

CONDOMINIUM DECLARATION

FOR

THE COOPER STREET LOFTS

(A Condominium)

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, COOPER STREET PARTNERS, a Colorado limited partnership, hereinafter called "Declarant," is the owner of that real property situated in the County of Pitkin, State of Colorado, more fully described in Exhibit A attached hereto and made a part hereof; and

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

WHEREAS, there is currently constructed on said real property a single building, consisting of six (6) separately designated residential studio condominium units and other improvements; and

WHEREAS, Declarant does hereby establish a plan for the ownership in fee simple of the real property estates consisting of the area or space contained in each of the air space units in the building improvements and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining property hereinafter defined and referred to as the General Common Elements;

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors or assigns, and any person or entity acquiring or owning an interest in the real property and improvements, and their devisees or assigns.

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

1.1 "Unit" means an individual air-space unit which is contained within the unfinished perimeter walls, floors, and ceilings of such unit in the building as shown on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained but not including any of the structural components of the building, or the general common elements.

1.2 "Condominium Unit" means the fee simple interest and title in and to a unit, together with the undivided percentage interest in the general common elements appurtenant to such unit.

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

1.4 "Limited Common Elements" means those parts of the general common elements which are either limited to or reserved for the exclusive use of the owners of one or more, but less than all, of the condominium units.

1.5 "Condominium Project" means all of the land and improvements initially and subsequently submitted by this Declaration.

1.6 "Common Expenses" means and includes expenses for maintenance, repair, operation, management and administration, expenses declared common expenses by the provisions of this Declaration and the By-Laws of THE COOPER STREET LOFTS CONDOMINIUM ASSOCIATION, and all sums lawfully assessed against the general common elements by the Board of Managers of the Association.

1.7 "Association of Unit Owners" or "Association" means THE COOPER STREET LOFTS CONDOMINIUM ASSOCIATION, A Nonprofit Colorado corporation, its successors and assigns, the Articles of Incorporation and By-Laws of which shall govern the administration of this condominium property, and the members of which shall be all of the owners of the condominium units.

1.8 "Building" means one of the building improvements containing units as shown on the Map or amendments and supplements thereto.

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

2. Condominium Map. The Map shall depict and show at least the following:

The legal description of the land and a survey thereof; the location of the building; the floor and elevation plans; the location of the units within the building, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements of a unit located within a building; and the building and unit designations.

The Map shall contain the certificate of a registered Colorado land surveyor or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the building, the units, the unit designations, the dimensions of the units, the elevations of the unfinished floors and ceilings as constructed, the building number or symbol, and that such Map was prepared subsequent to substantial completion of the improvements. Any amendment to the Map shall set forth a like certificate when appropriate. In interpreting the Map the existing physical boundaries of each separate unit as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the constructed improvements, and to establish, vacate and relocate easements, access road easements and on-site parking areas.

3. Division of Property Into Condominium Units.

The real property is hereby divided into the following fee simple estates, each such estate consisting of the separately designated units and the undivided interest in and to the general common elements appurtenant to each unit as is set forth on the attached Exhibit B, which by this reference is made a part hereof. Each such unit shall be identified on the Map by number and building symbol as shown on Exhibit B.

3.1 Declarant reserves the right to themselves, their heirs, personal representatives, and grantees, to:

3.2 Physically combine the space within one unit with the space within one or more adjoining units, and

3.3 Combine a part of or combination of parts of the space within one unit with part or parts of the space within one or more adjoining units, and

3.4 Divide into separate units the space of one unit.

3.5 The aggregate or divided undivided interests in the general common elements resulting from any of the provisions of paragraph 3.2, 3.3 and 3.4 shall be reflected by an amendment to Exhibit B hereof and to the Map, consistent with the requirements set forth in this Declaration.

4. Limited Common Elements. A portion of the general common elements is reserved for the exclusive use of the individual owners of the respective units, and such areas are referred to as "limited common elements." The limited common elements so reserved shall be identified on the Map. (Any balcony or balconies which are accessible only from within, associated only with and which adjoin a single unit shall, without further reference thereto, be used in connection with such unit to the exclusion of the use thereof by the other owners of the general common elements, except by invitation.) All of the owners of condominium units in this condominium project shall have a non-exclusive right in common with all of the other owners to use of sidewalks, pathways, roads and streets located within the entire condominium project, if any. No reference thereto, whether such limited common

elements are exclusive or non-exclusive, need be made in any deed, instrument of conveyance, or other instrument, and reference is made to the provision of paragraph 6 of this Declaration.

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

6. Method of Description. Every contract for the sale of a condominium unit and every other instrument affecting title to a condominium unit may describe that condominium unit by the unit number and building designation shown on the Condominium Map appearing in the records of the County Clerk and Recorder of Pitkin County, Colorado, in the following fashion:

Condominium Unit _____, THE COOPER STREET LOFTS according to the Condominium Map appearing in the records of the County Clerk and Recorder of Pitkin County, Colorado, in Book _____, at Page _____.

Such description will be construed to describe the unit, together with the appurtenant undivided interest in the common elements, and to incorporate all the rights incident to ownership of a condominium unit and all the limitations on such ownership as described in this Declaration.

7. Separate Assessment and Taxation - Notice to Assessor. Declarant shall give written notice to the Assessor of the County of Pitkin, Colorado, of the creation of condominium ownership in this property, as is provided by law, so that each unit and the undivided interest in the general common elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation. In the event that for a period of time any taxes or assessments are not separately assessed to each unit owner, but are assessed on the property as a whole, then each unit owner shall pay his proportionate share thereof in accordance with his percentage ownership of the general common elements.

8. Ownership - 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.

9. Non-Partitionability of General Common Elements. The general common elements shall be owned in common by all of the owners of the units and shall remain undivided, and no owner shall bring any action for partition or division of the general common elements.

10. The Use of General and Limited Common Elements. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner may use the general and limited common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners, subject to such reasonable rules and regulations as may, from time to time,

be established pursuant to the By-Laws of the Association.

11. Use and Occupancy. All condominium units shall be used and occupied solely for lodging and residential purposes by the owner, by the owner's family or the owner's guests and tenants. Leasing and renting of the units for residential purposes shall not be considered a violation of this covenant.

12. Easements for Encroachments. If any portion of the general common elements encroaches upon a unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of a unit, as shown on the map, encroaches upon the general common elements, or upon an adjoining unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event that any one or more of the units or building or other improvements comprising part of the general common elements are partially or totally destroyed and are then rebuilt or reconstructed in substantially the same location and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements or on the units.

13. Termination of Mechanic's Lien Rights and Indemnification. Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a unit with the consent or at the request of the unit owner or his agent or his contractor or subcontractor shall be the basis for filing of a lien against the unit of any other unit owner not expressly consenting to or requesting the same, or against the general common elements. Each owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the unit of any other owner or against the general common elements for construction performed or for labor, materials, services or other products incorporated in the owner's unit at such owner's request. The provisions herein contained are subject to the rights of the Managing Agent or Board of Managers of the Association as is set forth in paragraph 14. Notwithstanding the foregoing, any mortgagee of a condominium unit who shall become an owner of a condominium unit pursuant to lawful foreclosure sale or the taking of a deed in lieu of foreclosure shall not be under any obligation to indemnify and hold harmless any other owner against liability for claims arising prior to the date such mortgagee becomes an owner.

14. Administration and Management; Managing Agent. The administration and management of this condominium property shall be governed by the Articles of Incorporation and By-Laws of the Association. An owner of a condominium unit, upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership. The Association shall be initially governed by a Board of Managers as is provided in the By-Laws of the Association. The Association may delegate by written agreement any of its duties, powers and functions to any person or firm to act as Managing Agent at an agreed compensation.

15. Certificate of Identity. There shall be recorded from time to time a certificate of identity which shall include the addresses of the persons then comprising the management body (Managers and Officers) together with the identity and address of the Managing Agent. Such certificate shall be conclusive evidence of the information contained therein in favor of any person relying thereon in good faith regardless of the time elapsed since the date thereof. The first such certificate shall be recorded on or before June 30, 1977.

16. Reservation for Access - Maintenance, Repair and Emergencies. The owners shall have the irrevocable right, to be exercised by the Managing Agent or Board of Managers of the Association, to have access to each unit from time to time during reasonable hours under the particular circumstances as may be necessary for the maintenance, repair or replacement of any of the general common elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the general common elements or to another unit or units. Damage to the interior or any part of a unit or units resulting from the maintenance, repair, emergency repair or replacement of any of the general common elements or as a result of emergency repairs within another unit at the instance of the Association shall be a common expense of all of the other owners; provided, however, that if such damage is the result of the misuse or negligence of a unit owner, then such owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored to substantially the same condition of such improvements prior to damage. All maintenance, repairs and replacements as to the general common elements, whether located inside or outside of units (unless necessitated by the negligence or misuse of a unit owner, in which case such expense shall be charged to such unit owner), shall be the common expense of all of the owners.

17. Owner's Maintenance Responsibility of Unit, Balconies, Parking and Storage Areas. 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 sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the unit, including the unit doors and windows. The owner shall not be deemed to own lines, pipes, wires, conduits, or systems (which for brevity are herein and hereafter referred to as utilities) running through his unit which serve one or more other units except as a tenant in common with the other owners. Such utilities shall not be disturbed or relocated by an owner without the written consent and approval of the Board of Managers. Such right to repair, alter and remodel is coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the utilities enter the unit shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor any work that will or may impair the structural soundness or integrity of the building or impair any easement or hereditament without the written consent of the Board of

Managers of the Association, after first proving to the satisfaction of the Board of Managers that such structural soundness or integrity will be maintained during and after any such act or work shall be done or performed. Any expense to the Board of Managers for investigation under this Paragraph 17 shall be borne by the owner. However, nothing herein contained shall be construed to permit structural modification and any decision relating thereto shall be in the absolute discretion of the Board of Managers, including, but not limited to the engaging of a structural engineer at the owner's expense for the purpose of obtaining his opinion. An owner shall also keep the balcony area appurtenant to his unit in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water. All other maintenance or repairs to any limited common elements, except as caused or permitted by the owner shall be at the expense of all of the owners.

18. Compliance With Provisions of Declaration, By-Laws of the Association. Each owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all costs and attorneys' fees incurred in connection therewith, which action shall be maintainable by the Managing Agent or Board of Managers in the name of the Association in behalf of the owners or, in a proper case by an aggrieved owner.

19. Revocation or Amendment to Declaration. This Declaration shall not be revoked unless all of the owners and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all of the condominium units unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the general common elements, unless a different percentage for the amendment of a specific provision hereof is herein provided, in which case that provision shall govern, 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 amendment by instrument(s) duly recorded; provided, however, that the percentage of the undivided interest in the general common elements appurtenant to each unit, as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all of the unit owners expressed in an amended Declaration duly recorded.

20. Additions, Alterations, and Improvements of General and Limited Common Elements. There shall be no additions, alterations or improvements by the Board of Managers or the Managing Agent of or to the general and limited common elements requiring an expenditure in excess of Five Hundred Dollars (\$500.00) in any one calendar year without prior approval of a majority of the owners in writing or as reflected in the minutes of a regular or special meeting of the owners. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any general common element or common property. An individual unit owner shall do no alterations, additions, or improvements to the general common elements or the limited common elements without the approval of a majority of the owners in writing or as reflected

in the minutes of a regular or special meeting of the owners.

The cost of any additions, alterations or improvements to the general and limited common elements undertaken by the Board of Managers shall be assessed as common expenses. Any such additions, alterations or improvements, regardless of by whom undertaken, shall be owned by the unit owners in the same proportion as their ownership interest in existing general and limited common elements and shall not affect any unit owner in reference to his voting power in the Association.

21. Assessment for Common Expenses. All owners shall be obligated to pay the assessments, either estimated or actual, imposed by the Board of Managers of the Association to meet the common expenses. The assessments shall be made according to each owner's percentage interest in the general common elements as is set forth in Exhibit B. Except as is provided in paragraph 16, the limited common elements shall be maintained as general common elements, and owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. Assessments for the estimated common expenses shall be made at least semi-annually and shall be due immediately upon receipt. The Managing Agent or Board of Managers shall prepare and deliver or mail to each owner a statement for the estimated or actual common expenses.

In the event the ownership of a condominium unit by grant from the Declarant commences on a day other than the first of the month, the assessment for that month shall be prorated.

The assessments made for common expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent, or if there is no Managing Agent, then the Board of Managers of the Association shall from time to time determine what is necessary to be paid by all of the condominium unit owners to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations, and improvements of and to the general common elements, which sum may include, but shall not be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all of the condominium units (including all fixtures; interior walls and partitions; decorated and finished surfaces of perimeter walls, floors and ceilings; doors, windows and other elements or materials comprising a part of the units); casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collections; wages, water and sewer charges; legal and accounting fees; management and rental fees; expenses and liabilities incurred by the Managing Agent and Board of Managers on behalf of the unit owners under or by reason of this Declaration and the By-Laws of the Association; for any deficit arising or any deficit remaining from a previous period; the creation of reasonable contingency, reserves, working capital, and sinking funds as well as other costs and expenses relating to the general common elements. The omission or failure of the Board of Managers to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

22. Insurance.

22.1 The Board of Managers of the Association 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 having a Best's Insurance Report rating of AAA or better, covering the risks set forth below. The Board of the Association 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 the 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:

22.1.1 Fire insurance with extended coverage and all risk endorsements, which endorsements shall include endorsements for vandalism, malicious mischief, boiler explosion and machinery if appropriate. Said casualty insurance shall insure the entire condominium project and any property, the nature of which is a general common element (including all of the Units, fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by Unit Owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory mortgage clause in favor of each mortgagee of a Condominium Unit, which shall provide that the loss, if any, thereunder, shall be payable to the Association, for the use and benefit of mortgagees as their interest may appear.

22.1.2 If the condominium 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 condominium 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 Condominium Units comprising the condominium project.

22.1.3 Public liability and property damage insurance in such limits as the Board of Directors of the Association may from time to time determine, but not in an amount less than \$300,000.00 per injury, per person, per occurrence and umbrella liability limits of \$500,000.00 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".

22.1.4 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.

22.1.5 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.

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

22.3 Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Managers of the Association 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 condominium 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 ninety percent (90%) 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 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.

22.4 Unit owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit owner.

22.5 Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of person or other property belonging to an owner and public liability coverage within each Unit shall be the sole and direct responsibility of the Unit owner thereof, and the Board of Managers, the Association and/or

the Managing Agent shall have no responsibility therefor.

22.6 In the event that there shall be any damage or destruction to, or loss to a Unit which exceeds \$1,000.00 or any damage or destruction to, or loss to the 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 Condominium Unit within ten (10) days after the occurrence of such event.

23. Owner's Personal Obligation for Payment of Assessments. The amount of the common expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. Both the Board of Managers and Managing Agent shall have the responsibility to take prompt action to collect any unpaid assessment, which remains unpaid more than fifteen (15) days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum on the amount of the assessment from the due date thereof, together with all expenses, including attorney's fees incurred, together with such late charges as provided by the By-Laws of the Association. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

24. Assessment Lien and Foreclosure. All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the unit in favor of any assessing unit, and all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance. To evidence such lien, the Board of Managers or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one of the Board of Managers or by one of the officers of the Association or by the Managing Agent and shall be recorded in the office of the Clerk and Recorder of Pitkin County, Colorado. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced for the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage or deed of trust on real property subsequent to the recording of a notice or claim thereof. In any such proceedings the owner shall be required to pay the Association the monthly assessment for the condominium unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid in the condominium unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any encumbrancer holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such unit, and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance. Upon request of a mortgagee,

the Association shall report to the mortgagee of a condominium unit any unpaid assessments remaining unpaid for longer than twenty-five days after the same are due; provided, however, that a mortgagee shall have furnished to the Managing Agent or the Board of Managers notice of such encumbrance.

25. Liability for Common Expense Upon Transfer of Condominium Unit is Joint. Upon payment to the Managing Agent, or if there is no Managing Agent, then to the Association of a reasonable fee not to exceed Twenty-Five Dollars (\$25.00), and upon the written request of any owner or any mortgagee or prospective mortgagee of a condominium unit, the Association, by its Managing Agent, or if there is no Managing Agent then by the financial officer of the Association shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement. The grantee of a condominium unit, except for any first mortgagee who comes into possession of a condominium unit pursuant to the remedies provided in its mortgage or becomes an owner of a condominium unit pursuant to foreclosure of its mortgage or by the taking of a deed in lieu thereof, shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the unpaid common assessments up to the time of the grant or conveyance, without prejudice to the grantee's 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-Five Dollars (\$25.00), as is hereinabove provided, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent, or if there is no Managing Agent, then from the Association, 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 credits for any advanced payments of common assessments, prepaid items, such as insurance premiums, which statements shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten (10) 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 set forth in this paragraph shall not apply to the initial sales and conveyances of the condominium units made by Declarant, and such sales shall be free from common expenses to the date of conveyance made or to a date as agreed upon by Declarant and Declarant's grantee.

26. Mortgaging a Condominium Unit - Priority. An owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The owner of a condominium unit may create junior mortgages, liens or encumbrances on the following conditions:

26.1 That any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, liens for common expenses and other obligations created by this Declaration, the Articles of Incorporation and the By-Laws for the Association.

26.2 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 by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of one or more of the members of the Board of Managers of the Association.

27. Right of First Refusal by Owners.

27.1 In the event any owner of a condominium unit other than the Declarant shall wish to sell, lease, or rent a condominium unit and shall have received a bona fide offer therefor from a prospective purchaser, lessee or tenant, the remaining unit owners shall be given written notice thereof, together with an executed or machine copy of such offer. Such notice and a copy thereof shall be delivered to the Board of Managers who shall notify each of the owners of such notice and offer. One or more of the unit owners, acting individually or through another owner or owners, shall have the right to purchase, lease or rent the subject condominium unit upon the same terms and conditions as set forth in the offer; provided that during the twenty (20) day period immediately following the notice, written notice of such election to purchase, lease or rent is given to the selling, leasing or renting owner and a matching down payment or deposit is paid to an escrow agent. Closing shall take place within ten (10) days thereafter.

27.2 In the event two or more remaining owners shall have given their notice to the selling or leasing owner as provided above, the determination of who among the competing owners shall have the right to purchase or lease the unit shall be made as follows: The selling owner shall notify all owners who submitted their notice of election to purchase or lease and provided the down payment or deposit as required hereinabove, to submit sealed bids to the Board of Managers, to the attention of the President, within twenty (20) days from the receipt of such notice. The President shall open all such bids upon the thirtieth day following the day the selling owner mailed said notice to the competing owners and the owner submitting the bid offering the highest purchase price or rental for the subject unit, which bid shall be no less than that owner's bid submitted in connection with his election to purchase or lease in the first instance, shall have the right to purchase or lease the same.

27.3 The right of first refusal herein provided shall not apply to leases, subleases or tenancies having a term of one year or a lesser term, but any such lease or tenancy shall not be renewable nor extended except by compliance with the provisions of paragraph 27.

27.4 In the event any owner other than the Declarant shall attempt to sell, lease or rent his condominium unit without affording to the other owners the right of first refusal herein provided, such sale, lease or rental shall be

wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser, lessee or tenant who shall be subject to eviction and removal, forcible or otherwise, with or without process of law.

27.5 The subleasing or subrenting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the owner under and by the provisions contained in this Declaration shall continue, notwithstanding the fact that he may have leased or rented said interests as provided herein.

27.6 In no case shall the right of first refusal reserved herein affect the right of an owner to subject his condominium unit to a bona fide trust deed, mortgage or other security instrument.

27.7 The failure of or refusal by the owners to exercise the right to so purchase, lease or rent shall not constitute or be deemed to be a waiver of such right to purchase, lease or rent when an owner receives any subsequent bona fide offer from a prospective purchaser, lessee or tenant.

27.8 The right of first refusal, as provided herein, shall extend and run for the period of the lives of JOHN C. GINN and RICHARD W. FERRELL and the survivor of them, plus twenty-one years.

27.9 Except as is otherwise provided in paragraph 28, and except upon transfer of title to a Public Trustee or to a mortgagee, each and every conveyance by a grantor(s) of a condominium unit shall be, for all purposes, deemed to include and incorporate in such instrument of conveyance an agreement that the grantee carry out the provisions of the "right of first refusal" as provided in this paragraph.

28. Exemption from Right of First Refusal - First Mortgagees. In the event of any default on the part of any owner under any first mortgage which entitles the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 27, and the purchaser (or grantee under such deed in lieu of foreclosure) of such condominium unit shall be thereupon and thereafter subject to the provisions of this Declaration and the By-Laws of the Association. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the condominium unit free and clear of the provisions of paragraph 27, but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

29. Exemption From Right of First Refusal - Other. The following transfers are also exempt from the provisions of paragraph 27:

29.1 The transfer by operation of law of a deceased joint tenant's interest to the surviving joint tenant(s);

29.2 The transfer of a deceased's interest to a devisee by Will or his heirs at law under intestacy laws;

29.3 The transfer of all or any part of a partner's

interest as a result of withdrawal, death or otherwise, to the remaining partners carrying on the partnership business and/or to a person or persons becoming partners. A transfer of all or part of a partner's or partners' interests between one or more partners and/or to persons becoming partners;

29.4 The transfer by gift;

29.5 The transfer of an owner's interest to a trustee.

29.6 The transfer or conveyance by operation of law or otherwise of the interest of any owner to any other co-owner, where such co-owners held title to a unit as tenants-in-common or as joint tenants.

29.7 The transfer of an owner's interest by treasurer's deed pursuant to a sale for delinquent taxes, or by sheriff's deed pursuant to a judgment execution sale.

29.8 The transfer of a corporation's ownership interest to persons owning stock in the corporation as a result of a dissolution, distribution of a dividend, merger or consolidation.

Such persons, owners, grantees or donees acquiring an interest shall be subject to all of the provisions of paragraph 27 except as is provided herein.

30. Certificate of Compliance - Right of First Refusal. Upon written request of any prospective transferee, purchaser, tenant or a prospective mortgagee of a condominium unit, the Managing Agent or the Association by its Secretary shall issue a written and acknowledged certificate in recordable form evidencing that:

30.1 With respect to a proposed lease or sale under paragraph 27, that proper notice was given by the selling or leasing owner and that the remaining owners did not elect to exercise their option to purchase or lease;

30.2 With respect to a deed to a first mortgagee or its nominee in lieu of foreclosure and a deed from such mortgagee or its nominee, pursuant to paragraph 27, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of paragraph 27;

30.3 With respect to any contemplated transfer which is not in fact a sale or lease, that the transfer will not be subject to the provisions of paragraph 27; and such a certificate shall be conclusive evidence of the facts contained therein. The provisions set forth in this paragraph shall not apply to the initial sales and conveyances of condominium units made by Declarant.

31. Association as Attorney-in-fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its damage, destruction or obsolescence.

Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the owners irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with the property upon its

damage, destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacements unless the owners and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

31.1 In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to cause the repair and restoration of the improvements.

31.2 If the insurance proceeds are insufficient to repair and reconstruct the improvements, 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, if the insurance proceeds are insufficient, to be made against all of the owners and their condominium units. Such deficiency assessment shall be a common expense and made pro rata according to each owner's percentage interest in the general common elements and shall be due and payable within thirty (30) 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 condominium unit and may be enforced and collected as is provided in paragraph 24. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such deficiency assessment, within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be required to pay the Association the costs and expenses for filing the notices, interest on the amount of the assessment at the rate of eight percent (8%) and all reasonable attorneys' fees and costs incident to a sale. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

31.2.1 For payment of taxes and special assessments liens in favor of any assessment entity and customary expense of sale;

31.2.2 For payment of the balance of the lien of any first mortgage;

31.2.3 For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;

31.2.4 For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

31.2.5 The balance, if any, shall be paid to the unit owner.

31.3 Notwithstanding Section 31.2, supra, if the insurance proceeds are insufficient to repair and reconstruct the improvement(s), all of the owners and the first mortgagees of record may agree not to repair or reconstruct the improvements; and in such event, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire project shall be sold by the Association pursuant to the provisions of this paragraph, as attorney-in-fact for all of the owners, free and clear of the provisions contained in this Declaration, the Map, Articles of Incorporation and By-Laws. Assessments for common expenses shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each owner's interest in the common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the owner. From each separate account the Association, as attorney-in-fact shall forthwith use and disburse the total amount of each of such accounts, without contribution from one account to another, toward the partial or full payment of the lien of any first mortgagee encumbering the Condominium Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property. Such apportionment shall be based upon each Condominium Unit owner's interest in the 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 subparagraphs (31.2.1) through (31.2.5) of this paragraph.

31.4 The owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the general common elements may agree that the general common elements are obsolete and adopt a plan for the renewal and reconstruction, which plan has the unanimous approval of all first mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the owners as common expenses; provided, however, that an owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the date of adoption of such plan that such unit shall be purchased by the Association for the fair market value thereof. The Association shall then have thirty (30) days (thereafter) within which to cancel such plan. If such plan is not cancelled, the condominium unit of the requesting owner shall be purchased according to the following procedures. If such owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within

thirty (30) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two appraisers, and from the names of the four appraisers so nominated one shall be drawn by lot by the appraiser appointed by the owner in the presence of the other appraiser, and the person whose name was so drawn shall be the umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) 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 the ~~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 (15) days thereafter, and the Association, as Attorney-in-fact, shall disburse the proceeds for the same purposes and in the same order as is provided in subparagraph 31.2.1 through 31.2.5 of this paragraph, except as modified herein.

31.5 The owners representing an aggregate ownership interest of seventy-five (75%), or more, of the general common elements, with the consent of all first Mortgagees of record at that time, may agree that the condominium units are obsolete and that the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire premises shall be sold by the Association, as Attorney-in-fact for all of the owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The sales proceeds shall be apportioned between the owners on the basis of each owner's percentage interest in the general common elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one (1) condominium unit and each such account shall be in the name of the Association and shall be further identified by the Condominium unit designation and the name of the owner. From each separate account, the Association, as Attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph 31.2.1 through 31.2.5 of this paragraph.

32. Personal Property for Common Use. The Association, as Attorney-in-fact for all of the owners, may acquire and hold for the use and benefit of all of the condominium unit owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the condominium

unit owners in the same proportion as their respective interests in the general common elements, and such interest therein shall not be transferable except with a transfer of a condominium unit. A transfer of a condominium 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 purpose for which it is intended without hindering or encroaching upon the lawful rights of the other owners. The transfer of title to a condominium unit under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed condominium unit.

33. Registration of Mailing Address. Each owner shall register his mailing address with the Association, and all notices or demands, except routine statements and notices, intended to be served upon an owner shall be sent by certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Board of Managers of the Association or the Association shall be sent certified mail, postage prepaid, to P. O. Box 256, Aspen, Colorado 81611, until such address is changed by notice of address change duly recorded in the office of the Clerk and Recorder, City of Aspen, County of Pitkin, Colorado.

34. Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Map shall continue until this declaration is revoked or terminated in the manner provided in this Declaration.

35. General Reservations. Declarant reserves the right to establish easements, reservations, exceptions and exclusions consistent with the condominium ownership of the condominium project and for the best interests of the condominium unit owners and the Association in order to serve the entire condominium project.

36. Recreational Facilities. There are no recreational facilities currently obtaining with respect to the Condominium.

37. General.

37.1 If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

37.2 The provisions of this Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

37.3 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.

37.4 The provisions of this Declaration shall be liberally construed to effectuate its purpose.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 17th day of JUNE, 1977

Declarant:

COOPER STREET PARTNERS,
a Colorado limited partnership

By John C. Ginn
John C. Ginn

By Richard W. Ferrell
Richard W. Ferrell

STATE OF COLORADO)
) ss.
County of Pitkin)

The foregoing instrument was acknowledged before me this 17th day of June, 1977, by John C. Ginn and Richard W. Ferrell.

Witness my hand and official seal.

My commission expires: 08-24-80.

Cennie Boyle
Notary Public

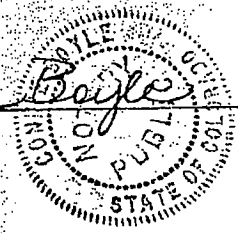


EXHIBIT A
TO
CONDOMINIUM DECLARATION
FOR THE COOPER STREET LOFTS
(a Condominium)
Property Description

Lots R and S, Block 69
CITY AND TOWNSITE OF ASPEN
Pitkin County, Colorado

EXHIBIT B
TO
CONDOMINIUM DECLARATION
FOR THE COOPER STREET LOFTS

<u>Unit Description</u>	<u>Undivided interest in general common elements</u>
1	1/6th
2	1/6th
3	1/6th
4	1/6th
5	1/6th
6	1/6th