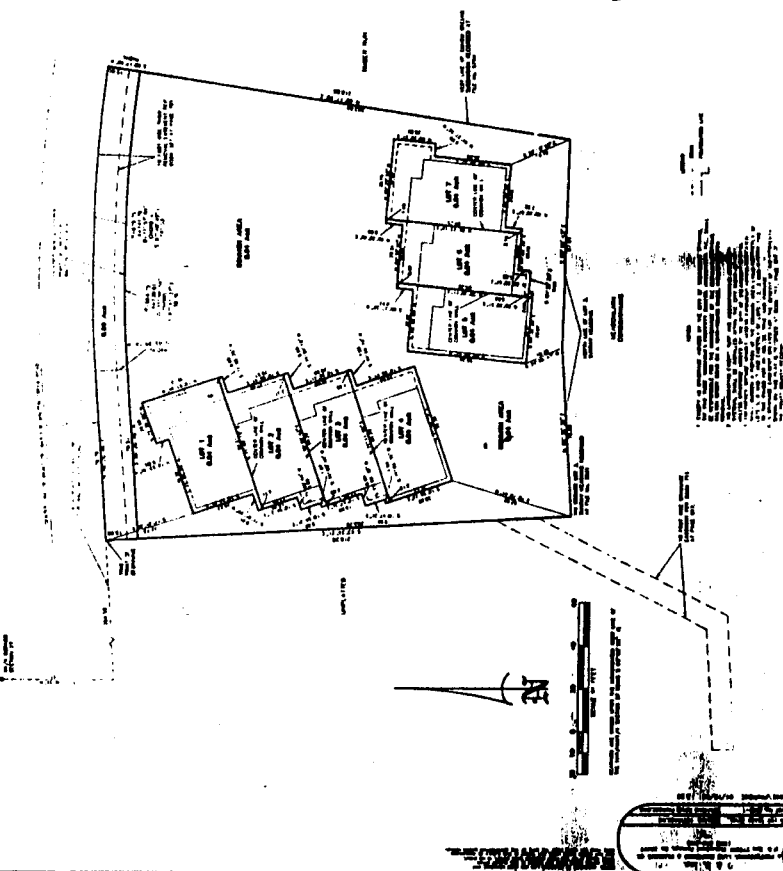
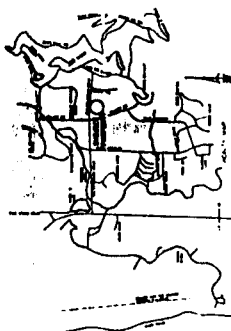
The foregoing instrument was acknowledged before me this 29th
day of April, 1996, by Paula Cooper Black as City Council
President and Julie Jordan Struble as City Clerk of the City of
Steamboat Springs, a municipal corporation.

WITNESS my hand and official seal.

 My commission expires: 3/13/97

Mary J. Chapin
Notary Public

LOCATED IN THE NW1/4SW1/4 SECTION 27, T6N, R84W, OF THE 6TH P.M., CITY OF STEAMBOAT SPRINGS, ROUTT COUNTY, COLORADO

[illegible]

5.6.6.32

NOTICE OF PUD DESIGNATION
FOR PINE RIDGE TOWNHOMES
1915 WALTON CREEK ROAD

The Development Permit issued by the City of Steamboat Springs for Pine Ridge Townhomes authorizes the construction of seven (7) townhome units at 1,898 sq.ft. each on a parcel of property located in the NW1/4SW1/4, Section 27,T6N, R84W of the 6th P.M., in the City of Steamboat Springs, located at 1915 Walton Creek. This approval was made pursuant to the provisions of Article 5, Chapter 26 of the Steamboat Springs Revised Municipal Code ("Code") regarding Planned Unit Development.

This Notice of PUD Designation is made pursuant to Section 26.1606 of the Code and applies to Pine Ridge Townhomes. No development shall occur with respect to Pine Ridge Townhomes except in that which is in substantial compliance with the provisions of this Notice, the Development Permit which was issued, and the conditions imposed thereby.

The approved PUD plan is composed of the following drawings and documents:

Sheet C1 (Site Plan/Project Information/Vicinity Plan)
Sheet C2 (Site Grading and Drainage Plan/Utilities Plan)
Sheet C3 (Landscape Plan Details)
Sheet C4 (Shadow Plans-December 21 March 21)
Sheet 1 (Existing Conditions)
Sheet A6 (Building Plans Building "A")
Sheet A7 (Building Plans Building "B")
Sheet A8 (Main Level 1/4" Floor Plans Building "A")
Sheet A9 (Upper Level 1/4" Floor Plans Building "A")
Sheet A10 (Main Level 1/4" Floor Plans Building "B")
Sheet A11 (Upper Level 1/4" Floor Plans Building "B")
Sheet A13 (Exterior Elevations Building "A")
Sheet A14 (Exterior Elevations Building "B")
Sheet COVER (Cover Page)

A copy of these documents are on file in the office of the director of Community Development in the City of Steamboat Springs.

DATED: April 30, 1996



City Clerk
Julie Jordan-Struble

CITY OF STEAMBOAT SPRINGS

By: Anne M. E. Mulhiney
Director of Planning Services

REC 6.00

462047 B-719 P-1057 04/30/96 11:34A PG 1 OF 1
Routt County Clerk & Recorder

462047 B-719 P-1057 04/30/96 11:34A PG 1 OF 1
Kay Weinland

THE UNITED STATES OF AMERICA,

To all to Whom these Presents shall come, Greeting:

Homestead Certificate No. 651

Application 891

Whereas, There has been deposited in the General Land Office of the United States a Certificate of the Register of the Land Office at Glenwood Springs, Colorado, whereby it appears that, pursuant to the Act of Congress approved 30th May, 1862, "TO SECURE HOMESTEADS TO ACTUAL SETTLERS ON THE PUBLIC DOMAIN," and the acts supplemental thereto, the claim of

William H. Rasher

has been established and duly consummated, in conformity to law, for the South West quarter of the South West quarter of Section twenty-two and the West half of the North West quarter and the North West quarter of the South West quarter of Section twenty-seven in Township six North of Range eighty-four West of the Sixth Principal Meridian in Colorado, containing one hundred and sixty acres

according to the Official Plat of the Survey of the said land, returned to the General Land Office by the Surveyor General.

Now Know Ye, That there is, therefore, granted by the UNITED STATES unto the said

William H. Rasher

the tract of land above described: TO HAVE AND TO HOLD the said tract of land, with the appurtenances thereof, unto the said

William H. Rasher

and to his heirs and assigns, forever; subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes; and rights in ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local authorities and decisions of Courts, and also subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or adjoin the premises hereby granted, as provided by law. And there is reserved from the lands hereby granted, rights of way through for ditches or canals, constructed by the authority of the United States.

In Testimony Whereof, I, Theodore Roosevelt

PRESIDENT OF THE UNITED STATES OF AMERICA,

have caused these letters to be made public and the Seal of the General Land Office to be hereunto affixed.

Given under my hand, at the City of Washington, the thirty-first day of December

in the year of our Lord one thousand nine hundred and four, and of the Independence of the United States the one hundred and twenty-ninth.

BY THE PRESIDENT

F. A. McKee

Secretary

C. R. Bruce

Register of the General Land Office

Colorado

Recorded Vol.

Page

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Filed for Record

At

the

day of

1904

A. D.

1904

at

the

year of

1904

A. D.

1904

at

the

by

B. V.

Rushway

deputy

Register

of the

General

Land

Office

at

Glenwood

Springs,

Colorado

the

day of