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PITKIN CTY. RECORDER

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CONDOMINIUM DECLARATION
FOR
WINFIELD ARMS CONDOMINIUMS
(A Condominium)

11-9-83

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(A Condominium)

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KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, W/J Ranch, Inc., a Colorado corporation, hereinafter called "Declarant", is the owner of the following described real property situated in the City of Aspen, County of Pitkin, State of Colorado, to wit:

Lots D, E, F, and the West 25 feet of Lot G, Block 70, City and Townsite of Aspen

WHEREAS, the above described property is presently developed with twenty six (26) residential dwellings; and

WHEREAS, Declarant desires to create a condominium project on said property under the Condominium Ownership Act of the State of Colorado, and to establish thereby a plan for the ownership in fee simple of real property estates consisting of the area or space contained in each of the "Units" as hereinafter defined, and the ownership by one or more of the individual and separate owners thereof, as tenants in common, of all of the remaining real property hereinafter defined and referred to as the "Common Elements".

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, uses, restrictions, limitations and obligations shall be deemed to run with the land, shall be a burden upon and a benefit to Declarant, Declarant's heirs, personal representatives, successors and assigns and any persons acquiring or owning an interest in the real property and improvements, their grantees, lessees, successors, heirs, executors, administrators, devisees or assigns.

1. DEFINITIONS. Unless the context shall expressly provide otherwise, the following definitions shall apply:

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(a) "Unit" means the individual air space which is contained within the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows, doors, of the subject improvement, together with all fixtures and improvements therein contained, but not including any of the structural components of such building, if any, within a Unit, which Units are shown on the Condominium Map and identified thereon by numbers 1 through 7, 9 through 12, 14 through 22, 24 through 29 and 30.

(b) "Condominium Unit" means a Unit together with the undivided interest in the Common Elements appurtenant to such Unit.

(c) "Owner" means the person or persons or entity or entities, including Declarant, who own fee simple title to a Condominium Unit. The term Owner shall not include the owner or owners of any lesser estate or interest.

(d) "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium Unit or any part thereof is encumbered.

(e) "Mortgagee" means any person or entity named as the mortgagee or beneficiary under any mortgage which encumbers the interest of any Owner.

(f) "Common Elements" means: (i) all of the Real Property; (ii) the foundations, columns, girders, beams, supports, main walls and roofs contained in the building improvements which is the subject of this Declaration; (iii) the installations in such building consisting of the equipment and materials making up the central services such as tanks, pumps, motors, fans, compressors, ducts, power, sewer, light, gas, hot and cold water, heating, ventilating and air conditioning and, in general, all apparatus and installations existing for common use; and (iv) all other parts of the building improvement necessary or convenient to its existence, maintenance and safety or normally in common use.

(g) "General Common Elements" means all Common Elements except Limited Common Elements, as hereinafter defined.

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(h) "Limited Common Elements" means those parts of the Common Elements reserved for the exclusive use of the Owner of a Unit, which reservation has been accomplished by the designation of each Limited Common Element and the Unit which has the exclusive use thereof on the Condominium Map. The surface and airspace above the portions of the ground designated as Limited Common Elements shall also be deemed Limited Common Elements. Except as may be otherwise provided in this Declaration, all Limited Common elements shall be used in connection with the particular Unit to which it is assigned on the Condominium Map, to the exclusion of the use thereof by the Owners of the other units except by invitation.

(i) "Project" means the Real Property and the building and other improvements now or hereafter located on the real Property, and all rights, easements and appurtenances belonging thereto.

(j) "Condominium Map" means the Condominium Map for Winfield Arms Condominiums filed or to be filed in the records of the office of the Clerk and Recorder of Pitkin County, Colorado. The Map shall depict and show at least the following: The legal description of the Real Property and a survey thereof; the residential building and the location of the Units within the building; the perimeter boundary of each Unit, and the Unit designations. The Map shall contain the certificate of a licensed surveyor certifying that the Map substantially depicts the layout, measurements and location of the Building, the Units, the Unit designations, the dimensions of such units and that the Map was prepared subsequent to substantial completion of the improvements depicted.

In interpreting the Condominium Map the existing physical boundaries of each Unit as constructed shall be conclusively presumed to be its boundaries.

Declarant reserves the right to amend the Condominium Map, from time to time, to conform same to the actual physical location of the constructed improvements and to any changes, modifications or alterations thereof.

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(k) "Managing Agent" means the person or entity which shall be selected and appointed by the Owners of the Condominium Units pursuant to the provisions of Paragraph 12 of this Declaration.

2. DIVISION INTO CONDOMINIUM UNITS. The Project is hereby divided into the following fee simple estates:

Twenty Six (26) separate fee simple estates, each such estate consisting of one Condominium Unit, together with an appurtenant undivided one-twenty sixth interest in and to the General Common Elements. The General Common Elements shall be held in common by the Owners thereof. Said Condominium Units are shown on the Condominium Map and designated "Unit 1" through "Unit 7", "Unit 9" through "Unit 12", "Unit 14" through "Unit 22", "Unit 24" through "Unit 28" and "Unit 30".

3. INSEPARABILITY OF A UNIT. Each Unit and the undivided interest in the Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased, encumbered, devised or inherited only as a Condominium Unit.

4. DESCRIPTION OF A CONDOMINIUM UNIT. Every deed, lease, mortgage, trust deed, will, or other instrument may legally described a Condominium Unit by its identifying Unit number, followed by the words "Winfield Arms Condominiums" without further reference to the recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit but also the General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include the right to the use of the Limited Common Elements appurtenant thereto to the exclusion of all third parties not lawfully entitled to use the same.

5. SEPARATE ASSESSMENT AND TAXATION - NOTICE TO ASSESSOR. Declarant shall give written notice to the assessor of Pitkin County, Colorado, of the creation of condominium ownership of this property, as is provided by law, so that each Unit and

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the interests appurtenant thereto shall be deemed a separate parcel and subject to separate assessment and taxation.

6. 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 Colorado.

7. NONPARTITIONABILITY OF COMMON ELEMENTS. The Common Elements shall be owned in common by the Owners as hereinabove provided, and there shall be no judicial or other partition of the Common Elements or any part thereof, nor shall any Owner bring any action seeking partition thereof.

8. USE OF UNITS; GENERAL AND LIMITED COMMON ELEMENTS. Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the General and Limited Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

9. USE AND OCCUPANCY. Each Condominium Unit shall be used and occupied for residential purposes only, and except as provided in this Paragraph, no trade or business of any kind may be carried on therein. Lease or rental of a Condominium Unit for lodging or residential purposes shall not be considered to be a violation of this covenant. All Condominium Units located on the property shall and hereby are restricted to six (6) month minimum leases with no more than two (2) shorter tenancies per calendar year, all described in Section 20-22(b), Aspen Municipal Code, as amended.

10. EASEMENTS FOR ENCROACHMENTS. If any portion of the Common Elements now or hereafter encroaches upon a Unit, the valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of a Unit nor or hereafter encroaches upon the Common elements or upon an adjoining Unit, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachment and

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easements shall not be considered or determined to be encumbrances either on Common Elements or the Units.

11. TERMINATION OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION. No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Owner thereof or his agent or his contractor or subcontractor shall be the basis for the filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the interest in the Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services, or other products incorporated in or otherwise attributable to the Owner's Unit at such Owner's request.

12. ADMINISTRATION AND MANAGEMENT. Each Owner shall manage his own Unit, unless the Owners of all Units agree upon the appointment of a Managing Agent to administer all such Units. Notices of Appointment of the Managing Agent by the Owners of Units hereunder shall be placed of record by the Manager insofar as required by law or practice. Until changed by the Owners of the Condominium Units as hereinafter provided, the initial Managing Agent of the Project shall be Wilton L. Jaffee.

The Owners of each Unit, regardless of the number of Owners, shall choose one Unit representative, who shall have one vote in determining the Managing Agent for the Project. The Managing Agent shall alternate yearly if it is the desire of the Unit representatives. The Managing Agent shall consult with the Unit representatives on major decisions involving the Condominium Units; however, in case of dispute, he or she shall make the final decision and it shall be binding unless revoked by all of the other Unit representatives.

13. RESERVATION FOR ACCESS - MAINTENANCE, REPAIR AND EMERGENCIES. The Owners shall have the irrevocable right to be exercised by the Managing Agent to have access to each Unit from

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time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the General Common Elements thereon or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the General or Limited Common Elements or to another Unit or Units.

Damage to the interior of any part of a Unit resulting from maintenance, repair, emergency repair or replacement of any of the General Common Elements or as a result of emergency repairs within a Unit at the instance of another Unit Owner shall be a Common Expense of all the Owners of Units having an interest in such General Common Elements; provided, however, that if such damage is the result of the negligence of a Unit Owner, then such Unit Owner shall be responsible for all of such damage.

In addition, each Unit Owner shall have an easement and right of access across the Limited Common Elements appurtenant to the other Unit for purposes of maintaining, repairing and cleaning during reasonable hours those exterior portions of the Unit belonging to such Unit Owner as can be reached only from the Limited Common Elements appurtenant to the other Unit.

14. OWNERS' MAINTENANCE RESPONSIBILITY. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own and to be responsible for the exterior surfaces of such Owner's Unit and the Limited Common Elements assigned thereto, and the windows, doors, interior nonsupporting walls, materials, ceilings and floors within the Unit. An Owner shall not be deemed to own any utilities running through his Unit which serve more than one Unit except as a tenant in common with the adjoining Unit Owner. Such obligation and/or right to repair, alter and remodel shall carry the obligation to replace any finishing materials removed with similar or other types or kinds of finishing materials of equal or better quality, and to maintain the above described Unit areas and the Limited Common Elements in a neat and attractive condition. Any material

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alteration, remodeling or refinishing of the General Common Elements and any change in exterior colors or materials of the Building, shall require the prior consent and approval of all of the Owners of the Units, which consent shall not be unreasonably withheld. The foregoing repair, alteration and remodeling responsibilities may be carried out by the Managing Agent in lieu of the Owners acting individually to fulfill the purpose of this paragraph.

An Owner shall maintain and keep the interior of his own Unit and the Limited Common Elements appurtenant thereto in good taste and repair, including the fixtures thereof. All fixtures and equipment installed within the Unit commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit shall be maintained and kept in repair by the Owner thereof.

15. COMPLIANCE WITH PROVISIONS OF DECLARATION. Each Owner shall comply strictly with the provisions of this Declaration as the same may be lawfully amended from time to time. Failure so to comply shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Managing Agent (where appropriate) or by an aggrieved Owner or Owners, or assessable as though Common Expenses.

16. REVOCATION OR AMENDMENT TO DECLARATION. This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners of eighteen (18) of the twenty six (26) Units, and all of the holders of any recorded Mortgage or deed of trust covering or affecting any or all Condominium Units consent and agree to such revocation or amendment by instrument(s) which shall be duly recorded.

17. ASSESSMENT FOR COMMON EXPENSES. All Owners of Condominium Units shall be obligated to pay the assessments imposed by the Managing Agent and/or by this Declaration to meet the Common Expenses incurred in connection with such Units. The assessments shall be made pro rata according to each Owner's

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fractional interest in and to the General Common Elements. Assessments for the estimated Common Expenses, including insurance, shall be due quarterly in advance on the first days of January, April, July and October. The Managing Agent or other Owner incurring the cost shall prepare and deliver or mail to each Owner an itemized statement showing the various estimated or actual expenses for which the assessments are made. Contribution for quarterly assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first day of a calendar quarter.

Assessments for reasonable actual Common Expenses may be made, by the Managing Agent, or an Owner incurring the same, among other things, for the following: Expenses of management; taxes and special assessments, until separately assessed; fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all the Condominium Units; casualty and other insurance premiums; Limited Common Elements liability insurance; landscaping and care of General Common Elements; repairs and renovations; legal and accounting fees; management fees; expenses and liabilities incurred by the Managing Agent or other Owner under or by reason of this Declaration; the payment of any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the General Common Elements. The omission or failure of the Managing Agent to fix the assessment for any quarter shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay the same.

18. INSURANCE. One policy of public liability insurance covering all of the Common Elements shall be purchased and maintained in effect at all times by the Managing Agent or by the Owners of all the Condominium Units, in an amount deemed appropriate by such Owners. In addition, the Managing Agent or the Owners shall obtain and maintain in effect at all times fire, casualty and extended coverage insurance on the Condominium Units

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as hereinabove discussed in Paragraph 17. Such insurance shall be carried in blanket policy form naming the Owners as the insureds, which policy or policies shall identify the interest of each Condominium Unit Owner (Owner's name, unit designation, the appurtenant undivided interest in the General Common Elements), and which shall provide for a standard, noncontributory Mortgagee clause in favor of each Mortgagee, and shall further provide that it cannot be cancelled by either the insured or the insurance company until after ten (10) days prior written notice to each first Mortgagee. The Managing Agent or Owners, upon request of any first Mortgagee, shall furnish a certified copy of such blanket policy and the separate certificate identifying the interest of the mortgagor.

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 with any provision of such policy, including non-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. Unless the Owners otherwise agree, determination of maximum replacement value of all Condominium Units for insurance purposes shall be made annually by one or more written appraisals, copies of which shall be furnished forthwith to each Mortgagee of a Condominium Unit. In addition, each owner shall be notified of such appraisals.

Insurance coverage on the furnishings, additions and improvements incorporated into a Unit and all items of personal property belong to an Owner and casualty and public liability insurance coverage within each individual Unit shall be the responsibility of the Owner thereof.

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19. OWNERS' PERSONAL OBLIGATION FOR PAYMENT OF ASSESSMENTS. The amount of the Common Expenses assessed against or incurred on account of each Condominium Unit shall be the personal and individual debt of the Owner thereof. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable by the Managing Agent, or any aggrieved Owner without foreclosure or waiving the lien securing same. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

20. LIEN FOR NON PAYMENT OF COMMON EXPENSES. All sums due or unpaid for the share of Common Expenses chargeable to any Condominium Unit including interest thereon at eighteen percent per annum, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances except:

(a) Tax and special assessment liens in favor of any assessing entity; and

(b) All sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance, including additional advances, refinance or extension of these obligations made thereon prior to the arising of such a lien.

To evidence such lien the aggrieved Owner or Managing Agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the defaulting Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by the aggrieved Owner or the Managing Agent, as appropriate, and may be recorded in the office of the Clerk and Recorder of the County of Pitkin, State of Colorado. Such lien for the Common Expenses shall attach from the date of the failure of payment of the debt, and may be enforced by foreclosure on the defaulting Owner's Condominium Unit by the aggrieved Owner or the Managing Agent in like manner as a mortgage or deed of trust on real property upon recording of a notice or claim thereof. In any such foreclosure the defaulting Owner shall be required to

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pay the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The defaulting Owner shall also be required to pay to the foreclosing party a reasonable rental for the Condominium Unit during the period of foreclosure, and the foreclosing party shall be entitled to a receiver to collect the same. The foreclosing party shall have the power to bid in the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

The amount of the Common Expenses chargeable against each Condominium Unit and the costs and expenses, including attorneys' fees, of collecting the same shall also be a debt of the Owner thereof at the time the same is due. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a Condominium Unit may pay any unpaid Common Expense payable with respect to such Unit, and upon such payment shall encumbrancer shall have a lien on such Unit for the amounts paid of the same priority as the lien of his encumbrance.

21. LIABILITY FOR COMMON EXPENSE UPON TRANSFER OF CONDOMINIUM UNIT. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00) and upon the written request of any Owner or any Mortgagee, prospective Mortgagee or prospective Purchaser of a Condominium Unit, the Managing Agent or any other Owner not involved with the mortgage or transfer shall issue a written statement setting forth amount of the unpaid Common Expenses, if any, with respect to the subject Unit, the amount of the current quarterly assessment and the date such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the issuer of such statement in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness is complied with within ten (10) days, all unpaid Common Expenses which become 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 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 ten dollars (\$10.00), and upon written request, any prospective grantee shall be entitled to a statement from the Managing Agent or Owner of the other unit, setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current quarterly assessment and the date that such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the issuer of such statement. Unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, then such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Unit.

22. MORTGAGING A CONDOMINIUM UNIT - PRIORITY. Any Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The Owner of a Condominium Unit may create junior mortgages on the following conditions: (1) Any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other obligations created by this Declaration; (2) The Mortgagee under any junior mortgage shall release, for the purpose of restoration of any improvements upon the mortgage premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises which

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insurance policies were effected and placed upon the mortgaged premises by the Managing Agent or other Owners. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Managing Agent or Owners of the other Units.

23. ATTORNEY-IN-FACT IN CASE OF DESTRUCTION, CONDEMNATION, OBSOLESCENCE AND RESTORATION OR SALE OF PROJECT.

This Declaration hereby makes mandatory the irrevocable appointment of any Attorney-In-Fact to deal with the Project upon its destruction, obsolescence, restoration, condemnation or sale.

Title to all Condominium Units 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 Managing Agent, their true and lawful attorney in their name, place and stead for the purpose of dealing with the property upon its destruction, obsolescence or condemnation as is hereafter provided.

a. Certain Definitions. The following terms shall have the following definitions:

"Substantial Destruction" shall mean any casualty, damage or destruction to the Project or any part thereof if the Estimated Costs of Restoration less Available Funds are 50 percent or more of the estimated Restored Value of the Project.

"Partial Destruction" shall mean any other casualty, damage or destruction of the Project or any part thereof.

"Substantial Condemnation" shall mean the complete taking of the Project or a taking of part of the Project under eminent domain or by grant or conveyance in lieu of condemnation if the Estimated Costs of Restoration less Available Funds are 50 percent or more of the estimated Restored Value of the Project.

"Partial Condemnation" shall mean any other such taking by eminent domain or by grant or conveyance in lieu of eminent domain.

"Substantial Obsolescence" shall exist whenever three of the four Unit Owners determine, by vote, that

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Substantial Obsolescence exists or whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the Estimated Costs of Restoration less Available Funds are 50 percent or more of the Estimated Restored Value of the Project. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

"Restoration", in the case of any casualty, damage or destruction, shall mean restoration of the Project to the same or substantially the same condition in which it existed prior to the casualty, damage or destruction; in the case of condemnation, shall mean restoration of the remaining portion of the Project to as attractive, sound and desirable condition as possible; and, in the case of obsolescence, shall mean restoration of the Project to a condition as attractive, sound and desirable as possible.

"Restored Value" shall mean the value of the Project after Restoration as estimated by the Managing Agent.

"Estimated Costs of Restoration" shall mean the costs of restoration as estimated by the Managing Agent.

"Available Funds" shall mean any proceeds of insurance or condemnation awards or payments in lieu of condemnation other than the income or funds derived through assessments.

Available Funds shall not include that portion of insurance proceeds legally required to be paid to another party, including a Mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner of a Unit containing Individual Space for the condemnation or taking of that Owner's Individual Space.

b. Restoration of the Project. Restoration of the Project shall be undertaken by the Association without a vote of Owners in the event of Partial Destruction, Partial Condemnation or Partial Obsolescence but shall be undertaken in the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence only with the consent of three of the four Unit Owners and all but one in number of of all Mortgagees.

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In the event the insurance proceeds actually received exceed the cost of restoration when such restoration is undertaken pursuant to this section, the excess shall be paid and distributed to each Owner, or Mortgagee of an Owner, in proportion of such Owner's undivided interest in the Common Elements.

c. Sale of the Project. The Project shall be sold in the event of Substantial Destruction, Substantial Restoration has been obtained from three of the four Unit Owners and consent to Restoration of all but one in number of all Mortgagees has been obtained. In the event of a sale, condominium ownership under this Declaration shall terminate and the proceeds of sale and any insurance proceeds, condemnation awards or payments in lieu of condemnation shall be distributed by the Managing Agent to each Owner, or the Mortgagee of an Owner, in proportion to such Owner's undivided interest in Common Elements.

d. Authority of Managing Agent to Restore or Sell. The Managing Agent, as Attorney-in-Fact for each Owner, shall have full power and authority to restore or to sell, as the case may be, the Project and each Unit in the Project whenever Restoration or Sale, as the case may be, is to be undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

e. Payment of Proceeds. In the event of Substantial Destruction, Condemnation or Obscelscence all insurance proceeds, proceeds of sale, condemnation awards, or payments in lieu of condemnation shall be paid to the Managing Agent, as trustee for all of the Owners and any Mortgagee, as the interest of such Owners and any such Mortgagee may appear.

f. Assessments for Restoration. When Restoration is to be undertaken, the Managing Agent may levy and collect assessments from each Owner in proportion to each Owner's undivided interest in Common Elements, payable over such period as the Managing Agent may determine, to cover the costs and

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expenses of Restoration to the extent not covered by Available Funds. Such assessments shall be secured by a lien on the Unit of each Owner as in the case of regular assessments.

Notwithstanding any other provision in this Declaration, in the case of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence, any such assessment shall not be a personal obligation of any Owner who did not consent to Restoration but, if not paid, may be recovered only by foreclosure of the lien against the Unit of such Owner.

g. Receipt and Application of Condemnation Funds.

All compensation, damages or other proceeds constituting awards in condemnation or eminent domain or payments in lieu of condemnation or eminent domain shall be payable to the Managing Agent. The amount thereof allocable to compensation for the taking of or injury to the Individual Space within a particular Unit or to improvements of an Owner therein shall be apportioned to the Owner of that Unit except to the extent used for Restoration of that Unit. The balance of the award shall be applied to costs and expenses of Restoration, if undertaken, and, to the extent not so applied, shall be allocated as follows: First, any portion of the award allocable to the taking of or injury to Common Elements shall be apportioned among all Owners in proportion to their respective undivided interests in the Common Elements; second, the amounts allocable to severance damages shall be apportioned to Owners of Units with Individual Space which was not taken or condemned in proportion to their respective undivided interests in the Common Elements; and third, the amounts allocated to consequential damages or for other purposes shall be apportioned as the Managing Agent determines to be equitable under the circumstances.

h. Reorganization in the Event of Condemnation.

In the event all of the Individual Space of a Unit is taken in condemnation, the Unit containing that Individual Space shall cease to be part of the Project, and the undivided interest in Common Elements appurtenant to that Individual Space shall automatically become vested in the Owners of the remaining Units

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in proportion to their respective undivided interests in the Common Elements.

24. MAILING OF NOTICES. Each Owner shall register his mailing address with the other Owners and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Owners shall be given by registered or certified mail, postage prepaid, to the registered address thereof. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Owners in writing. Unless the Mortgagee so furnishes such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

25. PERIOD OF CONDOMINIUM OWNERSHIP. The separate condominium estates created by this Declaration and the Condominium Map shall continue until this Declaration is terminated or revoked in the manner as provided in Paragraph 16 of this Declaration.

26. GENERAL.

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

(b) 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.

(c) 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.

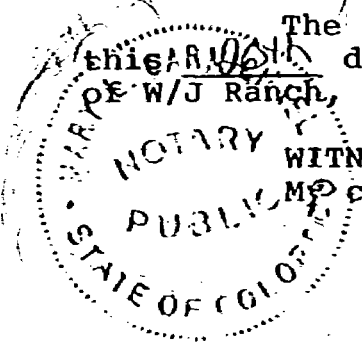
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IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 20th day of October, 1983.

W/J RANCH, INC., a Colorado corporation

By *[Signature]*
Wilton L. Jaffee, President

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)



The foregoing instrument was acknowledged before me this 20th day of October, 1983, by Wilton L. Jaffee, President of W/J Ranch, Inc., a Colorado corporation.

WITNESS my hand and official seal.
My commission expires: 1-21-83

Mary L. Carmichael
Notary Public
Address: 601 E. Hyman
Aspen, Colo 81611

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