

RECEPTION # 500293 La Plata Survey, Recorder
Recorded at 9:15 o'clock A. M. June 1, 1984
State of Colorado La Plata County

23 pages 69-

DECLARATION OF CONDOMINIUM OWNERSHIP AND
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SILVER PICK AT PURGATORY

RECITALS

SILVERPICK I, LTD., a California limited partnership ("Declarant"), is the owner of the real property situated in the County of La Plata, State of Colorado, which is more particularly described in Exhibit "A" (the "Real Property") as well as adjoining real property described in Exhibit "B" (the "Annexation Property").

Declarant desires to establish a condominium project under the Colorado Condominium Ownership Act (the "Act") and to define the character, duration, rights, obligations and limitations of condominium ownership. Declarant has executed plans for the construction of separately designated condominium units within Silver Pick at Purgatory. A condominium map (the "Map") will be filed showing the location of the condominium project on the portion of the Real Property which is hereby made subject to this Declaration.

Declarant does hereby establish a plan for the ownership of real property estates in fee simple consisting of the air space contained in each of the units in Silver Pick at Purgatory and the co-ownership, by the individual and separate owners thereof, as tenants in common, of certain portions of the remainder of the Real Property in conjunction with the owners of that portion of the Real Property designated "Special Property".

DECLARATION

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

1. Definitions. As used in this Declaration, unless otherwise expressly provided:

(a) "Association" means the Silver Pick at Purgatory Condominium Association, a Colorado nonprofit corporation.

(b) "Common Expenses" means (i) all expenses expressly declared to be common expenses by this Declaration or by the bylaws of the Association; (ii) all other expenses of administering, servicing, conserving,

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managing, maintaining, repairing or replacing the General Common Elements; (iii) insurance premiums for the insurance carried under Paragraph 11; and (iv) all expenses lawfully determined to be common expenses by the board of directors of the Association.

(c) "Condominium" means a Unit together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or non-exclusive use of Limited Common Elements associated therewith.

(d) The "Condominium Units" subject to this Declaration shall be known as the Silver Pick at Purgatory Condominiums.

(e) "Declarant" means Silverpick I, Ltd., a California limited partnership, its successors and assigns.

(f) "Declaration" means this instrument and all amendments or supplements hereto, hereafter recorded in the records of La Plata County, Colorado.

(g) "District" means the Purgatory Metropolitan Service District.

(h) "First Lienor" means the holder of a promissory note, payment of which is secured by a first mortgage or first deed of trust encumbering an interest in a Condominium Unit. "Mortgage" shall include a deed of trust, and "mortgagee" shall include the beneficiary of a deed of trust.

(i) "General Common Elements" means (i) the land included in the real property which at anytime is subject to this Declaration; (ii) any improvements on the Real property except those contained within a Unit or on the Special Property; and (iii) all other parts of the property which is subject to this Declaration but which is not part of a Unit or Special Property, and may be designated on the Map as "G.C.E."

(j) "Limited Common Elements" means any part of the General Common Elements assigned for the exclusive or non-exclusive use and enjoyment of the Owner or Owners of one or more Commercial and/or Residential Units or the Special Property.

(k) "Map" means the condominium map described in Paragraph 4.

(l) "Owner" means any individual, corporation, Partnership, association, trust or other legal entity, or combination of legal entities, which is the record owner of an undivided fee simple interest in one or more Condominiums.

(m) "Special Property Owner" means any individual, corporation, partnership, association, trust or other legal entity, or combination of legal entities, which is the record owner of an undivided fee simple interest in any portion of the Special Property.

(n) "Project" and "Condominium Project" collectively mean the real property and the buildings and other improvements located thereon.

(o) "Unit" means an individual air space unit contained within the perimeter walls, floors, ceilings, windows and doors of a unit in Silver Pick at Purgatory which is subject to the provisions of this Declaration, and as shown and described in the Map, together with (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such Unit's perimeter walls, floors and ceilings; (iii) the doors and windows of the Unit; and (iv) the interior non-supporting walls within the Unit. The term does not include, however, the undecorated or unfinished surfaces of the perimeter walls, floors or ceilings of a Unit, any utilities running through the Unit which serve more than one Unit, or any other General Common Element or part thereof located within the Unit.

2. Grant and Submission. Declarant hereby grants, conveys and submits to Condominium ownership a tract of land located in La Plata County, Colorado, as set forth in Exhibit A attached hereto.

3. Division of Real Property into Estates; Use and Occupancy of Condominium.

(a) The Real Property is hereby initially divided into 41 Condominiums numbered 101-109; 201-216; 301-316, each consisting of a Unit, Special Property as designated on the Final Plat of Silver Pick at Purgatory, Phase I, P.U.D., together with an undivided interest in the General Common Elements appurtenant to such Unit and Special Property and the exclusive or non-exclusive right to use and enjoy Limited Common Elements, as set forth on Exhibit "C" attached hereto.

(b) Each Condominium and/or the Special Property shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium or Special Property, as the case may be. Title to a Condominium or the Special Property may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an "Owner" with respect to the Condominium or Special Property in which he owns an interest.

(c) Any contract of sale, deed, lease, deed of trust, mortgage, will or other instrument affecting a Condominium may describe it by its unit number as shown on the Map, followed by the name of the Condominium and reference to this Declaration and to the Map.

(d) Declarant shall give written notice to the Assessor of La Plata County, Colorado in the manner provided in the Act so that each Condominium will be separately assessed and taxed.

(e) Any Unit shall be used and occupied solely for dwelling or lodging purposes, except that any of such units may be used from time to time as a Manager's Unit or as a "model" unit by Declarant for sales purposes. Owners of Units may rent or lease such units to others for these purposes.

(f) The Special Property shall be used and occupied solely for service and retail business purposes, including, but not limited to, retail stores, offices, restaurants and other food and beverage operations.

4. Condominium Map. Upon substantial completion of the Project, and prior to any conveyance by Declarant of a Condominium therein, Declarant shall cause to be filed for record in La Plata County, Colorado, the condominium Map which shall contain: (a) the legal description of the surface of the Real Property; (b) the linear measurements and location, with reference to the exterior boundaries of the Real Property, of each building in the project; (c) the floor plans and linear dimensions of the interior of each building including the Units, the General Common Elements which are not a part of any Unit and the Limited Common Elements; (d) the designation by number or other symbol of each Unit; (e) the elevation plans of each such building; and (f) the elevation of the unfinished interior surfaces of the floors and ceilings of each building, including the Units, as established from a datum plane, the distances between floors and ceilings, and the linear measurements showing the thickness of the perimeter walls of each building. Declarant reserves the right to amend the Map from time to time to conform it to the actual location of each building including all parts thereof and to establish, vacate and relocate easements.

5. Easements. Each Owner of a Condominium Unit understands and agrees that Declarant has reserved certain rights pursuant to Paragraph 24 and that Declarant has the power to grant a road easements, one or more pedestrian easements and utilities easements on or over the Real Property.

6. General Common Elements; Encroachments.

(a) The General Common Elements shall be owned in common by all the Owners and the owners of the Special Property and shall remain undivided. No Owner shall assert any right of partition with respect to the General Common Elements. Each such Owner waives any and all rights of partition he may hold by virtue of his ownership of an undivided interest in the General Common Elements as a tenant-in-common with the other owners. This paragraph shall not, however, limit or restrict the right of partition of a single Condominium among the Owners thereof, but such partition shall not affect any other Condominium.

(b) Each Owner and the Owner of the Special Property shall be entitled to use the General Common Elements (other than the Limited Common Elements) in accordance with the purpose for which they are intended, without hindering, impeding or imposing upon the rights of the other owners and in accordance with rules and regulations duly established from time to time by the Association.

(c) If any portion of the General Common Elements now encroaches upon any Unit or the Special Property, or if any Unit or the Special Property now encroaches upon any other Unit or upon any portion of the General Common Elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for such encroachment and for the maintenance of the same so long as the building stands shall exist. In the event any building, any Unit, any adjoining Unit, the Special Property, or any adjoining General Common Element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common Elements upon any Unit or Special Property or of any Unit upon any other Unit or Special Property or of the Special Property on any Unit or General Common Elements or upon any portion of the General Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such building shall stand.

7. Mechanic's Liens; Indemnification.

(a) If any Owner shall cause any material to be furnished to his Unit or to the Special Property or any labor to be performed therein or thereon, no Owner of any other Unit or of the Special Property shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Unit or any improvements therein. Nothing herein contained shall authorize any Owner or any person dealing through, with or under any Owner to charge the General Common Elements or any Unit other than that of such Owner with any mechanic's lien or other lien or encumbrance whatever. On the contrary (and notice is hereby given that) the right and power to charge any lien or encumbrance of any kind against the General Common Elements or against any Owner or any Owner's Unit for work done or materials furnished to any other Owner's Unit is hereby expressly denied.

(b) If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the General Common Elements or against any other Owner's Unit or any improvements therein, or against any other Owner (whether or not such lien or

order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within 20 days after the date of filing thereof, and further shall indemnify and save all the other Unit Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages, including reasonable attorneys' fees resulting therefrom.

8. Administration and Management. The Silver Pick at Purgatory Condominiums shall be administered and managed pursuant to this Declaration and the articles of incorporation and bylaws of the Association. Each Owner and the Owner of the Special Property shall be a member of the Association and shall remain a member until he ceases to be an Owner. Each member shall comply strictly with the provisions of this Declaration and the articles of incorporation and bylaws of the Association. Each member shall be bound by and shall comply with rules, resolutions and decisions of the Association duly made or adopted in the manner set forth in the articles of incorporation or bylaws. Failure of a member to comply with such provisions, rules, resolutions or decisions shall be grounds for an action to recover damages or to obtain injunctive relief, or both, maintainable by the Association on behalf of the other Owners or, in a proper case, by an aggrieved Owner. In addition, the Association's bylaws may authorize the Association, during the period of any delinquency, (a) to revoke a delinquent owner's right to use General Common Elements, (b) to cause sewer and/or water service to a delinquent Owner's Condominium to be suspended, and (c) to suspend a member's voting privileges; however, no such suspension shall affect the rights of a First Lienor.

9. Maintenance and Repairs.

(a) Each Owner shall be responsible for maintenance and repair of his Unit, including fixtures and improvements and all utility lines and equipment located therein and serving such Unit only. In performing such maintenance or repair, or in improving or altering his Unit, no Owner shall do any act or work which impairs the structural soundness of the building wherein his Unit is located or which interferes with any easement.

(b) Except as provided below in this Paragraph 9, the General Common Elements (including the Limited Common Elements) shall be administered, conserved, managed, maintained, repaired and replaced by the Association, which may have access to any Unit from time to time during reasonable hours for such purposes, or at any time for the purpose of making emergency repairs therein necessary to prevent damage to the General Common Elements, to Limited Common Elements or to another Unit or Units. The costs of repairing any damage to a Unit resulting from entry therein for any such purpose shall be a common expense of all Owners. However, if the need to make such entry results from the negligence or intentional act of any Owners, such Owner shall

reimburse the Association for all the costs of repairing such damage and shall be liable to the other Owners for all additional losses or damages suffered, including reasonable attorneys' fees. If, in the sole judgment of Declarant, the Association has failed to maintain the General Common Elements in good order and repair, Declarant may, after five days' notice to the Association perform all work necessary to maintain the General Common Elements in good order and repair, and Declarant shall have access to any Unit for such purposes. The Association shall reimburse Declarant for the cost of such work, which shall be a Common Expense of all Owners payable as set forth herein.

(c) All maintenance and repairs of the exterior of any building which is part of the General Common Elements shall be provided by the Association at such time and such costs as in the judgment of the Association is necessary to maintain the exterior of any building in good order and repair. Such maintenance and repair shall include, but not be limited to, painting, staining or other application of materials to the exterior of such building, cleaning and snow removal. The cost of such work shall be a Common Expense of all owners payable as set forth herein, except that the owners of the Special Property shall pay for all maintenance and repairs thereof.

(d) Each Owner shall pay all costs of repairing any damage to the General Common Elements (including the Limited Common Elements) or to any Condominium Unit other than his own, resulting from the intentional act or negligence of such Owner.

(e) If, in the reasonable judgment of the Board of Directors of the Association, the allocation of expenses as set forth above is clearly unfair or inequitable, the Board of Directors may allocate such expenses in a manner which the Board of Directors determines is fair and equitable.

10. Assessments for Common Expenses.

(a) Common Expenses shall be allocated and assessed among the Owners pursuant to the percentages set forth below, unless otherwise provided in the following subsections of this Paragraph 10.

Units 101-109	2.645% each
Units 201-216	2.2491875% each
Units 301-316	2.513% each

(b) Owners of Special Property shall pay as an assessment an amount equal to ten percent (10%) of the total cost of snow removal, road maintenance, landscaping, public liability insurance, and water supply at the Project until 150 Units have been sold by Declarant. Thereafter, the Owners of Special Property shall pay five percent (5%) of such costs. In determining such costs, adequate reserves for replacement shall be included.

(c) All sewer fees attributable to the Project shall be billed to and paid by the Association. The Association shall allocate the sewer charges among the Units and the Special Property in accordance with the allocations set by the District and shall bill each Owner for his share of such fees. Each Owner shall pay the Association for his share of such sewer fees, as determined by the Association.

(d) The bylaws of the Association shall empower its board of directors to fix, determine, levy and collect periodic and special assessments to be paid by the Owners and the Owners of the Special Property to meet the Common Expenses and to create a contingency reserve therefor. The bylaws also shall establish the procedures by which the assessments shall be made known to and paid. An action may be brought by the Association to recover unpaid Common Expenses from anyone liable for payment thereof, with or without foreclosing or waiving the lien described in the following paragraph.

(e) All sums assessed but unpaid for the share of Common Expenses assessed to any Condominium Unit or the Special Property shall constitute a lien on such Unit or Special Property in favor of the Association prior to all other liens and encumbrances, except: (i) liens for taxes and special assessments; and (ii) the lien of any first mortgage or first deed of trust of record encumbering such Condominium or Special Property. The Association's lien shall attach from the date when the unpaid assessment shall become due and may be foreclosed by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof executed by the Association setting forth the amount of the unpaid indebtedness, the name of the Owner of the Condominium or Special Property, and a description of the Condominium or Special Property. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorneys' fees. During the period of foreclosure the Owner of the Condominium or Special Property subject to such action shall be required to pay a reasonable rental to the Association. The Association shall be entitled to purchase the Condominium or Special Property at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same.

(f) No Owner shall exempt himself from liability for payment of his share of the Common Expenses either by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Condominium or Special Property.

(g) In case of sale or other transfer of a Condominium or Special Property with respect to which sums assessed for Common Expenses shall be unpaid, except transfers to a First Lienor in connection with a foreclosure of its lien, the purchaser or other transferee of an interest in such Condominium or Special Property shall be jointly and severally liable with the seller or transferor thereof for such unpaid assessments.

(h) Upon ten days' written request of any Owner, mortgagee, prospective mortgagee, purchaser or other prospective transferee of a Condominium or Special Property, the Association shall issue a written statement setting forth the amount of the unpaid Common Expenses or Special Property, if any, with respect to such Condominium or Special Property, the amount of the current monthly assessment, the date on which such assessment became or shall become due and the amount of any credit for prepaid expenses. Such statement, for which a reasonable fee may be charged, is binding upon the Association in favor of any person who may rely thereon in good faith. Unless a request for such statement shall be complied with within fifteen days after receipt thereof, all unpaid Common Expenses which became due prior to the date of making such request shall be subordinated to the lien or other interest of the person requesting such statement.

(i) Any party in favor of whom a lien on a Condominium or Special Property has been created may, but shall not be required to, pay any unpaid Common Expense with respect to such Unit or Special Property, and upon such payment, such party shall have a lien on such Condominium or Special Property for the amount so paid of the same rank as the lien theretofore existing.

(j) The Association may at any time provide for one or more managers for all or any number of the Units and the limited Common Elements allocated to such Units and may provide services for the direct benefit of less than all Units and the limited Common Elements allocated to such Units. The cost for such manager(s) or services shall be allocated fairly among those Units directly benefited by such services or managed by such manager or managers and may be charged to such Owners as a direct expense and not as a Common Expense.

11. Insurance.

(a) The Association shall, on behalf of the Owners:

(i) keep the General Common Elements (including all of the Units and all fixtures therein, but not including furniture, furnishings or other personal property supplied or installed by Owner(s) insured against loss or damage by fire, with extended coverage (including insurance against loss or damage by vandalism or malicious mischief), in approximately the amount of the maximum replacement value thereof, determined in accordance with paragraph 11(c);

(ii) provide and keep in force, for the protection of the Association, its officers and directors, and all the Owners, Owners of the Special Property, and all First Lienors, general public liability and property damage insurance against claims for bodily injury or death or property damage occurring upon or in the General Common Elements, in limits of not less than \$5,000,000 combined single limit for bodily injury or death to any number of

persons arising out of one accident or disaster, and in limits of not less than \$100,000 for damage to property, and if higher limits shall at any time be customary to protect against possible tort liability, such higher limits shall be carried; and

(iii) carry insurance in such amounts as the Association may consider necessary or advisable against such other insurable hazards as may from time to time be commonly insured against in the case of similar property in similar locations elsewhere.

(b) The cost of obtaining and maintaining all insurance required to be carried under this Paragraph 11 shall be a Common Expense to be prorated among all Owners as set forth in this Declaration notwithstanding the fact that the Owners may have disproportionate liability or that some Units may have greater risks of loss than others. All insurance required to be carried under this paragraph shall be carried in favor of the Association, the Owners and all First Lienors, as their respective interests may appear. Each policy of insurance shall contain a standard mortgagee clause in favor of each First Lienor of a Condominium and the Special Property which shall provide that the loss, if any, thereunder shall be payable to such First Lienor, as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All policies of insurance against damage to any building and fixtures shall provide that losses shall be payable to and adjusted with the Association, as attorney-in-fact for the Owners. The Association shall hold and apply the proceeds of such insurance as set forth in this Declaration. Each insurance policy shall provide that no cancellation thereof may be made by the insurance carrier without having first given 30 days' prior written notice thereof to the Association, the Owners, and Owners of the Special Property, and all First Lienors. Each insurance policy also shall provide that in case of violation of any provisions thereof by one or more (but less than all) of the Owners, the coverage of such policy shall be suspended or invalidated only as to the interest of the Owner or Owners committing the violation and not as to the interest of any other Owner. All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all First Lienors requesting the same in writing at least ten days prior to expiration of the then current policies.

(c) The maximum replacement value of all buildings in the General Common Element, without deduction for depreciation, shall be determined by the Association prior to obtaining any policy of fire insurance or any renewal thereof by means of one or more written appraisals made by competent, disinterested appraisers; however, appraisals need not be obtained more frequently than at three-year intervals. Copies of such appraisals shall be furnished to each Owner and each First Lienor of a Condominium requesting the same in writing.

(d) Each Owner shall be responsible for all insurance covering loss or damage to personal property in his Condominium and liability for injury, death or damage occurring inside his Unit. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

(e) The Owners of the Special Property shall be responsible for insuring all improvements thereon and against liability therefor. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

12. Appointment of Attorney-in-Fact. Each Owner by his acceptance of the deed or other conveyance vesting in him an interest in a Condominium Unit does irrevocably constitute and appoint (a) the Association with full power of substitution as his true and lawful attorney in his name, place and stead to deal with such interest upon damage to or destruction, obsolescence or condemnation of any building as hereinafter provided, and (b) Declarant with full power of substitution as his true and lawful attorney in his name, place, and stead to deal with such interest; with full power, right and authorization to execute, acknowledge and deliver any contract, deed, proof of loss, release or other instrument affecting the interest of such Owner, and to take any other action, which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Declaration. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written instrument confirming such appointment. The action of the Association in settling any damage or condemnation claim shall be final and binding on all Owners. No Owner shall have any rights against the Association or any of its officers or directors with respect thereto except in the case of fraud or gross negligence.

13. Damage or Destruction. In case of damage or destruction of any building which is part of the General Common Element or any part thereof by any cause whatever:

(a) If in the reasonable judgment of the Association, the proceeds of insurance shall be sufficient to pay all the costs of repairing and restoring the building, the Association (as attorney-in-fact for the Owners) shall cause the building to be repaired and restored, applying the proceeds of insurance for that purpose.

(b) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the building, and if the excess of such costs over the anticipated insurance proceeds, is less than 25% of the maximum replacement value last determined under Paragraph 11(c), then the Association (as attorney-in-fact for the Owners) shall promptly cause the building to be

repaired and restored, and the difference between the insurance proceeds and the costs of repair and restoration shall be a Common Expense, to be assessed and paid as provided in Paragraph 10.

(c) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the building, and if the excess of such costs over the anticipated insurance proceeds is 25% or more of the maximum replacement value last determined under Paragraph 11(c), then (unless within 100 days after the date of such damage or destruction a plan for repairing and restoring the Condominium property shall be approved by the Owners of Units to which 80% or more of the total interests in General Common Elements are appurtenant and by all First Lienors) the Association (as attorney-in-fact for the Owners) shall execute and record in the La Plata County, Colorado real estate records a notice of such facts, and thereafter shall sell the building together with reasonable easements for ingress and egress, if required, as designated by the Association, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire with respect to such property upon the closing of such sale. The proceeds of insurance and the proceeds of such sale of the building collected by the Association shall be applied first to the payment of expenses of the sale, and then divided among the Owners of the Condominiums contained in such building and paid into separate accounts, each representing one Condominium. The insurance proceeds shall be divided according to such Owners' respective percentage interest therein as shown by the insurance policies, if so shown, otherwise according to such Owners' interest in General Common Elements. The funds in each account (without contribution from one account to another) shall be applied by the Association for the following purposes in the order indicated: (i) for payment of the balance of the lien of any first mortgage or deed of trust on the Condominium; (ii) for payment of taxes and special assessment liens in favor of any assessing entity; (iii) for payment of unpaid Common Expenses; (iv) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and (v) the balance remaining, if any, shall be paid to the Owner. The provisions of this paragraph shall not be construed as limiting in any way the right of a First Lienor (in case the proceeds allocated under (i) above shall be insufficient to pay the indebtedness secured by his lien) to assert and enforce the personal liability for such deficiency of the person or persons responsible for payment of such indebtedness. If within 100 days after the date of such damage or destruction a plan for repairing and restoring the damaged or destroyed building shall be approved by the Owners of Units to which 80% or more of the General Common Elements are appurtenant and by all First Lienors, the Association (as attorney-in-fact for such Owners) shall promptly cause such repairs and restoration to be made according to such plan. All owners shall be bound by the terms of such plan, and the differences, if any, between the amount of the insurance proceeds and the costs of repair and restoration shall be an expense of the Owners and shall be assessed and paid by such Owners in proportion to their respective percentage interests in General Common Elements.

(d) Nothing contained in this paragraph shall be construed as imposing any liability whatever on any First Lienor to pay all or any part of the costs or repair or restoration.

14. Obsolescence.

(a) If at any time Owners of Units to which 80% or more of the total interest in General Common Elements are appurtenant and all First Lienors shall agree that any building has become obsolete and shall approve a plan for its renovation or restoration, the Association (as attorney-in-fact for the Owners) shall promptly cause such renovation or restoration to be made according to such plan.

(b) If at any time the Owners of Units to which 80% or more of the total interest in General Common Elements are appurtenant and all First Lienors shall agree that any building has become obsolete and should be sold, the Association (as attorney-in-fact for the Owners) shall promptly record in the real estate records of La Plata County, Colorado a notice of such sale, and shall sell that building, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire as to such building upon the closing of such sale. The proceeds of such sale shall be collected, applied and divided among the owners by the Association in the manner provided in Paragraph 13(c).

15. Condemnation.

(a) If all the Real Property shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by purchase in lieu thereof, or if any part of the Real Property shall be so taken, and the part remaining shall be insufficient for continuation of the activities carried on in the Silver Pick at Purgatory Condominiums prior to such taking, the Association (as attorney-in-fact for the Owners) shall collect the award made in such taking and shall sell the part of the Real Property remaining after the taking, if any, free and clear of the provisions of this Declaration and the Map. Such provisions shall wholly terminate and expire upon the recording of a notice by the Association setting forth all of such facts. The award and the proceeds of such sale, if any, shall be collected, applied and divided among the Owners by the Association in the manner provided in Paragraph 13(c).

(b) If such taking shall be partial only, and if the remaining part of the Real Property shall be sufficient for continuation of the activities carried on in the Silver Pick at Purgatory Condominiums prior to such taking, the Association (as attorney-in-fact for the Owners) shall collect the award and shall promptly and without delay cause the portion of the Real Property not so taken to be restored as nearly as possible to its condition prior to the taking, applying the award to that purpose. Any part

of the award not required for such restoration shall be divided by the Association among the Owners and the Owners of the Special Property in an equitable manner based upon the damage suffered.

16. Annexation. Additional properties may be annexed to and become subject to this Declaration by either of the following methods:

(a) Upon approval in writing of the Association, pursuant to an 80% majority of the voting power of its members, the Owner of any property who desires to add it to the scheme of this Declaration and subject it to the jurisdiction of the Association may file of record a supplementary declaration as described below.

(b) All or any part of the annexation property may be annexed, from time to time, to the project and added to the scheme of this Declaration and subject to the jurisdiction of the Association without the assent of the Association or its members, provided and on the condition that (1) any such annexation must be made prior to fifteen (15) years from the recording of this Declaration; and (2) the development of the additional properties shall be generally in accordance with the sketch plan submitted to the Planning Commission of La Plata County and shall include not more than an additional 255 units; and (3) a supplementary declaration, as described below, shall be recorded covering the applicable portion of the annexation property.

(c) The additions authorized above shall be made by filing of record a supplementary declaration of covenants, conditions and restrictions, or similar instrument, with respect to such additional properties, which instrument shall extend the scheme of this Declaration to such properties. Such supplemental declaration may contain such complimentary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to properly allocate assessments and reflect the different character, if any, of the added properties and as are not inconsistent with the general scheme of this Declaration. In no event, however, shall any such supplementary declaration revoke, modify or add to the covenants, conditions and restrictions established by this Declaration except as specifically required to integrate the additional properties into the project.

17. Transactions with Declarant. All transactions between the Association and Declarant whereby Declarant is to provide goods and services to the Association or the Condominium Project shall be on terms comparable to similar transactions in similar areas.

18. Quality of Work. Any repairs, renovation or restoration by the Association as attorney-in-fact for the Owners shall be done in such manner as to make the improvements at least as valuable after such work as it was immediately before the occurrence requiring the work to be done.

19. Amendment or Revocation. This Declaration may be amended or revoked (a) by Declarant at any time prior to the filing of the Map, and (b) upon the written approval in recordable form of (i) Owners having the right to vote 80% or more of the total votes of all Owners of Units, and (ii) Owners of the Special Property. It shall be revoked only upon sale of all the Buildings pursuant to Paragraphs 13(c), 14(b) or 15(a), or upon the unanimous written approval in recordable form of all Owners, including the Owners of the Special Property.

20. Personal Property.

(a) The Association may acquire and hold for the use and benefit of all the Owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned by the Owners in the same proportion as their respective interests in the General Common Elements and shall not be transferable except with a transfer of a Condominium. A transfer of a Condominium 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 Unit under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Unit.

21. Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an 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, demands or other notices intended to be served upon the Association shall be sent certified mail, postage prepaid, to the address of the Association as designated in the bylaws of the Association.

22. Duration of Condominium Ownership. The separate estates created by this Declaration and the Map shall continue until this Declaration shall be revoked or until its provisions shall terminate as provided herein.

23. Use Restrictions. The Units and General Common Elements shall be occupied and used as follows:

A) No Unit shall be used except for residential purposes.

B) Clothes Lines and Storage. No clothes lines shall be placed on any Unit in a location visible from adjoining properties and streets. No lumber, metals, machinery, equipment or bulk materials shall be kept, stored, or allowed to accumulate on any Unit or the General Common Elements except building or other materials to be used in connection with the

work of construction, alteration or improvement approved in accordance with the terms hereof.

C) Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept in any Unit or the General Common Elements, except that no more than two dogs, cats or other household pets may be kept in any one Unit, provided they are not kept, bred or maintained for any commercial purpose. Notwithstanding the foregoing, no animal or fowl may be kept on said lands which results in an annoyance or is obnoxious to residents within, or in the vicinity of, the property, and, in any event, any Owner shall be absolutely liable to each and all remaining owners, their families, guests and invitees and to the Association, for any and all damage to persons or property caused by any pets brought upon or kept upon any Unit or the General Common Elements by an Owner or by members of his family, guests or invitees.

D) Mining and Drilling Operations. No drilling, mineral or hydrocarbon development operations, refining, quarrying or mining operations of any kind shall be permitted upon or in any Unit or the General Common Elements, nor shall wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Unit or the General Common Elements. No derrick or other structure designed for use in boring for oil, natural gas, hydrocarbons or minerals shall be erected, maintained or permitted on any Unit or the General Common Elements.

E) Commercial Activities Prohibited. The Units shall not be used for or in connection with the conduct of any trade, business, professional or commercial activity of any kind or nature whatsoever except as expressly hereinafter provided. No building which is part of the General Common Elements shall be used in the conduct of any real estate business, as an office or otherwise, except that Declarant, or its designees, may maintain thereon model homes and real estate offices for the purpose of selling any Unit or Units (improved or unimproved) subject hereto or other real property owned by Declarant or persons designated by Declarant and in the vicinity of the Real Property.

F) Nuisance. No noxious or offensive activity shall be carried on upon any Unit or the General Common Elements, nor shall anything be done or kept thereon which may be or become an annoyance or nuisance to the Owners or occupants of any one or more neighboring Units or of the General Common Elements.

G) Signs. No sign or other advertising device of any nature whatsoever shall be placed or maintained upon any Unit which is part of the General Common Elements except neatly painted "For Sale", "For Rent", or "Open for Inspection" signs not larger than is reasonable and customary in the area. Notwithstanding the foregoing, Declarant, or its designees, may erect and maintain upon any Unit or Units owned by Declarant or upon the General Common

Elements such signs or other advertising devices as it may deem necessary in connection with the conduct or operations for the development, subdivision and sale of the Real Property or other real property owned by Declarant or its designees and in the vicinity of the Real Property

H) Automobile, Boats and Trailers. Except as expressly hereinafter provided, no Unit shall be used as a parking, storing, display or accommodation area for any type of motor vehicle, boat, trailer, camper or motor driven cycle, the purpose of which parking, storage, display or accommodation area is to perform any activity thereon respecting maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind. No boat, trailer, camper (excluding "vans"), truck or commercial vehicle shall be parked at any time on or in front of any Unit in an area visible from neighboring Units, The General Common Elements, or any public street or easement, except for temporary parking of commercial vehicles when making deliveries or in accordance with rules established by the Board of Directors.

I) Rooftop Appliances. No radio or television antenna or air conditioning units or other appliances shall be permitted on the roofs of the structure except those constructed by Declarant in the development of the Real Property or as approved by the Association in writing.

J) Refuse Containment. Trash shall be confined and contained in the provided refuse enclosures. No trash containers shall be visible upon any Unit or the General Common Elements from any alley, street, Unit or the General Common Elements.

K) Compliance with Laws. Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of Federal, State or Municipal governments or authorities applicable to use and occupancy of, and construction and maintenance or improvements upon, the Units and any additions thereto.

L) Rules for Use of General Common Elements. There shall be no violation of rules for the use of the General Common Elements adopted by the Association and furnished in writing to the Owner, and the Association is authorized to adopt such rules, subject to the rights of the Owners pursuant to the terms hereof and to establish reasonable penalties for the violation thereof.

24. General Reservations. Declarant reserves (i) the right to dedicate any access roads and streets serving this Condominium Project for and to public use; (ii) a perpetual and nonexclusive easement and right-of-way over and through those portions of Silver Pick at Purgatory Condominiums designated on the Map as GCE or LCE, which easements may be used by persons owning or using the Annexation Property now owned by Declarant, and by pedestrian traffic, and for the construction, operation and maintenance of sidewalks, corridors and other improvements consistent with such use; and

(iii) 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 including Road Easements, Utility Easements and Pedestrian Easements.

25. No Use of Trademark. Silverpick I, Ltd. owns the service mark "Silver Pick at Purgatory" and derivatives therefrom. Without first obtaining written authorization or a license from Silverpick I, Ltd., no Owner shall use the "Silver Pick at Purgatory" trade name or trademark or other derivatives therefrom in any manner.

26. Limit on Timesharing. No Owner of any Unit shall offer or sell any interest in such Unit under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Silver Pick at Purgatory Association.

27. Architectural Control. No building, fence, wall or other structure or landscaping shall be commenced, erected or maintained upon the Real Property except by Declarant, nor shall any exterior addition or change or alteration therein or change in the exterior appearance thereof or change in landscaping be made except by Declarant until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors, or by an architectural committee composed of three (3) or more representatives appointed by the Board of Directors. In the event said Board of Directors, or its designated committee, fails to approve or disapprove such design or location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with; provided, under all circumstances, any addition, change or alteration or work as described above shall be approved by the County of La Plata prior to construction and a building permit therefore shall be obtained.

28. Mortgagee Protection.

A) No breach of the Covenants, Conditions and Restrictions herein contained, nor the effect of any lien provided for herein, shall affect, impair, defeat or render invalid the lien or charge of any mortgage made in good faith and for value encumbering any Unit or Special Property; but, all said Covenants, Conditions and Restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trust deed sale or otherwise with respect to a resident;

B) No amendment to this paragraph shall affect the rights of the holder of any such mortgage or deed of trust recorded prior to recordation

of such amendment who does not join in the execution thereof;

C) Upon request of any Owner, the Association will furnish, for a reasonable fee, not to exceed Fifteen Dollars (\$15.00), for the benefit of any prospective purchaser or present or prospective encumbrances of such parcel, a statement showing all amounts then due which are secured by such lien, which statement shall be conclusive as to any such purchaser or encumbrances relying thereon in good faith.

29. General.

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

(b) The provisions of this Declaration shall be in addition to and supplemental to the Act 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.

1st IN WITNESS WHEREOF, Declarant has duly executed this Declaration this day of JUNE 1984.

SILVERPICK I, LTD., a limited partnership,
By: SILVER PICK ENTERPRISES, General Partner,

By: 
Michael E. Steres, General Partner

GOFF

ENGINEERING
& SURVEYING

P.O. BOX 97 · DURANGO, COLORADO · 81301 · (303) 247-1705

EXHIBIT "A"SILVERPICK
PHASE I

A tract of land located in Section 25, T39N, R9W, N.M.P.M., in La Plata County, Colorado, being more particularly described as follows:

Beginning at a point whence the southwest corner of said Section 25 bears S 53° 55' 06" W, 803.77 feet;
 Thence N 14° 30' 00" E, 252.70 feet;
 Thence S 75° 36' 00" E, 90.00 feet;
 Thence N 38° 40' 00" E, 526.77 feet;
 Thence N 00° 39' 48" W, 179.68 feet to the north line of the SW $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 25;
 Thence N 88° 52' 43" E, 110.00 feet along the north line of the SW $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 25 to the westerly right-of-way of U.S. Highway 550;
 Thence S 06° 09' 43" W, 152.18 feet along the westerly right-of-way of U.S. Highway 550;
 Thence S 20° 24' 11" E, 111.80 feet along the westerly right-of-way of U.S. Highway 550;
 Thence S 06° 09' 43" W, 94.80 feet along the westerly right-of-way of U.S. Highway 550;
 Thence along the arc of a curve to the right with a delta angle of 07° 04' 16" and a radius of 5679.58 feet for a distance of 700.94 feet, the long chord bears S 09° 41' 52" W, 700.50 feet, along the westerly right-of-way of U.S. Highway 550;
 Thence N 72° 00' 00" W, 552.70 feet to the point of beginning.

Contains 7.5382 acres, more or less.

EXHIBIT "B"

A tract of land being the SW 1/4 SW 1/4 of Section 25, T 39 N, R 9 W, N.M.P.M., in La Plata County, Colorado, less and except the U.S. Highway 550 right-of-way, and being more particularly described as follows:

Beginning at the SW corner of said Section 25; thence N $00^{\circ} 33' 44''$ E. 1318.65 feet along the west line of said Section 25; thence N $88^{\circ} 52' 43''$ E. 1268.08 feet along the north line of the SW 1/4 SW 1/4 of said Section 25 to the westerly right-of-way of U.S. Highway 550; thence S $06^{\circ} 09' 43''$ W. 152.18 feet along the said westerly right-of-way; thence S $20^{\circ} 24' 11''$ E. 111.80 feet along the said westerly right-of-way; thence S $06^{\circ} 09' 43''$ W. 94.80 feet along the said westerly right-of-way; thence along the arc of a curve to the right with a delta angle of $10^{\circ} 13' 17''$, and a radius of 5679.58 feet, for a distance of 1013.22 feet along the said westerly right-of-way to the south line of said Section 25; thence S $89^{\circ} 57' 44''$ W. 1095.45 feet along the south line of said Section 25 to the point of beginning.

Contains 37.321 acres more or less.

EXCEPTING THEREFROM:

A tract of land located in Section 25, T39N, R9W, N.M.P.M., in La Plata County, Colorado, being more particularly described as follows:

Beginning at a point whence the southwest corner of said Section 25 bears S $53^{\circ} 55' 06''$ W, 803.77 feet;
 Thence N $14^{\circ} 30' 00''$ E, 252.70 feet;
 Thence S $75^{\circ} 36' 00''$ E, 90.00 feet;
 Thence N $38^{\circ} 40' 00''$ E, 596.77 feet;
 Thence N $00^{\circ} 39' 48''$ W, 179.68 feet to the north line of the SW 1/4 SW 1/4 of said Section 25;
 Thence N $88^{\circ} 52' 43''$ E, 110.00 feet along the north line of the SW 1/4 SW 1/4 of said Section 25 to the westerly right-of-way of U.S. Highway 550;
 Thence S $06^{\circ} 09' 43''$ W, 152.18 feet along the westerly right-of-way of U.S. Highway 550;
 Thence S $20^{\circ} 24' 11''$ E, 111.80 feet along the westerly right-of-way of U.S. Highway 550;
 Thence S $06^{\circ} 09' 43''$ W, 94.80 feet along the westerly right-of-way of U.S. Highway 550;
 Thence along the arc of a curve to the right with a delta angle of $07^{\circ} 04' 16''$ and a radius of 5679.58 feet for a distance of 700.94 feet, the long chord bears S $09^{\circ} 41' 52''$ W, 700.50 feet, along the westerly right-of-way of U.S. Highway 550;
 Thence N $72^{\circ} 00' 00''$ W, 552.70 feet to the point of beginning.

Contains 7.5382 acres, more or less.

RECEPTION # 500293

EXHIBIT "C"

Limited Common Elements shall consist of open garages, decks, and service areas. Garages and decks shall be for the exclusive use of the owners or occupants of the Unit to which they are attached or immediately adjacent, provided that agents of the Association shall be allowed access for snow removal, maintenance and similar activities. Limited Common Elements adjacent to Special Property shall be for the exclusive use of the owners of the Special Property for delivery trucks and similar uses.

STATE OF COLORADO) SS Filing No. 500 294
LA PLATA COUNTY)

I hereby certify that this instrument was
filed for record at 9:16 O'clock A M
June 1 1994 and duly recorded
on Microfilm No. 500294 Fee \$ 10 00

LETA SAUER, Recorder

By _____ Deputy

*Silverpick I, P.U.D.
Phase 1 - Final Plat
Whom
Plat*