

ARDEE WALLAMITTY
El Paso County Clerk & Recorder

CONDOMINIUM DECLARATION
FOR
LIBERTY SQUARE CONDOMINIUMS

661⁰⁰

THIS DECLARATION, made and entered into by Liberty Associates, a General Partnership, hereinafter referred to as the "Declarant";

W I T N E S S E T H :

WHEREAS, Declarant is the owner of the real property situate in El Paso County, State of Colorado which is described on Exhibit 1 attached hereto and incorporated herein, hereinafter referred to as the "Property"; and,

WHEREAS, there presently exists on said real property a multi-building, 96-unit rental apartment complex, including clubhouse, swimming pool, parking spaces, drives, walks, and other amenities and incidents; and

WHEREAS, Declarant, for such Property and such improvements and amenities, desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado, to-wit: Colo. Rev. Stat. Ann. S38-33-101, et seq. (1973), as amended; and

WHEREAS, Declarant desires hereby to establish a plan for the separate fee simple ownership of real property estates consisting of the Condominium Apartments, as hereinafter defined, in the building improvements and the co-ownership by the individual and the separate owners thereof, as tenants in common, of all of the remaining property, which is hereinafter defined and referred to as the Common Elements.

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements thereon which is made subject to this Declaration, or to any Supplemental Declaration, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions. As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

(a) "Condominium Apartment" means one individual air space which is contained within the perimeter walls, floors, ceilings, windows and doors of each Condominium Apartment as shown on the Condominium Map to be filed for record, and which is within a Building, as hereinafter defined, on real property made subject to this Declaration, initially or by Supplemental Declaration, together with (1) all fixtures and improvements therein; (2) the inner decorated or finished surfaces of such Condominium Apartment's perimeter walls, floors and ceilings, including floor coverings; (3) the doors and windows of the Condominium Apartment; and (4) the interior nonsupporting walls within the Condominium Apartment. The term does not include, however, the undecorated or unfinished surfaces of the perimeter walls, floors or ceilings of a condominium Apartment, any utilities running through the Condominium Apartment which serve more than one Condominium Apartment, or any other Common Element or part thereof located within the Condominium Apartment.

(b) "Owner(s) or record owner(s)", whenever used in this Declaration to designate the owner(s) of one or more condominium units, or the Articles of Incorporation, or in the Bylaws shall mean, intend and include the person(s) who own of record according to the records in the Office of the El Paso County, Colorado, Clerk and Recorder, an interest in the fee simple title and the person(s) who, according to the records of the Liberty Square Condominium Association, or any successor association, are purchasing any one or more condominium unit pursuant to any executory land sales

contract wherein the Administrator of Veterans' Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assignees, and whether such contract is recorded in the records in the Office of the El Paso County, Colorado, Clerk and Recorder.

(c) "Common Elements" means all of the Project, as hereinafter defined, either, as initially constituted or as expanded by the addition of real property by Supplemental Declaration, except the portions thereof which constitute Condominium Apartments, and also means all parts of a building or any facilities, improvements and fixtures which may be within a Condominium Apartment which are or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair or safety of a Building or any part thereof or any other Condominium Apartment therein.

Without limiting the generality of the foregoing, the following shall constitute Common Elements:

- (i) all of the land and easements which are a part of the Property made subject to this Declaration, initially or by Supplemental Declaration, and any related facilities or recreational buildings which may be located on such Property;
- (ii) all foundations, columns, girders, beams and supports of a Building;
- (iii) all balcony or deck areas, patios, porches, bridges, pathways, driveways, and parking spaces as may exist (subject to specific assignment for individual owner use by designation or as Limited common Elements, as hereinafter defined and provided);
- (iv) the exterior walls of a Building, the main or bearing walls within a Building, the main or bearing subflooring and the roofs of a Building;
- (v) all entrances, exits, halls, corridors, lobbies, lounges, linen rooms, laundry rooms, saunas, whirlpools, storage space, recreational facilities, elevators, stairs, stairways and fire escapes, if any, not within, any Condominium Apartment;
- (vi) all utility, service, and maintenance rooms, space, fixtures, apparatus, installations and central facilities existing for common use for power, light, gas, telephone, television, hot water, cold water, heating, refrigeration, air conditioning, incineration, or similar utility, service or maintenance purposes, including furnaces, tanks, pumps, motors, fans, compressors, vents, similar fixtures, apparatus, installations and facilities;
- (vii) all rooms or premises for the lodging or housing of managers, custodians or persons in charge of or employed to handle, supervise, operate and maintain the Project, if any; and
- (viii) all other parts of the Project necessary in common use or convenient to its existence, maintenance and safety.

(d) "Association" means LIBERTY SQUARE CONDOMINIUM ASSOCIATION, a Colorado corporation not for profit, its successors and assigns, the Articles of Incorporation and By-Laws of which, as hereinafter defined, along with this Declaration, shall govern the administration of the Project; the members of which shall be all of the Owners of record of the Units in the Project.

- (e) "Building" means one or more of the building improvements erected within the Project.
- (f) "Common Expenses" means and includes:
- (i) all sums lawfully assessed against the Owners by the Association;
 - (ii) expenses of administration, maintenance, repair or replacement of the Common Elements, as hereinafter defined;
 - (iii) expenses declared Common Expenses by provisions of this Declaration, the Articles, or the By-Laws; and
 - (iv) Expenses agreed upon as common expenses by the affirmative vote of those owners owning not less than two-thirds of the condominium units sold by developer to individual homeowners and, so long as developer is in control of the condominium regime, approved in writing by the Veterans' Administration.
- (g) "Limited Common Elements" means those Common Elements which are reserved for the use of certain Owners to the exclusion of the others.
- (h) "Person" means individual, corporation, partnership, combination, association, trust or any other legal entity.
- (i) "Mortgage" means and includes any mortgage, deed of trust or other assignment or security instrument creating a lien on any Unit, and "Mortgagee" shall include any grantee, beneficiary or assignee of a Mortgage; "First Mortgage" means a Mortgage which is prior or senior in right or interest to any other Mortgage encumbering such right or interest in any Unit, and "First Mortgagee" shall include any grantee, beneficiary or assignee of a First Mortgage.
- (j) "Condominium Unit" means an individual air space unit together with the interest in the Common Elements appurtenant to such unit.
- (k) "Project" or "Condominium Project" means all of the Property, Buildings and improvements submitted to this Declaration, initially or by Supplemental Declaration.
- (l) "Board of Directors" or "Board" means the governing body of the Association.
- (m) "Managing Agent" means the Person employed by the Board to perform the management and operational functions of the Project.
- (n) "By-Laws" means the by-laws of the Association, as supplemented or amended from time to time.
- (o) "Articles" means the articles of incorporation of the Association, as amended from time to time.
- (p) "Guest" means any agent, employee, tenant, guest, licensee or invitee of an Owner.
- (q) "Common Elements" means the General Common Elements and the Limited Common Elements.
- (r) "Declarant" means Liberty Associates, a General Partnership.
- (s) "Map", "Condominium Map" or "Supplemental Map" means and includes the engineering survey of the land depicting and locating thereon all of the improvements; the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land which are included in this Condominium Project.

2. Map. The Map shall be filed for record prior to the conveyance of the Condominium Units shown thereon. Such Map shall depict and show at least the following: The legal description of the land and a survey thereof;

the location of the Building(s) including Building identification; the floor and elevation plans; the location of the Unit within the building, both horizontally and vertically; the main entrance to each Condominium Apartment or Unit depicted; the thickness of the perimeter walls and the common walls between or separating the Units; the location of any structural components or supporting elements of a Building located within a Unit; and the Condominium Apartment or Unit designations, parking and storage space designations, and the Building symbol. The location of improvements other than Buildings may be general and without limiting dimensions. Such Map shall contain the certificate of a registered professional engineer or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Units, the Unit designations, parking and storage spaces, if any, Building symbols and the elevations of the constructed unfinished floors and ceilings as established from a datum plane; and that such Map was prepared subsequent to the substantial completion of the improvements. Declarant hereby reserves unto itself and the Association, the right, from time to time, without the consent of any Owner being required, to amend the Map and supplement(s) thereto, to conform the Map to the actual location of any of the constructed improvements. In interpreting the Map (or any supplement or amendment thereto or thereof), the actual thickness, physical boundaries, location, and dimensions of any common or perimeter wall, floor, or ceiling of a Unit or Condominium Apartment, or Building or other improvement, as constructed, shall be conclusively deemed to control over any conflict therewith shown, depicted, or indicated on the Map (or any supplement or amendment thereto or thereof). No supplemental declaration, nor any other document shall amend the Declaration nor vary the terms of the Declaration in relation to any lands made subject thereto except upon the affirmative vote of those owners owning not less than two-thirds of the condominium units sold by developer to individual homeowners and, so long as the developer is in control of the homeowners' association, upon the written approval of the Veterans' Administration.

3. Division Into Units. The Project is hereby divided into 96 Condominium Units, each consisting of a separate fee simple estate in a particular Condominium Apartment, and an appurtenant undivided fee simple interest in the Common Elements. The undivided interest in the Common Elements appurtenant to a particular Condominium Apartment is as is set forth on Exhibit 2 attached hereto and incorporated herein.

4. Right to Combine Units. Declarant hereby reserves the right to physically combine the area or space of any one Unit which he owns with the area or space of any one or more adjoining Units which he owns; provided, however, that Declarant shall not exercise said right without the written consent of any Mortgagee having an interest in said Units. In the event of any such physical combining of Units to create a combined Unit, such combined Unit shall also include the combining of the fixtures and improvements and of the undivided interests in Common Elements appurtenant to the Units so combined. Declarant reserves the right to designate and convey to any purchase of any such combined Unit, as additional Limited Common Elements appurtenant thereto, any walls, floors or other structural separations between the Units so combined (except main or bearing walls, main or bearing subfloors, and any other element necessary to the structural integrity of the building housing such units) or any space which would be occupied by such structural separations but for the combinations of such Units; provided, however, that such walls, floors or other structural separations or such space shall automatically become Common Elements if the combined Units become subject to separate ownership in the future. This reserved right in Declarant shall terminate upon the sale of 90% of all of the Units within the entire Project to third party purchasers or December 31, 1981, whichever event occurs first.

5. Limited Common Elements. Subject to the definition thereof, the Limited Common Elements shall be identified on the Map. Any deck, balcony, or patio which is accessible from, associated with and which adjoin(s) a Condominium Apartment, and any vent and utility service chase, duct or shaft for a Condominium Apartment, and any parking or storage space, shown or identified as appurtenant Limited Common Elements on the Map, shall, without further reference thereto, be used in connection with the pertinent Condominium Apartment to the exclusion of the use thereof by the other Owners of the Common Elements, except by invitation.

6. Inseparability of a Unit. An Owner's undivided interest in the Common Elements and such Owner's rights in Limited Common Elements shall not be separated from the Unit to which it is appurtenant and shall be deemed to be conveyed or encumbered with the Condominium Apartment even though the interest is not expressly mentioned or described in a deed or other instrument.

7. Description of Condominium Unit.

(a) Every contract for the sale of a Condominium Unit written prior to the filing for record of the Map and this Declaration may legally describe a Condominium Unit by its identifying Condominium Unit designation followed by the words "LIBERTY SQUARE CONDOMINIUMS, Colorado Springs, Colorado." The location of such Condominium Unit shall be depicted on a Map subsequently recorded. Upon recordation of the Map and the Declaration in the records of the Clerk and Recorder of El Paso County, Colorado, such description shall be conclusively presumed to relate to the therein described Condominium Unit.

(b) After the filing for record of the Map and this Declaration, every deed, lease, mortgage, will or other instrument shall legally describe a Unit as follows: "Condominium Unit ____, Building ____, LIBERTY SQUARE CONDOMINIUMS, in accordance with the Declaration recorded on _____, 19__, in Book ____, Page ____, and Condominium Map recorded on _____, 19__, in Book ____, at Page ____, of the _____ County, Colorado, Records". Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Apartment, but also, the Common Elements and the right to the use of the Limited Common Elements appurtenant thereto. Each such description shall be construed to include: a non-exclusive easement for ingress and egress throughout and for use of the Common Elements which are not Limited Common Elements; the right to the appropriate exclusive use of the Limited Common Elements; and the other easements, obligations, limitations, rights, encumbrances, covenants, conditions and restrictions created under this Declaration or the Map.

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

8. No Partition. The Common Elements shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the Common Elements. Similarly, no action shall be brought for partition of a Condominium Apartment or a Unit between or among the Owners thereof. Each Owner hereby expressly waives any and all such right of partition he may have by virtue of his ownership of a Unit.

9. Separate Taxation. Each Condominium Unit shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing governmental subdivision and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither a Building, the Project, nor any use of the Common Elements shall be deemed to be a parcel. The lien for taxes assessed to any Condominium Unit shall be confined to that Condominium Unit. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

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

11. Certain Work Prohibited. No owner shall undertake any work in or about his Condominium Apartment which would jeopardize the soundness or safety of the Project, reduce the value thereof or impair an easement or hereditament thereon or thereto without the unanimous vote of all the other Owners first having been obtained. Structural alterations shall not be made by an Owner to a Building or in the water, gas or steam pipes,

electric conduits, plumbing or other fixtures connected therewith, nor shall an Owner remove any additions, improvements, or fixtures from a Building without the prior written consent of the Board of Directors first having been obtained.

12. Liens Against Condominium Units -- Removal From Lien -- Effect of Part Payment.

(a) After completion of improvements shown on the Map, liens or encumbrances shall only arise or be created against each Condominium Unit and the percentage of undivided interest in the Common Elements appurtenant to such Condominium Unit, in the same manner and under the same conditions as liens and encumbrances may arise or be created upon any other parcel of real property subject to individual ownership, provided, however, that no labor performed or materials furnished, with the consent or at the request of an Owner or his agent shall be the basis for the filing of a lien pursuant to law against the Unit or other property of another Owner not expressly consenting to or requesting the same, except that express consent shall be deemed to have been given by the Owner of any Condominium Unit to the Association, the Managing Agent or the Board of Directors in the case of emergency repairs. Labor performed or materials furnished for the Common Elements, if duly authorized by the Association, the Managing Agent, or the Board of Directors in accordance with the Declaration or By-Laws, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the basis for the filing of liens pursuant to law against all of the Condominium Units.

(b) Each Owner shall indemnify and hold each of the other Owners harmless from and against liability or loss arising from the claim of any lien against the Condominium Unit of the Owner, or any part thereof, for labor performed or for materials furnished in work on such Owner's Condominium Unit. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Condominium Unit on which the labor was performed and materials furnished an amount estimated by the Association as necessary to discharge any such lien and all interest and costs incidental thereto, including reasonable attorney's fees. If not promptly paid, the Association may proceed to collect the same in the manner provided herein for collection of assessments for the purposes of discharging the lien.

13. Use and Occupancy of Condominium Units. Each Owner shall be entitled to the exclusive ownership and possession of his Condominium Unit. Each Condominium Unit shall be used for residential purposes only. No Condominium Unit shall be used at any time for any business or commercial activity, except as follows: (i) the Owner thereof may lease or rent such Condominium Unit for private residential purposes; (ii) Declarant or its nominee may use any Condominium Unit(s) owned by Declarant or its nominee as a model or sales unit until all Condominium Units owned by Declarant are sold; and (iii) the Association shall have the right but not the obligation to purchase and own any Condominium Unit for office, storage, recreation, or conference area or any other uses which the Association determines is consistent with the operation of the project, provided, however, that the Association shall not contract for, purchase, lease, nor rent from the Declarant any Condominium Unit during the Declarant's control of the homeowner's Association, and the Association may also or alternatively maintain offices within the Common Elements.

14. Use of General and Limited Common Elements. Each Owner may use the appurtenant General and Limited Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Association may adopt rules and regulations governing the use of General and Limited Common Elements, but such rules and regulations shall be uniform and non-discriminatory. Each Owner, by the acceptance of his deed or other instrument of conveyance or assignment of his deed or other instrument of conveyance or assignment agrees to be bound by any such adopted rules and regulations.

(a) Owner's Rights in Limited Common Elements:

Subject to the other provisions of this Declaration, each Owner, his family and such Owner's Guests, shall have an exclusive right to use and enjoy the Limited Common Elements designated herein or in the Map as appurtenant to the Unit owned by such Owner, including any air space within the perimeters of any such Limited Common Element reasonably necessary and convenient to its use and enjoyment.

(b) Association Rights: The Association, the Board, and the Managing Agent shall have a non-exclusive right and easement to make such use of and to enter into or upon the Common Elements, the Limited Common Elements, and the Condominium Units as may be necessary or appropriate for the performance of the duties and functions which they are obligated or permitted to perform under this Declaration, provided, however, that for routine maintenance and repairs, and other routine or non-emergency purposes, entry and access shall be made into a Condominium Unit only after a minimum of a one-day due written notice delivered to the owner and, where possible, such entry shall be made only during regular and customary office hours on a business day.

(c) Owner's Easement for Assess, Support and Utilities: Each Owner shall have a non-exclusive easement for access between his Condominium Unit and roads and streets adjacent to the Project and the roads, drives, and streets in the Project, over any halls, balconies, corridors, stairs, walks and pathways (as existing and located from time to time), bridges and exterior access and other easements which are a part of the Common Elements. Each Owner shall have a non-exclusive easement in and over the Common Elements, including the Common Elements within the Condominium Unit of another Owner, for horizontal and lateral support of the Condominium Unit which is part of his Condominium Unit, and for utility service to that Condominium Unit, including water, sewer, gas, electricity, cable television signal service, and telephone service. Each Owner shall also have such other easement rights as exist from time to time of record.

(d) Easements for Encroachments: If any part of the Common Elements encroaches or shall hereafter encroach upon a Condominium Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Condominium Unit encroaches or shall hereafter encroach upon the Common Elements, or upon another Condominium Unit, the Owner of that Condominium Unit shall and does have an easement for such encroachment and for the maintenance of same. Such encroachments shall not be considered to be encumbrances either on the Common Elements or on a Condominium Unit. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

(e) Easements in Condominium Apartments for Repair, Maintenance and Emergencies: Some of the Common Elements are or may be located within a Condominium Apartment or may be conveniently accessible only through a particular Condominium Apartment. The Association and Managing Agent shall have an easement, and each Owner shall have an easement which may be exercised for any Owner by the Association or the Managing Agent, as his agent, for access through each Condominium Apartment and to all Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage or disruption of utility services to the Common Elements or to another Condominium Apartment. Damage to the interior of any part of a Condominium Apartment resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, or as a result of emergency repairs within another Condominium Apartment, at the instance of the Association, shall be a Common Expense of all of the Owners. No diminution or abatement of Common Expense Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements

or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be to substantially the same condition in which they existed prior to the damage. Entry into a Condominium Apartment for routine repairs or maintenance or other non-emergency purpose shall be after not less than a one-day due written notice is served upon the owner and entry shall be made only during regular office hours on a business day.

(f) Easements Deemed Appurtenant: The easements, uses and rights herein created for an Owner shall be appurtenant to the Unit of that Owner and all conveyances of and other instrument affecting title to a Unit shall be deemed to grant and reserve the easements, uses and rights as are provided for herein, even though no specific reference to such easements, uses and rights appear in any such conveyance or other instrument.

16. Owners' Maintenance Responsibility. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile, and flooring, but not including the subflooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Condominium Apartment, and the Condominium Apartment's doors and windows. The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") running through his Condominium Apartment which serve one or more other Condominium Apartments, except as a tenant in common with the other Owners. Such right to maintain, repair, alter and remodel shall carry the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials of substantially equal or better quality and utility. An Owner shall maintain and keep in good repair and in a clean, safe, attractive, and sightly condition the interior of his own Condominium Apartment including the fixtures, interior and exterior doors and windows thereof, and the improvements affixed thereto, the air conditioning condenser unit and related service lines, piping, wires, and parts exclusively serving the Unit of an Owner, and such other items and areas as may be required in the By-Laws. Also, an Owner shall maintain, clean, and keep in a neat and clean condition the deck, balcony, or patio area adjoining and/or leading to a Condominium Apartment, if any, which areas are shown on the Map as Limited Common Elements appurtenant to such Owner's Condominium Apartment. All fixtures and equipment installed within the Condominium Apartment commencing at a point where the utilities enter the Condominium Apartment shall be maintained and kept in good repair by the Owner thereof. In this paragraph, the Association after due notice upon the owner, and hearing may fulfill the same and charge such Owner therefor. Any expense incurred by an Owner under this paragraph shall be the sole expense of said Owner.

17. Compliance With Provisions of Declaration, Articles, and By-Laws of the Association. Each Owner shall comply strictly with, and shall cause each of his Guests to comply strictly with, all of the provisions of this Declaration and the Articles and By-Laws of the Association, and the decisions, rules, regulations and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunction relief or both, along with costs of suit and reasonable attorney's fees, maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners, or by an aggrieved Owner.

18 The Association.

(a) General Purposes and Powers The association through the Board or a Managing Agent shall perform functions and hold an manage property as provided in this Declaration so as to further the interests of Owners of Units in the Project. It shall have all power necessary or desirable to effectuate such purposes.

(b) Membership: The Owner of record or any person(s) purchasing any Condominium Unit upon a Veterans' Administration executing land sales contract, whether such contract is recorded or not shall automatically become a member of the Association. Said membership is appurtenant to the Unit and title to the ownership of the membership for that Unit shall automatically pass with fee simple title to the Unit. Each record owner, such executory land sales contract purchaser of a Unit shall automatically be entitled to the benefits and subject to the burdens relating to the regular membership for his Unit. If the fee simple title to a Unit, or such executory land contract thereon, is held by more than one person, each co-tenant of a Unit shall be a member of the Association. Memberships in the Association shall be limited to record Owners, or such executory land sales contract purchasers, of Units in the Project. The Association By-Laws may provide for the setting of record dates for the determination of members entitled to notice of and to vote at any meeting of the members.

(c) Board of Directors: The affairs of the Association shall be managed by a Board of Directors which may, by resolution, delegate any portion of its authority to an Executive Committee, or to a director or Managing Agent for the Association. There shall be not less than three nor more than nine members of the Board of Directors, the specific number to be set forth from time to time in the By-Laws, all of whom shall be Owners elected by Owners. Regardless of the number of members of the Board of Directors, the terms of at least one-third of such Board shall expire annually except, however, that notwithstanding anything to the contrary provided herein, until the first meeting of the members of the Association, either the members of the Board of Directors shall be appointed by Declarant and need not be owners of Units, or Declarant shall act as the Board or directly perform and carry out the duties, powers, and functions of the Board, all pursuant to Paragraph C of Article V of the Articles, which is hereafter set forth in full as follows, to wit:

Notwithstanding anything contained in the Articles of Incorporation or the By-Laws of the Corporation to the contrary, any or all of the duties, powers, and functions of the corporation which otherwise would be carried out by the Board of Directors of this corporation, and the control of the corporation, may be exclusively exercised by the Declarant named in the Declaration (or by its assigns, or by its successor by merger or consolidation); provided, however, that such right of exclusive exercise shall cease and terminate not later than 120 days after the record transfer of Condominium Units by such Declarant (or its assigns, or successors by merger or consolidation) to purchasers representing seventy-five (75%) percent of the Condominium Units, or on December 31, 1981, or upon the filing by the Declarant (or its assigns, or its successor by merger or consolidation) in the office of the Colorado Secretary of State of a waiver of the right of exclusive exercise hereunder, whichever event or date shall first occur, and, upon such event or date occurring, such Declarant (or its assigns, or its successor by merger or consolidation) shall forthwith call a meeting of the members, to be held on a date no later than 30 days thereafter, for the purpose of nominating and electing a Board of Directors and providing for the orderly transfer of duties, powers, and functions to the membership of such Board. Thereafter, such Declarant (or its assigns, or its successor by merger or consolidation) shall be entitled only to such membership rights as attach to it by reason of record ownership of one or more Condominium Units in the Condominium Project. Declarant may exercise the exclusive rights herein contained either by direct action or through the initial Board of Directors, or both. Nothing in this Paragraph shall be construed or interpreted as permitting Declarant (or its assigns, or its successor by merger or consolidation), in the exercise of its exclusive rights hereunder, to exercise voting or other rights in contravention of, or to amend, Paragraph C of Article IV of the Articles of Incorporation. No amendment of the Articles of Incorporation shall be effective to modify, amend, or repeal any of the provisions of Paragraph C of Article V of the Articles of Incorporation, without the affirmative approval of such Declarant (or its assigns, or its successor by merger or consolidation), until the occurrence of the terminating date or event hereinbefore set out in this Paragraph C.

(d) Voting of Owners: Each Owner shall have a vote equal to said Owner's percentage interest in the Common Elements; provided, that each Unit shall have one vote on such matters and for such purposes as may be set forth from time to time in the By-Laws. The Vote to which an Owner is entitled at a meeting shall be determined as of an ownership record date set by the Association, and any person becoming an Owner of record after such record date shall not be entitled to vote at such meeting except pursuant to an effective proxy from an Owner entitled to vote at such meeting.

(e) In case of conflict between the Declaration and the Articles of Incorporation or the By-Laws the Declaration shall control. In case of conflict between the Articles of Incorporation and the By-Laws, the Articles of Incorporation shall control.

19. Certain Rights and Obligations of the Association.

(a) Association as Attorney-in-Fact for Owners: The Association is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of such Owner in the Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Project upon its destruction or obsolescence as hereinafter provided and to grant utility easements through any portion of the Common Elements. The acceptance by any Person of any interest in any Unit shall constitute an appointment of the Association as attorney-in-fact as provided above and hereinafter. The Association shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the Project and to perform all of the duties required of it. Notwithstanding the above, unless at least one hundred percent (100%) of the First Mortgagees of Units (based upon one vote for each First Mortgage Owned or held) and Owners of at least two-thirds of the Units have given their prior written approval, the Association shall not be empowered or entitled to: (i) By act or omission, seek to abandon or terminate the Condominium Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) Partition or subdivide any Unit; (iii) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any of the General or Limited Common Elements; (iv) Use hazard insurance proceeds for loss to the improvements for other than repair, replacement or reconstruction of such improvements; (v) Effect any material amendment to the Declaration or the By-Laws of this Corporation, including any amendment which would change the percentage interests of the Unit Owners; or (vi) Effect any decision to terminate professional management and assume self-management of the Condominium Project.

(b) Common Elements: The Association shall provide for the care, operation, management, maintenance, repair and replacement of the Common Elements, except as is provided for in Paragraph 16 herein. Without limiting the generality of the foregoing, said obligations shall include the keeping of the Common Elements in good, clean attractive and sanitary condition, order and repair; removing snow and any other materials from such Common Elements which might impair access to the Project or the Condominium Apartments; keeping the Project safe, attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the Common Elements.

(c) Other Association Functions: The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Owners of Units on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of garbage and trash collection services, the providing of firewood, and the providing of maid and cleaning service for individual Condominium Apartments.

(d) Labor and Services: The Association (i) may, subject to Paragraph 19 (a) hereof, obtain and pay for the services of a Managing Agent to manage its affairs, or any part thereof, and may, as it deems advisable, secure such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any Person with whom or which it contracts; (ii) may obtain

and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration; and (iii) may arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services.

(e) Property of Association: The Association may pay for, acquire and hold real and tangible and intangible personal property and may dispose of the same by sale or otherwise. Subject to the rules and regulations of the Association, each Owner and each Owner's family and Guests may use such property. Upon termination of Condominium ownership of the Project and dissolution of the Association, if ever, the beneficiary interest in any such property shall be deemed to be owned by the then Owners as tenants in common in the same proportion as their respective interest in the Common Elements. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed Unit. Except for the purchase by deed in lieu of foreclosure or at a foreclosure sale, the purpose of any such purchase being to enforce a homeowners' association assessment lien, the association shall not purchase any real property whatsoever, nor any personal property during any one year where the cumulative value of the personal property purchased during such one year period exceeds in value \$1,000.00, unless any such purchase or purchases are approved by the vote of homeowners owning at least two thirds of the Condominium Units sold by Declarant and, while the Declarant controls the homeowners' association after written approval is received from the Veterans' Administration.

(f) Association Right to Lease and License General Common Elements: The Association shall have the right to lease or license or permit the use of, by less than all Owners or by non-owners, on either a short-term basis or long-term basis and with or without charge as the Association may deem desirable, any portion of the Common Elements or any Condominium Unit owned by the Association (which Unit may be purchased from the Declarant). The rights granted to the Association in this subparagraph shall only be used in the promotion of the collective best interests of the Owners. The provisions of this paragraph may be exercised during the period of control of the Association by the developer only after the owners owning two thirds, or more, of the Condominium Units sold by developer have voted their approval and also, only after written approval by the Veterans' Administration.

(g) Mortgagee Inspection: The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member, first mortgagees and the Veterans' Administration and its assignees of any executory land sales contract on a Condominium Unit. The Declaration, Articles of Incorporation and By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

(h) Enforcement by Association and Owner: The Association may suspend any Owner's voting rights in the Association or the right of an Owner to use the recreation facilities during any period or periods during which such Owner fails to comply with the Associations' rules and regulations, By-Laws, or the Association, or any aggrieved Owner, may also take judicial action against any Owner, or the Association, as the case may be, to enforce compliance with such rules, regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

(i) Certificate: The Board of Directors shall, from time to time, record a certificate of identity and the mailing addresses of the persons then comprising the Board of Directors, together with the identity and address of the Managing Agent, if any there be. Such certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith regardless of the time elapsed since the date thereof.

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

20. Assessment for Common Expenses: All Owners shall be obligated to pay the estimated assessments imposed by the Board of Directors of the Association to meet the Common Expenses. The assessments shall be made pro rata according to each Owner's percentage of interest in and to the Common Elements. Declarant shall be obligated as any other owner in reference to Condominium Units owned by Declarant to pay the estimated Common Expense assessments imposed by the Board to meet the Common Expenses. Except as herein provided, the Limited Common Elements shall be maintained as General Common Elements and Owners having exclusive use thereof shall not be subject to any special charges or assessments. Assessments for the estimated Common Expenses, including insurance, shall be due monthly, in advance, on the first day of each month. The Managing Agent or Board of Directors shall prepare and deliver or mail to each Owner an itemized monthly statement showing the various estimated or actual expenses for which the assessments are made. Contributions for monthly assessments shall be prorated if the ownership of a Unit commences on a day other than the first day of a month. The assessments made for Common Expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Directors shall from time to time determine is to be paid for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements, which sum may include, among other things: expenses of management; premiums for insurance of the types and kinds provided for in Paragraph 23 hereafter; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collections; wages, water charges, legal and accounting fees, management fees; expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration; deficit remaining from a previous period; and other costs and expenses relating to the Common Elements. Further, it shall be mandatory for the Managing Agent or Board to establish, out of such monthly assessments, a contingency or reserve fund for the repair, replacement and maintenance of those General Common Elements that must be replaced periodically, and such reserve fund shall be funded through monthly payments of the common expenses and not be extraordinary special assessments. The omission or failure of the Managing Agent or Board of Directors to fix the annual assessment (which shall be collected on a monthly basis) for any year shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay any monthly installment on the due date for such installment. Until the Managing Agent or Board of Directors shall have fixed the amount of the new annual assessment, the assessment rate shall continue to be deemed the assessment rate for the prior year. If any installment shall remain unpaid after 10 days from the due date thereof, the Board of Directors or the Managing Agent may impose a late charge not to exceed 13% of such past due installment for each period, or portion thereof that it remains unpaid. At the end of any calendar year the Board of Directors or the Managing Agent may, but shall not be required to, refund to each Owner his proportionate share of funds then held by the Association which are not deemed to be necessary to meet the Common Expenses.

21. Special Assessments for Capital Improvements. In addition to the annual assessments authorized elsewhere herein, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assenting vote of Owners owning not less than two thirds of the Condominium Units sold by Declarant.

22. Assessment Reserves. An Owner, other than Declarant, shall be required to deposit and maintain with the Association an amount equal to between two hundred and three hundred percent (200 and 300%) of the estimated monthly assessment, which sum shall be held, without interest, by the Association or Managing Agent as a reserve to be used for paying such Owner's monthly assessment and for working capital. Such an advance pay-

~~There shall~~ not relieve an Owner from making the regular monthly payment of the monthly assessment as the same comes due. Upon the transfer of his Unit, an Owner shall be entitled to a credit from his transferee for any unused and unreplaced portion thereof. Replacement by an Owner of any of such reserve attributable to such Owner's Unit shall be completed within twenty (20) days of the date of a statement from the association or Managing Agent is mailed or delivered to such Owner, and failure to pay such replacement sum shall, in all respects, be treated hereunder as if such failure constituted a failure to pay the monthly assessment for common expenses.

23. Insurance.

(a) The Association, on behalf of or as trustee for the Owners, through its Board of Directors or the Managing Agent, shall obtain and maintain at all times, to the extent obtainable, policies involving standard premium rates, established by the Colorado Insurance Commissioner, and written with companies licensed to do business in Colorado and have a Best's Insurance Report rating of A & XV, covering the risks set forth below. The Board of Directors or Managing Agent shall not obtain any policy where: (i) under the terms of the insurance company's charter, by-laws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (ii) by the terms of carrier's charter, by-laws or policy, loss payments are contingent upon action by the company's Board of Directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds. The types of coverages to be obtained and risks to be covered are as follows, to-wit:

(1) Fire insurance with extended coverage and all risk endorsements, which endorsements shall include endorsements for vandalism, malicious mischief, boiler explosion and machinery with a minimum endorsed amount of \$50,000.00 per accident per location. Said casualty insurance shall insure the entire Project and any property, the nature of which is a Common Element (including all of the fixtures of the Condominium Apartments therein initially installed or conveyed by Declarant but not including furniture, furnishings or other personal property supplied by or installed by Unit Owners) together with all service equipment contained therein and the air conditioning condenser unit and related service lines, piping, wires, and parts servicing each Unit in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory mortgage clause in favor of each First Mortgagee of a Unit, which shall provide that the loss, if any thereunder, shall be payable to Liberty Square Condominium Association for the use and benefit of Mortgagees as their interest may appear.

(2) If the Project is located in an area identified by the Secretary of Housing and Urban Development as an Area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the mortgages on the Units comprising the Project.

(3) Public liability and property damage insurance in such limits as the Board or Managing Agent may from time to time determine, but not in an amount less than \$500,000.00 per injury, per person, per occurrence and umbrella liability limits of \$1,000,000.00 per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project. Said policy shall also contain a "severability of interest endorsement".

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

(5) The Association shall purchase, in an amount not less than one hundred percent (100%) of the Association's estimated annual operating expenses and reserves, fidelity coverage against dishonesty of

employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

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

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be cancelled or modified without at least twenty (20) days prior written notice to all of the insureds, including First Mortgagees. Duplicate originals of all policies and renewals thereof, together with proof of payments or premiums, shall be delivered to all First Mortgagees at least ten (10) days prior to expiration of the then current policies. The insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the Unit owners, which policy or policies shall identify the interest of each Owner (Owner's name and Unit number designation) and First Mortgagee.

(c) Prior to obtaining any policy of fire insurance or renewal thereof, the Board or Managing Agent shall obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the entire Project, without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a co-insurance clause for less than eighty percent (80%) of the full replacement cost. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost, and each First Mortgagee shall be furnished with a copy thereof, within thirty (30) days after receipt of such written appraisals. Such amounts of insurance shall be contemporized annually in accordance with their currently determined maximum replacement value.

(d) Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

(e) Insurance coverage on furnishings, including carpet, draperies, free standing ovens or ranges, refrigerator, wallpaper, and other items of personal property belonging to Owner, and public liability coverage within each Condominium Apartment shall be the sole and direct responsibility of the Owner thereof, and the Board of Directors, the Association and/or the Managing Agent shall have no responsibility therefor.

(f) In the event that there shall be any damage or destruction to, or loss to a Condominium Apartment which exceeds \$1,000.00 or any damage or destruction to, or loss to the General Common Elements which exceeds \$10,000.00, then notice of such damage or loss shall be given by the Association to each First Mortgagee of said Unit within ten (10) days after the occurrence of such event.

(g) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

24. Lien for Non-Payment of Monthly Assessments, Priorities, Subordination, Homestead, etc. All sums assessed by the Association but unpaid for the share of Common Expenses chargeable to any unit shall constitute a lien on such Unit from the date of the assessment until paid. Tax and special assessment liens in favor of any governmental unit having taxing authority shall be superior to the Association's assessment lien. The Association lien shall be subordinate to the lien of any purchase money loan evidenced by a first mortgage of record (including deed of trust) and to any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not. Sale or transfer of any condominium Unit shall not affect the lien for said assessment charges except that sale or transfer of any Condominium Unit pursuant to foreclosure of any such mortgage or any such executory land sales contract, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosures, or cancellation or forfeiture of any such executory land sales contract. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of any such executory land sales contract shall relieve any Condominium Unit from liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Each Owner, by acceptance of the Deed or other instrument of conveyance to a Unit, thereby automatically agrees that such lien shall be superior to, and such Owner thereby shall be deemed to have waived, the Homestead Exemption and Rights provided for by Section 38-41-201, et seq., C.R.S. 1973, as amended.

To evidence such lien, at the option of, the Board of Directors or Managing Agent may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by one of the Board of Directors or by the Managing Agent and may be recorded in the office of the Clerk and Recorder of the County of El Paso, Colorado. Such lien for the Common Expenses shall attach from the date of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Unit by the Association in like manner as a mortgage on real property. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. In addition to all other costs, charges and expenses required to be paid by an Owner, an Owner shall pay to the Association the sum of \$100.00 if it was necessary for the Association to record a notice of its lien for Common Expenses. The Owner shall also be required to pay to the Association the monthly assessment for the Unit during the period of foreclosure, and the Association shall be entitled to the appointment of a Receiver to collect the same. The Managing Agent or Board of Directors, on behalf of the Association, shall have the power to bid on the Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any unpaid association monthly assessment payments payable with respect to such unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

The Association shall report to the holder of any recorded first mortgage (including deed of trust) and of any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns and whether such contract is recorded or not, on a Condominium Unit any unpaid assessments remaining unpaid for longer than ninety days after the same are due as well as any other default of an Owner which is not cured within thirty days; provided, however, that such holder shall have furnished to the Association notice of such holder's encumbrance.

Declarant states in accordance with the requirements of the Colorado Condominium Ownership Act, that it is possible that liens other than mechanic's liens, assessment liens and tax liens, may be obtained against the Common Elements, including judgment liens and purchase money mortgage liens.

25. Owners' Obligations for Payment of Assessments. The amount of the Common Expenses assessed against each Unit shall be the personal and individual and joint and several debt and liability of the Owner or Owners thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses, and costs of suit and attorney's fees, shall be maintainable without foreclosing or waiving the lien securing same. No Owner may exempt himself from liability for his contribution towards the Common Expense by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Unit.

26. Liability for Common Expenses Upon Transfer of Unit is Joint. Upon payment of a reasonable fee not to exceed Twenty Dollars and upon ten days notice from any Owner or any Mortgagee or prospective Mortgagee of a Unit, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due and any credit for advanced payments for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association in favor of all Persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten days, all unpaid Common Expenses which became due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement.

The grantee of a Unit, except a holder of any recorded first mortgage (including deed of trust) and of any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is recorded or not and whether such contract is owned by the Veterans' Administration or its assigns, who acquire a Unit by foreclosure or a deed in lieu of foreclosure, of any recorded first mortgage or deed of trust, or by foreclosure, deed in lieu of foreclosure, cancellation or forfeiture of any executory land sales contract wherein the Veterans' Administration is seller, whether such contract is recorded or not and whether owned by the Veterans' Administration or its assigns, shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Twenty Dollars, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent or Board of Directors setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessment, the date that such assessment becomes due and any credits for advanced payments or for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten days of such request, then such requesting grantee shall not be liable for, nor shall the Unit conveyed be subject to, a lien for any unpaid assessments against the subject Unit. The provisions contained in this Paragraph shall not apply upon the initial transfer of the Units by Declarant.

27. Mortgaging a Unit -- Priority. Any Owner shall have the right from time to time to mortgage or encumber his Unit by deed of trust, Mortgage or other security agreement. The Owner of a Unit may create Junior Mortgages (junior to the lien, deed of trust, or other encumbrance of any holder of a recorded first mortgage (including deed of trust) or executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not) on his Unit on the following conditions.
(1) to all of the terms conditions, covenants, restrictions, uses,

limitation, obligations, lien for Common Expenses, and other obligations created by this Declaration, and the By-Laws of the Association; and (2) that the Mortgagee under any junior Mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished by a junior Mortgagee upon written request of the Managing Agent or one or more of the Board of Directors of the Association, and if not furnished, may be executed by the Association as attorney-in-fact for such junior Mortgagee.

28. Restrictive Covenants and Obligations.

(a) No Imperiling of Insurance: No Owner and no Owner's Guest shall do anything or cause anything to be kept in or on the Project which might result in an increase in the premiums of insurance obtained for the Project or which might cause cancellation of such insurance without the prior written consent of the Association first having been obtained.

(b) No Violation of Law: No owner and no Owner's Guest shall do anything or keep anything in or on the Project which would be immoral, improper, offensive or in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

(c) No Noxious, Offensive, Hazardous or Annoying Activities. No noxious or offensive activity shall be carried on upon any part of the Project nor shall anything be done or placed on or in any part of the Project which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No activity shall be conducted on any part of the Project and no improvements shall be made or constructed on any part of the Project which are or might be unsafe or hazardous to any person or property. No sound shall be emitted on any part of the Project which is unreasonably loud or annoying. No odor shall be emitted on any part of the Project which is noxious or offensive to others. No light shall be emitted from any part of the Project which is unreasonable, bright or causes unreasonable glare.

(d) No Unsightliness: No unsightliness shall be permitted on or in any part of the Project. Without limiting the generality of the foregoing, nothing shall be hung or placed upon any of the Common Elements or Limited Common Elements, and nothing shall be placed on or in windows or doors of Condominium Apartments, which would or might create an unsightly appearance.

(e) Restriction on animals. No animals, livestock, reptiles or birds shall be kept on any part of the Project, except that domesticated dogs, cats or birds may be kept on the Project, subject to all animal ordinances and regulations of any local government with jurisdiction over the keeping and maintenance of pets within or on any part of the Project, and subject to rules and regulations promulgated by the Association in regard thereto, provided that they are not kept for any commercial purposes. An Owner is responsible for any damage caused by his animal(s). No animals shall be allowed to remain tied to or chained to any Common Element, or to patios or other parts of the Project exterior to a Condominium Apartment, and any such animal(s) so tied or chained may be summarily removed by the Association or its agents.

(f) Restriction on signs: No signs or advertising devices of any nature shall be erected or maintained on any part of the Project without the prior written consent of the Association. The Association shall permit the placing of at least one sign of reasonable size and dignified form to identify the Project and the Units therein. This restriction shall not apply to Declarant while any of the Units remain unsold.

(g) No Violation of Rules: No Owner and no Owner's Guests shall violate the rules and regulations adopted from time to time by the Association, whether relating to the use of Condominium Apartments, the use of General or Limited Common Elements, or otherwise.

(h) Owner Caused Damages: If, due to the act or neglect of an Owner or such Owner's Guests or family, loss or damage shall be caused to any Person or property, including the Project or any Condominium Apartment therein, such Owner shall be liable and responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the Association and the carrier of the insurance has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner as an assessment against such Owner, by legal proceedings or otherwise, and such amount shall be secured by a lien on the Unit of such Owner as provided hereinabove for assessments or other charges.

Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Paragraph 29 shall be made by the Board of Directors of the Association.

29. Association as Attorney-in-Fact - Damage and Destruction. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project upon its destruction, repair or obsolescence.

Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute appointment of the attorney-in fact herein provided. All of the Owners irrevocably constitute and appoint the Association, in their names, place and stead for the purpose of dealing with the Project upon its destruction, repair or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authorization, right, and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each Condominium Apartment and the General Common Elements and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Subject to the rights of all first Mortgagees, the proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacements unless the Owners agree not to rebuild in accordance with the provisions set forth hereinafter.

Assessments for Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

(a) In the event of damage or destruction to not more than sixty-six and two-thirds percent of the total replacement cost of the Project, not including land, due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s) shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvement(s).

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than sixty-six and two-thirds percent of the total replacement cost of the Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Units. Such deficiency assessment shall be a Common Expense and made pro rata according to each Owner's percentage interest in the Common Elements and shall be due and payable within thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds and such assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Unit and may be enforced and collected as is provided hereinbefore. In addition thereto, the Association as attorney-in-fact, shall have the absolute right and power to sell the Unit of any

Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Owner shall be sold by the Association, as attorney-in-fact, and the net proceeds applied in the following order:

- (i) for payment of the balance of the lien of any First Mortgage;
- (ii) for payment of taxes and special assessment liens in favor of any assessing entity;
- (iii) for payment of unpaid Common Expenses;
- (iv) for payment of junior Mortgages and encumbrances in order of and to the extent of their priority, and,
- (v) the balance remaining, if any, shall be paid to the Unit Owner.

(c) If more than sixty-six and two-thirds percent of the total replacement cost of the Project, not including land, is destroyed or damaged, and if the Owners representing an aggregate ownership interest of seventy-five percent, or more, of the Common Elements, do not voluntarily, within one hundred days thereafter, make provisions for reconstruction, which plan must have the unanimous approval or consent of every holder of every recorded first mortgage (including deed of trust) and of every executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration), is seller, whether such contract is owned by the Veterans' Administration or its assigns and whether such contract is recorded or not, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire remaining Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the Articles and By-Laws. The Insurance settlement proceeds shall be collected by the Association and such proceeds shall be divided by the Association according to each Owner's interest (such interests appear on the policy or policies), and such divided proceeds shall be paid into separate accounts, each such account representing one of the Units. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner. Thereafter, each such account shall be supplemented by the apportioned amount of the net proceeds derived from the sale of the entire Project. Such apportionment shall be based upon each Owner's percentage interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (v) of this Paragraph. The provision contained in this subparagraph shall not hinder the protection given to a holder of any recorded first mortgage (including deed of trust) nor any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns and whether such contract is recorded or not, under a mortgagee or installment contract seller endorsement.

(d) If more than sixty-six and two-thirds percent of the total replacement cost of the Project, not including land, is destroyed or damaged, and if the Owners representing an aggregate ownership interest of seventy-five percent, or more, of the Common Elements adopt a plan for reconstruction, which plan has the unanimous approval of all holders of any recorded first mortgage (including deed of trust) or any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not, then all of the Owners shall be bound by the terms and other provisions of such plan. The Association shall have the right to use, in

accordance with such plan, all proceeds of insurance for such destruction or damages, as well as the proceeds of an assessment to be made against all of the Owners and their Units. Any assessment made in connection with such plan shall be a Common Expense and made pro-rata according to each Owner's percentage interest in the Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Unit and may be enforced and collected as is provided hereinabove. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Unit of any Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Owner shall be sold by the Association. The net proceeds derived from the sale of such Unit shall be used and disbursed by the Association as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs (b) (1) through (v) of this Paragraph.

(e) The Owners representing an aggregate ownership interest of eighty-five percent, or more, of the General Common Elements may agree that the Units are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the unanimous approval of all holders of recorded first mortgages (including deeds of trust) and of executory land sales contracts wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns and whether such contract is recorded or not at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, then the expenses thereof shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen days after the adoption of such plan that such Units shall be purchased by the Association for the fair market value thereof. The Association shall then have fifteen days within which to cancel such plan. If such plan is not cancelled then the Unit shall be purchased by the Association according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty days thereafter. If the parties are unable to agree, the date when either party notified the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned in this subparagraph shall be measured. Within ten days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an independent appraiser. If either party fails to make such a nomination, the appraiser nominated shall within five days after default by the other party appoint and associate with him another independent appraiser. If the two appraisers designated by the parties, or selected pursuant thereto in the event of the default of one party, are unable to agree, they shall appoint another independent appraiser to be umpire between them, if they then can agree on such person. If they are unable to agree upon such umpire, then each appraiser to be umpire between them, if they then can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two independent appraisers and from the names of the four persons so nominated one shall be drawn by lot by any judge of any court of record in Colorado and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such

decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen days thereafter, and the Association, as attorney-in-fact, shall disburse the net proceeds as is provided in subparagraphs (b) (i) through (v) of this Paragraph.

(f) The Owners representing an aggregate ownership interest of eighty-five percent, or more, of the Common Elements may agree that the Units are obsolete and that the same should be sold. Such plan (agreement) must have the unanimous written approval of every holder of a recorded first mortgage (including deed of trust) and of every executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not. In such instance, the Association shall forthwith record a notice setting for such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, the Articles and By-Laws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the Common Elements, and such apportioned proceeds shall be paid unto separate accounts, each such account representing one Unit. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraphs (b) (1) through (v) of this Paragraph.

30. Condemnation.

(a) Consequences of Condemnation If at any time or times during the continuance of condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance thereof, the provisions of this Paragraph 30 shall apply.

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

(c) Complete Taking: In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements, provided that if a standard difference from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such share the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in subparagraphs (b) (1) through (b) of paragraph 29 of this Declaration.

(d) Partial Taking: In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner (1) As soon as practicable

the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated to taking of or injury to the Common Elements and shall be apportioned among Owners in proportion to their respective undivided interests in the Common Elements, (ii) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned, (iii) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements on Owner had made within his own Unit shall be apportioned to the particular Unit involved, and (iv) the amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective mortgagees.

(e) Reorganization: In the event a partial taking results in the taking of a complete Condominium Apartment, the Owner thereof automatically shall cease to be a member of the Association, and such Owner's interest in the Common Elements shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute such documents as are necessary to reflect such termination. Thereafter the Association shall reallocate the ownership, voting rights and assessment ratio determined in accordance with this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration as provided in Paragraph 31 (b) hereof.

31. Miscellaneous.

(a) Duration of Declaration: All of the provisions contained in this Declaration shall continue and remain in full force and effect until condominium ownership of the Project and this Declaration are terminated, revoked, or amended as herein provided.

(b) Amendment and Termination: Any provision contained in this Declaration may be amended or additional provisions may be added to this Declaration, or this Declaration and condominium ownership of the Project may be terminated or revoked, by the recording of a written instrument or instruments specifying the amendment or addition or the fact of termination and revocation, executed by the Owners, as shown by the records in the office of the Clerk and Recorder of El Paso County, Colorado, owning not less than two-thirds of the condominium units sold by developer to individual homeowners and, so long as the developer is in control of the condominium, upon the written approval of not less than one hundred percent of all holders of a recorded first mortgage (including all deed of trust) and of an executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not; provided, however, that in no event shall the undivided interest of an owner in the common elements appurtenant to a unit be altered without the consent of all of such holders. The consent(s) of any junior mortgagee(s) shall not be required under the provisions of this paragraph.

(c) Effect of Provisions of Declaration: Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration shall:

(i) by virtue of acceptance of any right, title or interest in the Project or in any Unit by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner,

(ii) be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Project and each Unit and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the Project and each Unit, and

(iii) be deemed a covenant, obligation and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the Project and each Unit in favor of the Association

(d) Protection of Encumbrancer Subject to the provisions of Paragraphs 27 above, no violation or breach of or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any recorded first mortgage (including deed of trust or any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not, or other lien on any Unit taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of the County of El Paso, Colorado, prior to the time of recording in said office of an instrument describing the Unit and listing the name or names of the Owner or Owners of fee simple title to the Unit and giving notice of such violation, breach or failure to comply, nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such recorded first mortgage (including deed of trust or any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not, or other lien or the title or interest acquired by any purchaser upon termination by foreclosure or deed in lieu of foreclosure of any such recorded first mortgage (including deed of trust), or by foreclosure, deed in lieu of foreclosure or cancellation or forfeiture of any such executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) or its assigns, and whether such contract is recorded or not, or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration, provided, however, that violations or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns

(e) Supplemental to Law The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law

(f) Numbers and Genders Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders

(g) Registration of Mailing Address Each Owner and holder of a recorded first mortgage (including deed of trust) and of every executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not, shall register his mailing address with the Association, and notices or demands intended to be delivered or served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the Owner and such holder at such registered address. Copies of such notices shall be sent

to such holders in a like manner, except when such notices pertain to matters specifically relating to Mortgagee(s), in which case such notice shall be sent certified, return receipt requested, or registered, to such holder at its registered address.

(h) Successors and Assigns: This Declaration shall be binding upon and shall inure to the benefit of the Declarant, Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

(i) Severability: Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

(j) Captions: The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

(k) No Waiver: Failure to enforce any provisions of this Declaration, by the Association or any member, shall not operate as a waiver of any such provision or of any other provision of this Declaration.

(l) Reserved Rights, and Sales and Construction Facilities and Activities of Declarant: (1) Notwithstanding any provision to the contrary contained herein, Declarant, its agents, employees and contractors shall be permitted to maintain during the period of any construction on and sale of the Units in the Project, upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Units, including without limitation, a business office, storage area, construction yards, signs, model Condominium Apartments, sales office, construction office, parking area and lighting and temporary parking facilities for all prospective tenants or purchasers of Units. In addition, Declarant, its agents, employees or contractors shall have the right to ingress and egress over the General Common Elements and Limited Common Elements as in Declarant's discretion may be necessary to complete the construction of the Project. For the purposes of this Paragraph 31, "Construction" includes, without any limitation being thereby made or intended, the installation, erection, and construction of buildings, structures, and other improvements, as well as betterment, fixup, landscaping, painting, repair, additions to, striping, cleaning, carpeting asphalt sealing, and other activities not involving the erection or construction of a new building or structure. The foregoing rights and activities provided for the benefit of the Declarant in this Paragraph shall not interfere with any individual homeowner's safe access to nor use and enjoyment of such homeowner's Condominium Apartment nor his use and enjoyment of the swimming pool, recreation and laundry building nor his safe access thereto. (11) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or By-Laws of the Association, Declarant reserves the right to exercise the rights, duties and functions of the Board of the Association until notwithstanding anything contained in these Articles of Incorporation or the By-Laws of the corporation to the contrary, any or all of the duties, powers, and functions of the corporation which otherwise would be carried out by the Board of Directors of this corporation, and the control of the corporation, may be exclusively exercised by the Declarant named in the Declaration (or by its assigns, or by its successor by merger or consolidation); provided, however, that such right of exclusive exercise shall cease and terminate not later than 120 days after the record transfer of Condominium Units by such Declarant (or its assigns, or successors by merger or Consolidation) to purchasers repre-

senting seventy-five (75%) percent of the Condominium Units, or on December 31, 1981, or upon the filing by the Declarant (or its assigns, or its successor by merger or consolidation) in the office of the Colorado Secretary of State of a waiver of the right of exclusive exercise hereunder, whichever event or date shall first occur, and, upon such event or date occurring, such Declarant (or its assigns, or its successor by merger or consolidation) shall forthwith call a meeting of the members, to be held on a date no later than 30 days thereafter, for the purpose of nominating and electing a Board of Directors and providing for the orderly transfer of duties, powers, and functions to the membership of such Board. Thereafter, such Declarant (or its assigns, or its successor by merger or consolidation) shall be entitled only to such membership rights as attach to it by reason of record ownership of one or more Condominium Units in the Condominium Project. Declarant may exercise the exclusive rights herein contained either by direct action or through the initial Board of Directors, or both. Nothing in this Paragraph shall be construed or interpreted as permitting Declarant (or its assigns, or its successor by merger or consolidation), in the exercise of its exclusive rights hereunder, to exercise voting or other rights in contravention of, or to amend, Paragraph C of Article IV of these Articles of Incorporation. No amendment of these Articles of Incorporation shall be effective to modify, amend, or repeal any of the provisions of this Paragraph C of this Article V, without the affirmative approval of such Declarant (or its assigns, or its successor by merger or consolidation), until the occurrence of the terminating date or event hereinbefore set out in this Paragraph C.

(11) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, Declarant reserves the exclusive right to act as or appoint and discharge, from time to time, the Managing Agent for so long as it has the right to exercise the rights, duties, and functions of the Board.

(m) Parking Space: Each Owner of a Unit will be entitled to the exclusive use, without additional charge therefor, of one parking space that the Association shall assign, for such Unit, but such parking space shall be deemed to be a General Common Element for the purposes of maintenance, repair, and upkeep, by the Association. Such assigned parking space shall be within the Project.

(n) Unit Lease Restrictions: No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes, nor for any period less than 30 days. No Unit Owner may lease less than the entire Unit. Any lease agreement shall be required to provide and shall be deemed to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, The Articles, and the By-Laws and that any failure by the lessee to strictly comply with the terms of such documents shall be a default under the lease, and an Owner shall be jointly and severally liable with the lessee for such noncompliance. All leases shall be required to be in writing. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease his Unit.

(o) Annual Audited Reports: The Association shall cause an annual audited financial statement (not necessarily certified) for the Association. A copy of each such annual audited financial statement shall be mailed to each Owner, and, upon request, shall be furnished to any holder of a recorded first mortgage (including deed of trust) and of any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not.

(p) Notice to First Mortgagees:

(1) Upon request, each holder of a recorded first mortgage (including deed of trust) and of any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not shall be entitled to written notice of all meetings of the Association members, and shall be

permitted to designate a representative to attend all such meetings.

(2) The Association will give any institutional holder of any recorded first mortgage (including deed of trust) and of any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not on a Condominium Unit written notice of any loss, damage, destruction, or taking of a Condominium Unit, which exceeds \$1,000.00 or any loss, damage, destruction or taking of the Common Elements which exceeds \$10,000.00. Such notices shall be given by the Association within ten (10) days after the occurrence of such event.

(q) First Year Taxes: If, for the year in which this Declaration and the Map are recorded, the assessor of the County of El Paso, Colorado, does not separately assess for taxation the individual Condominium Units in the Project, then the Condominium Units shall be assessed by the Association in an amount which the Association shall reasonably deem necessary to accumulate and pay the total taxes on the Condominium Project for such year ('total Taxes'). The amount assessed by the Association against each such Condominium Unit shall be an amount equal to the percentage interest in and to the Common Elements allocated to each such Condominium Unit times the amount assessed against the Condominium Project for such year, or, if no notice of change in valuation has been received from the assessor for such year, then such computation shall be made in relation to the valuation of the Project based on the assessment for the prior year and such assessment amount shall continue to be assessed against each such Condominium Unit until the assessor shall give notice of a change of the valuation of the Project or until the county assessor shall separately assess the Condominium Units. One-twelfth of the amounts assessed by the Association shall be payable and collected monthly at the same time as and in the same manner as the monthly assessment payments for Association are collected. Such amounts shall be the obligation of each owner of each such Condominium Unit prorated from the beginning of the year or from the acquisition of title, whichever is later, through the period of such ownership or until the end of the year, whichever is earlier; except that, if the assessor notifies of a change in valuation, then the monthly payment amount shall be adjusted to obtain the proper amount of taxes before such taxes are due and payable. The Association shall have all rights and liens in aid of collection, as if such amounts were Common Expenses under Paragraphs 17, 20, 24, 25 and 26 hereof, EXCEPT that the lien of the Association for such amounts shall have a priority subordinate only to the lien of the taxing authority for such taxes. The accumulated amounts collected shall be set aside into a trust account for the sole purpose of paying such taxes for the benefit of the owner and of the holder of any purchase money recorded first mortgage (including deed of trust) or of any executory land sales contract wherein the Administrator of Veterans' Affairs (Veterans' Administration) is seller, whether such contract is owned by the Veterans' Administration or its assigns, and whether such contract is recorded or not. Such amounts collected shall be paid to the taxing authority in payment of tax billings for the Condominium Project, as appropriate, prior to delinquency. Any deficit between amounts so collected and set aside, except any deficit due to failure of payment by a grantee of the Declarant or such grantee's successors in interest, and the actual total taxes, shall be paid by Declarant. The Association may waive the collection of such amounts in favor of the holder of any First Mortgage on any Unit, if such First Mortgagee elects to collect such amounts under applicable First Mortgage provisions and to timely pay such collected amounts to the Association for use in paying the actual total taxes.

32. New Additions of General Common Elements and Limited Common Elements. Additional residential property and appurtenant common elements may be annexed to this Condominium Project with the consent of the Declarant and

upon the affirmative vote of those owners owning not less than two-thirds of the Condominium Units sold by developer to individual homeowners and, so long as the developer is in control of the homeowners' association upon the written approval of the Veterans' Administration.

33. Manager and Managing Agent Contracts.

(a) Each and every management contract between the homeowners' association and a manager or managing agent may be for any period of time agreeable to the parties, except that no such contracts shall be for a period exceeding one year; provided, however, that any such contract made during the period of developer's control of the association shall be for a period of not more than one year. All manager or management agent contracts must provide that they shall be terminable for cause without penalty by either party upon thirty days written notice to the other party. Every management contract made during the period of developer's control of the association shall terminate, without penalty, absolutely, no later than ninety days after termination of developer's control of the Association. Any management agreement entered into during the period of developer's control of the association must have the approval of the Veterans' Administration. When a management contract expires or is terminated, it may only be renewed upon the affirmative vote of those owners owning not less than two-thirds of the Condominium Units sold by developer to individual homeowners and, so long as the developer is in control of the homeowners association, upon the written approval of the Veterans' Administration.

(b) The provisions of the above paragraph shall be contained, verbatim, in each and every management contract and shall be controlling thereof.

34. Miscellaneous.

(a) So long as the Developer, his successors and assigns has control of the association the following actions will require the prior written approval of the Veterans' Administration: Annexation of additional properties, amendment of the Declaration, amendment of the Articles of Incorporation, amendment of the By-Laws, mergers, consolidations, mortgaging of the common elements, and dissolution.

(b) The association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(c) Invalidation of any one of these covenants or restrictions by judgment or Court order shall in no wise affect any other provisions which shall remain in full force and effect.


(d) Additional residential property may be annexed to the property with the consent of the members entitled to vote seventy five (75%) percent of the votes attributable to units not owned by the Developer.

35. Effective Date. Notwithstanding the submission of the Project to the Condominium form of ownership pursuant to this Declaration, this Declaration shall not be effective as to Declarant until the date of recording in the office of the Clerk and Recorder of the County of El Paso, Colorado, of a deed by which Declarant (or its assigns, or successor by merger or consolidation), as Grantor, has conveyed the first Unit to the purchaser of such Unit, except that this limitation upon the effective date hereof as to Declarant shall not be construed as permission to or a

retained right in Declarant to amend this Declaration prior to such effective date except by a written instrument executed by Declarant, the Administrator of Veterans Affairs, and the mortgagee or deed of trust beneficiary (or this assignee of record) of any mortgage or deed of trust then of record in the County of El Paso, Colorado.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 12 day of February, 1981.

"DECLARANT"
Liberty Associates, a General Partnership



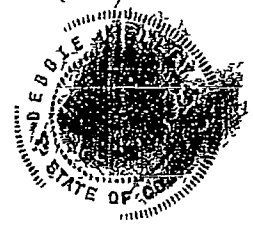
Donald DeBord

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 12th day of February, 1981, by Liberty Associates, a General Partnership, Donald DeBord, General Partner.
WITNES my hand and Official Seal.

My Commission expires: 6/27/82

(SEAL)





Notary Public

EXHIBIT 1

Property Description

That certain real property in the City of Colorado Springs,
County of El Paso, and State of Colorado, more particularly
described as:

Lot 5 in Block 2, VISTA GRANDE TERRACE
FILING NO. 2, according and subject to
the recorded Plat thereof.

EXHIBIT 2Page 1Interests In General Common Elements

<u>Unit</u>	<u>Building</u>	<u>Undivided Interest In The General Common Elements</u>
1-----	A-----	.789
2-----	A-----	.789
3-----	A-----	.789
4-----	A-----	.789
5-----	A-----	.789
6-----	A-----	.789
7-----	A-----	1.125
8-----	A-----	1.125
9-----	A-----	1.126
10-----	A-----	1.126
11-----	A-----	1.126
12-----	A-----	1.126
13-----	A-----	1.127
14-----	A-----	1.127
15-----	A-----	1.127
16-----	A-----	1.127
17-----	A-----	1.127
18-----	A-----	1.127
19-----	A-----	1.125
20-----	A-----	1.125
21-----	A-----	1.125
22-----	A-----	1.125
23-----	A-----	1.125
24-----	A-----	1.125

EXHIBIT 2Page 2Interests In General Common Elements

<u>Unit</u>	<u>Building</u>	<u>Undivided Interest In The General Common Elements</u>
25-----	B-----	.789
26-----	B-----	.789
27-----	B-----	.789
28-----	B-----	.789
29-----	B-----	.789
30-----	B-----	.789
31-----	B-----	1.126
32-----	B-----	1.126
33-----	B-----	1.126
34-----	B-----	1.126
35-----	B-----	1.126
36-----	B-----	1.126
37-----	B-----	1.127
38-----	B-----	1.127
39-----	B-----	1.127
40-----	B-----	1.127
41-----	B-----	1.127
42-----	B-----	1.127
43-----	B-----	1.126
44-----	B-----	1.126
45-----	B-----	1.126
46-----	B-----	1.126
47-----	B-----	1.126
48-----	B-----	1.126

EXHIBIT 2Page 3Interests In General Common Elements

<u>Unit</u>	<u>Building</u>	<u>Undivided Interest In The General Common Elements</u>
49-----	C-----	.789
50-----	C-----	.789
51-----	C-----	.789
52-----	C-----	.789
53-----	C-----	.789
54-----	C-----	.789
55-----	C-----	1.125
56-----	C-----	1.125
57-----	C-----	1.125
58-----	C-----	1.125
59-----	C-----	1.125
60-----	C-----	1.125
61-----	C-----	1.127
62-----	C-----	1.127
63-----	C-----	1.127
64-----	C-----	1.127
65-----	C-----	1.127
66-----	C-----	1.127
67-----	C-----	1.125
68-----	C-----	1.125
69-----	C-----	1.125
70-----	C-----	1.125
71-----	C-----	1.125
72-----	C-----	1.125

EXHIBIT 2

Interests In General Common Elements

<u>Unit</u>	<u>Building</u>	<u>Undivided Interest The General Common Elements</u>
73	D	1 127
74	D	1 127
75	D	1 127
76	D	1 127
77	D	1 127
78	D	1 127
79	D	1 125
80	D	1 125
81	D	1 125
82	D	1 125
83	D	1 125
84	D	1 125
85	D	789
86	D	789
87	D	789
88	D	789
89	D	789
90	D	789
91	D	1 125
92	D	1 125
93	D	1 125
94	D	1 125
95	D	1 125
96	D	<u>1 125</u>
TOTAL		100 000