

**FIRST AMENDMENT TO DECLARATION
OF
THE LIVERY CONDOMINIUMS**

WHEREAS the Livery Condominiums is a condominium community originally created and supplemented by the following instruments recorded in the offices of the San Miguel County, Colorado Clerk and Recorder:

Declaration of the Livery Condominiums, recorded January 10, 1997 at Reception No. 309995, First Supplement to the Declaration for the Livery Condominiums, recorded August 12, 1998 at Reception No. 320531, Second Supplement to the Declaration for the Livery Condominiums, recorded September 29, 1999 at Reception No. 329548 (collectively the "**Declaration**"); and

Condominium Map for the Livery Condominiums recorded January 10, 1997 at Reception No. 309994 at Plat Book 1, Pages 2178-2183, Phase Two and Amendment to Condominium Map for the Livery Condominiums recorded October 8, 1998 at Reception No. 321646 (5 pages), and the First Amendment to the Condominium Map for the Livery Condominiums, recorded September 15, 1999 at Reception No. 329201 (1 page), and Livery Condominiums (collectively the "**Map**").

WHEREAS, pursuant to section 13.06 of the Declaration, Unit Owners representing 67% or more of the total votes outstanding of all Condominium Units voted to approve the amendments set forth in this First Amendment to Declaration of Livery Condominiums set forth below ("**First Amendment**").

WHEREAS, No Eligible Holders of first lien security interests are registered with the Association pursuant to Section 12.01 of the Declaration. Accordingly, Eligible Holder approval is not required for this First Amendment pursuant to Declaration Section 12.03.

NOW THEREFOR, the Declaration is amended as follows:

Section 1.02(a) of the Declaration shall be deleted in its entirety and replaced with the following language:

1.02 (a) Commercial Unit means any one of the Units designated now or hereafter as Commercial on the Condominium Map, subject to Declarant's or the successor to the Declarant's right to re-designate the type of use allowed. Commercial Units shall be limited to use as retail stores that do not sell or dispense alcohol, tobacco, marijuana or tobacco and/or marijuana related products, paraphernalia or substances, and use as professional offices. All other uses shall require Board consent, which may be withheld if the Board in its discretion determines that the proposed use is incompatible with other uses in the Livery Condominiums, due to hours of operation, noise and/or other impacts.

Commercial uses must also be permitted under and shall be subject to local, state and federal laws and regulations.

Section 7.01 of the Declaration shall be deleted in its entirety and replaced with the following language:

Section 7.01 Creation of Association Lien and Personal Obligation to Pay Assessments. Each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association all Assessments imposed by the Association. The term “**Assessments**”, whether or not capitalized, shall include all general and special assessments and all fees, charges, late charges, attorney fees, fines and interest and other amounts charged by the Association. Assessments shall also be the personal obligation of the Unit Owner of such Unit at the time when the Assessment or other charges became or fell due. The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against a Unit up to the time of the grant or conveyance, without prejudice to the grantee’s right to recover from the grantor any amounts paid by the grantee therefor. No Unit Owner may become exempt from liability for payment of Assessments by waiver of the use or enjoyment of the Common elements or by abandonment of the Unit against which the Assessments are levied. All Assessments shall be payable in the amounts specified, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Board is not properly exercising its duties and powers under this Declaration.

Assessments shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Assessment is made.

Section 8.01 of the Declaration shall be deleted in its entirety and replaced with the following language:

Section 8.01 Use/Occupancy. No Unit within the Common Interest Community shall be used for any purpose other than as allowed by the Declaration and rules and regulations of the Livery Condominiums and local, state and federal law. No Unit shall be occupied by more persons than the Unit was designed to safely accommodate. For purposes of the foregoing occupancy restriction, each Residential Unit is deemed to have been designed to safely accommodate two (2) persons per bedroom, and up to two (2) additional persons in the Unit. No Unit shall be occupied in any manner at any time prior to substantial completion and issuance of a Town of Telluride Certificate of Occupancy. Residential Units shall not be used for any purpose other than a residential dwelling, home office or a manager’s unit. Commercial and business uses are strictly prohibited in Residential Units.

Section 8.04 of the Declaration shall be deleted in its entirety and replaced with the

following language:

Section 8.04 Restrictions on Animals and Pets. No animals, insects, reptiles, birds or fish (collectively “animals”) of any kind shall be raised, bred or kept in any Unit for commercial purposes. Up to two (2) animals may be kept in any Unit at any one time. Other customary household pets may be kept in Units. Qualified service animals shall not be prohibited in violation of state or federal law. All animals in the Community are subject to the rules and regulations adopted by the Board, including, but not limited to rules and regulations related to tenants’ pets.

Section 8.11 of the Declaration shall be deleted in its entirety and replaced with the following language:

Section 8.11 Restriction on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere visible outside of a Unit except as may be approved in writing by the Design Review Committee or except: (a) signs and displays related to merchandise sold in a Commercial Unit; (b) business signs approved by HARC; (c) political signs no larger than 36 by 48 inches are permitted within the windows of a Unit only from 45 days before to 7 days after the applicable election-day; (d) one sign advertising a Unit for sale or for lease may be placed upon a Unit. All permitted signs, posters, advertising devices and displays shall comply with local sign codes and with all other applicable statues, ordinances and regulations.

ARTICLE 10, ARCHITECTURAL APPROVAL/DESIGN REVIEW shall be deleted in its entirety and replaced with the following language:

ARTICLE 10

ARCHITECTURAL APPROVAL/DESIGN REVIEW

Section 10.01 Establishment of the Design Review Committee. The Design Review Committee (the “DRC”) shall consist of three (3) members appointed by the Board and each appointee shall either be a Unit Owner, or an architect or architectural designer. If the DRC is not or cannot be appointed, the Board shall serve as the DRC. The Board may, for cause, remove any appointee at any time upon written notice to such appointee.

Section 10.02 Alterations. All improvements (even including, but not limited to, interior work that does not require a Town building permit such as repainting, carpeting, refinishing, and/or remodeling and all plumbing, heating or electrical work (except in the event of an emergency) shall require written notice to the DRC and compliance with construction impact mitigation and other rules adopted by the Association. Written notice to the DRC shall be on the form provided by the Association upon the Owner’s request. In addition to the notice described above, those improvements or changes to a Unit which affect its structure or other Common Elements, and all improvements or changes to the Common Elements (collectively “**Alterations**”), shall also require written

approval of the DRC. Improvements which are not within the definition of Alterations (i.e., do not alter or affect the structure or other Common Elements, and do not otherwise alter the Common Elements) shall not require approval of the DRC. The Board may adopt design guidelines for Alterations as part of its rules and regulations.

Section 10.03 Application for Approval. Unit Owners shall apply to the DRC for approval of Alterations as follows:

(a) The applicant and their application shall include plans and specifications identifying and describing the proposed Alterations in sufficient detail, a description of construction timelines and mitigation efforts and such other information reasonably requested by the DRC, including but not limited to engineer certified plans and specifications.

(b) The applicant shall not be required to pay an application fee. However, the applicant shall pay all costs, including but not limited to design, construction, engineering, surveying and legal fees incurred by the Association for the DRC to review and respond to the application and prepare construction compliance agreements.

Section 10.04 Action by DRC. An application may be approved, denied or approved with conditions. The DRC may not unreasonably delay or act arbitrarily or capriciously on any application for Alterations. DRC decisions shall be conclusive and binding on all interested parties. Approval shall be based upon, but not limited to, preservation of the Livery Condominiums' aesthetics, conformity and harmony of exterior appearance, the effect of the Alterations on the Livery Condominiums' structural integrity, security, soundness, ingress, egress and mechanical systems, and impact on the Livery Condominiums' occupants and neighbors. If the DRC does not respond in writing (either requiring additional information, approving, denying or approving with conditions) within 30 days of receipt of a complete application, the application shall be deemed approved. The DRC shall respond to written questions of the applicant pertaining to the applicant's pending application within 10 days.

SECTION 10.05 LIABILITY. THE ASSOCIATION, THE DRC AND ITS INDIVIDUAL MEMBERS AGENTS, REPRESENTATIVES AND CONSULTANTS, SHALL NOT BE LIABLE FOR ANY ACTION OR INACTION RELATED TO APPROVAL OR DENIAL OF AN APPLICATION FOR ALTERATIONS.

Section 10.06 Enforcement of Article X. If a Unit Owner violates any term or condition of the DRC or this Article X, the Association shall have the following rights and remedies, if the violation is not cured after providing the Owner with written notice specifying the violation and necessary corrections and a reasonable time period to make the correction:

(a) The Board may revoke its approval by written notice to the Unit Owner, in which case the Unit Owner shall immediately cease construction or other completion of the subject Alterations.

- (b) The Board, or its representative, may, but is not obligated to cure the violation, and in doing so enter the Unit Owner's Unit, at the Owner's sole cost and expense.
- (c) The Association may sue to enjoin such violation and exercise all other rights and remedies available under the Act and the governing documents for the Livery Condominiums.

Section 10.07 Mechanics Liens. Unit Owners shall not permit mechanics' liens to be recorded against any part of the Common elements. Each Unit Owner shall indemnify and hold harmless the other Unit Owners and the Association against mechanics' liens recorded in violation of this section, including but not limited to all damages, settlements, judgments, accounting costs, expert witness costs and attorney fees. In the event that a mechanics lien is recorded, then the indemnifying Unit Owners shall promptly settle or bond over the mechanic's lien.

Section 13.05, Amendment of Declaration by Declarant, shall be deleted in its entirety.

Section 13.08, Required Consent of Declarant to Amendment, shall be deleted in its entirety.

Unless otherwise defined herein, initially capitalized terms defined in the Declaration shall have the same meaning in this First Amendment.

To the extent that any provisions of this First Amendment are inconsistent with the Declaration, the terms and conditions of this First Amendment shall supersede and take precedence over any such part, or parts, of the Declaration.

Except as specifically amended by this First Amendment or other amendments or supplements to the Declaration, all other terms and conditions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment was executed the 19th day of February, 2016.

[SIGNATURE APPEARS ON FOLLOWING PAGE]

THE TELLURIDE LIVERY CONDOMINIUM ASSOCIATION, INC.

By: *Richard Oursler*
Richard Oursler, President

STATE OF COLORADO)
COUNTY OF SAN MIGUEL COUNTY)

The foregoing FIRST AMENDMENT TO DECLARATION OF THE LIVERY CONDOMINIUMS was acknowledged before me by Richard Oursler, as President of The Telluride Livery Condominium Association, Inc. on the 29th day of February, 2016

Witness my hand and official seal.

My commission expires: April 12, 2016

Nicole Y. Pieterse
Notary Public

NICOLE Y. PIETERSE
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 04/12/16