

Recorded at 12³³ o'clock p.M. JUL 20 1981
Reception No. 317126 MILDRED ALSDORF, RECORDER

BOOK 577 PAGE 58

INTRODUCTION

DECLARATION

ARTICLES OF INCORPORATION

BYLAWS

CONESTOGA CONDOMINIUMS

BONANZA DEVELOPMENT, LTD.

Town of Carbondale

County of Garfield

State of Colorado

CONESTOGA CONDOMINIUMS DOCUMENTS

TABLE OF CONTENTSPAGEINTRODUCTION

i

CONDOMINIUM DECLARATIONARTICLEDESCRIPTION

	Recitals	1
II	Condominium Units	1
III	Condemnation	3
IV	Condominium Unit Owner's Rights, Easements and Obligations	4
V	Common Expense Assessments by Association	6
VI	Association	8
VII	Rights and Obligations of the Association	10
VIII	Destruction, Damages or Obsolescence	12
IX	Restrictive Covenants and Obligations	15
X	Miscellaneous	16

EXHIBITS

A

TO BE ADDED LATER

ARTICLES OF INCORPORATIONARTICLEDESCRIPTION

I	Name	20
II	Period of Duration	20
III	Purposes and Powers	20
IV	Restrictions on Use of Net Profits	21
V	Membership	21
VI	Amendments to Articles	22
VII	Bylaws and Amendments Thereto	22
VIII	Transactions with Officers and Directors	23
IX	Registered Office and Agent	23
X	Initial Board of Directors	23
XI	Incorporators	24

BYLAWSARTICLEDESCRIPTION

I	Offices	25
II	Members	25
III	Meetings of Members	25
IV	Board of Directors	26
V	Officers	29
VI	Committees	30
VII	Contracts, Checks, Deposits and Funds	31
VIII	Books, Records and Account Statements	31
IX	Indemnification of Officers and Directors	31
X	Fiscal Year	32
XI	Seal	32
XII	Waiver of Notice	32
XIII	Amendment to Bylaws and Articles	32

INTRODUCTION

Condominium documents are, of necessity, lengthy and written in a technical manner. The reason is that these documents must set forth the details of how the condominium owners will govern themselves and what their rights are with respect to each other.

The purpose of this INTRODUCTION is to give you a brief description of what function each of the accompanying documents serves. Reading this is not a substitute for reading the accompanying documents.

Condominium Declaration. The condominium form of ownership is made possible by statute in Colorado. The statute requires the owner to declare condominium ownership applicable and to describe the units subject to such ownership. It sets forth each owner's rights to use common elements, limits certain common elements to use by less than all of the owners and creates rights of access to an owner's unit for the maintenance or emergency repair of the common elements inside the owner's unit such as floors, walls, ceilings, attics and utilities. It appoints an association to exercise the owners' collective rights and to manage the project. It covers such things as insurance programs, what happens in the event of damage or destruction to the common elements, and obsolescence. It establishes restrictions upon the use of the common elements and units.

Regarding the Association, the Condominium Declaration dictates that there will be an association for the units and that its responsibilities are the day-to-day maintenance management and related budgeting. The Association does the budgeting and establishes the monthly maintenance fee assessment that the owners must pay. The Association covers all of the Lot 1 condominiums. It also provides for the non-maintenance government of the project and for certain unusual situations. The Association permits the whole project to be treated as one for such matters as architectural control, enforcement of easements and restrictive covenants, rebuilding after destruction, capital improvements, and the making of rules for use of the common areas.

Articles of Incorporation. When filed with the Colorado Secretary of State, the Articles establish the association of owners as a not-for-profit corporation.

Bylaws. The Bylaws are the rules for the government of the Association. They establish such things as when meetings are to be held, how many directors are elected, what their terms of office are, etc.

CONDOMINIUM DECLARATION
FOR CONESTOGA CONDOMINIUMS

RECITALS

1. The undersigned Bonanza Development, Ltd., a Colorado general partnership organized under the laws of the State of Colorado (hereinafter referred to as "Declarant"), is the owner of the following described real property situate in the County of Garfield, State of Colorado:

Block 3, Filing I, Roaring For Village PUD, Town of
Carbondale, County of Garfield, State of Colorado.

1.7 "Condominium project" or "project" means all of the land and improvements subsequently submitted, if any, as provided hereinafter.

1.8 "Common expenses" means and includes (i) expenses of administration, operation and management, repair and maintenance of the common elements; (ii) expenses declared common expenses by the provisions of this Declaration or the Bylaws of the Association; (iii) all sums lawfully assessed against the common elements by the Board of Directors of the Association; (iv) expenses agreed upon as common expenses by the unit owner; (v) reserves for maintenance, repairs and replacement of the common elements which must be replaced periodically and utilization of such reserves; and (vi) costs of insurance.

1.9 "Association" means the Association formed as a Colorado not-for-profit corporation bearing the name "Conestoga Condominium Homeowner's Association, Inc.", the Articles of Incorporation and Bylaws of which shall govern the matters described in this Declaration concerning all of the real property which is or shall become subject to this Declaration.

1.10 "Declaration" means this Declaration as amended and supplements hereto, if any.

1.11 "Map" or "Condominium Map" means and includes the engineering survey described in Section 2.2.

ARTICLE II

Condominium Units

2.1 Divisions of Property Into Condominium Units. The real property described above, including the improvements thereon, is hereby divided into twenty-four (24) fee simple estates (i.e., condominium units). Each such estate shall consist of a separately designated unit and the undivided interest in and to the common elements appurtenant to such unit, all as set forth in Exhibit "A", attached hereto and incorporated herein by reference.

2.2 Condominium Map. The Map may be filed for record in whole or in parts, sections or supplements, as construction of the units and other improvements are substantially completed. Each section of the Map filed subsequent to the first or initially filed Map shall be termed a supplement to such Map and the numerical sequence of such supplements shall be shown thereon. The Map (or any part or section thereof) depicting units shall not be filed for record until the building in which the units are located has been substantially completed in order to permit the location thereof, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements and the building symbol. The Map shall contain the certificate of a registered professional engineer or licensed architect, or licensed land surveyor certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the units, the unit designations, building symbols and the elevations of the unfinished floors. In interpreting the Map, the existing physical boundaries of each separate unit and any of the limited common elements as constructed shall be conclusively presumed to be its boundaries. Each such Map shall be filed of record prior to the conveyance of the condominium units shown thereon.

2.3 Description of Condominium Units.

2.3.1 Every contract for the sale of a condominium unit written prior to the filing for record of the Map or Declaration may legally describe a condominium unit by its identifying unit designation followed by the name of this condominium. The location of such condominium unit shall be depicted on the Map subsequently filed for record.

2.3.2 Subsequent to the recording of this Declaration and the Map, every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit in the following manner:

DESCRIPTION

Condominium Unit _____, CONESTOGA CONDOMINIUMS, according to the Final Plat - Condominium Map thereof filed for record with the Clerk and Recorder of Garfield County on _____, 1981, Reception No. _____ as described in the Condominium Declaration recorded on _____, 1981 at Reception No. _____, Book _____, Page _____.

2.3.3 Every such description shall be good and otherwise sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also the common elements appurtenant thereto. Each such description shall be construed to include a perpetual nonexclusive easement for ingress and egress across the general common elements to and from an owner's unit or to and from the limited common elements which are accessible from and adjacent to the owner's unit. Each such description shall also be construed to include the perpetual use of the limited common elements appurtenant or assigned to his unit either (1) exclusively if the Map does not indicate other owner entitled to use, or (2) in conjunction with other units' owner as indicated on the Map.

2.3.4 The reference to the Map and Declaration in any instrument shall be deemed to include any supplements to the Map or Declaration without specific reference thereto.

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

2.5 Separate Assessment and Taxation of Condominium Units - Notice to Assessor. Declarant shall give written notice to the County Assessor of the creation of condominium real property ownership interests in this property, as is provided by law, so that each unit and the undivided interest in the common elements appurtenant thereto shall be deemed a parcel and subject to separate assessments and taxation.

2.6 Non-Partitionable Interests. The common elements shall be owned in common by all of the owner of the units and shall remain undivided, and no owner shall bring any action for partition or division of the common elements. Nor shall any owner bring any action for partition or division of any condominium unit.

2.7 Easement for Encroachments. If any portion of the common elements encroaches upon a unit or units, or if any portion of a unit encroaches upon the 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. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements or on the units for purposes of marketability of title or other purposes. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of a building, by error in the Condominium Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the project or any part thereof.

2.8 Termination of Mechanic's Lien Rights and Indemnification. No labor performed or materials furnished and incorporated in a unit with the consent or at the request of the unit owner, his agent, his contractor, or subcontractor shall be the basis for filing of a lien against the common elements or against the unit of any other unit owner who did not expressly consent to or request the services or materials. Each owner shall indemnify and hold harmless each of the other owner from and against all liability arising from the claim of any lien against the unit of any other owner or

against the common elements for construction performed or for labor, materials, services or other products incorporated in an owner's unit at such owner's consent or request.

2.9 Right to Combine Units. Declarant and the unit owner shall have, with the consent of the Association, the right to (i) physically combine the space within one unit with the space within one or more adjoining units or (ii) to combine a part or combination of parts of the space within one unit with part or parts of the space within one or more adjoining units. Any such physical changes to units shall be reflected by an amendment to these Condominium Declarations and the Map, which amendments shall set forth the reapportioned undivided interests of the affected units, provided, however, that no such physical changes shall be made without the written consent of the mortgagee(s) of the affected unit(s); and provided, further, that the cost and expense incurred for legal, architectural or engineering fees relative to preparation of such amendment shall be borne by that person requesting such physical change to the unit(s). This reserved right indeclarant shall terminate upon the conveyance of 80% of the condominium units within the project to third party purchasers or on September 30, 1983, whichever event first occurs.

ARTICLE III

Condemnation

If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the condominium project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions of this article shall apply:

3.1 Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award" shall be payable to the Association.

3.2 Complete Taking.

3.2.1 In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the owner on the same basis of each condominium unit owner's interest in the common elements, provided however, that if a standard different from the value of the property as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

3.2.2 On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Article VIII, Subparagraph (a) 1 through 6 of Section 8.2.2.

3.3 Partial Taking. In the event that less than the entire condominium project is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: as soon as practicable the Association shall reasonably and in good faith, allocate the Condemnation Award between compensation, damages and other proceeds and shall apportion the amounts so allocated among the owner as follows: (i) the total amount allocated to taking of or injury to the common elements shall be apportioned among the owner on the basis of each owner's interest respectively in the common elements; (ii) the total amount allocated to severance damages shall be apportioned to those condominium units which were not taken or condemned; (iii) the respective amounts allocated to the taking of or damage to a particular unit and to the improvements an owner has made within his own unit shall be apportioned to the particular unit involved; and (iv) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances or as determined by judicial decree. If the allocation of the

Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Article VIII, Subparagraph (a) 1 through 6 of Section 8.2.2.

3.4 Notification of Mortgagees. The Association shall timely notify each first mortgagee of any condominium unit of the commencement of the condemnation proceedings or eminent domain proceedings and shall notify said mortgagees in the event of the taking of all or any part of the common elements, if the value of the common elements taken exceeds \$10,000.00.

3.5 Reorganization. In the event a partial taking results in the taking of a complete unit, the owner thereof automatically shall cease to be a member of the Association, shall cease to hold any right, title or interest in the remaining common elements and shall execute any and all documents necessary to accomplish the same. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratio in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the owner and to the first mortgagees of all remaining units for amendment of this Declaration as provided in Article X, Section 10.2.

ARTICLE IV

Condominium Unit Owner's Rights, Easements and Obligations

4.1 Owner's Rights in General Common Elements. Subject to the other provisions of this Declaration, each owner shall have a nonexclusive right to use and enjoy the general common elements, consistent with the rights of use and enjoyment of other owner.

4.2 Owner's Right in Limited Common Elements. Subject to the other provisions of this Declaration an owner of a condominium unit shall have the exclusive right to use a common element which is designated as "limited", including two parking spaces assigned to each owner's unit by the Map, or which is accessible from, associated with and which adjoins the owner's unit and the use of which is not expanded by the Map designation to include more than the owner's unit. More than one, but not all, owner may have the right to use a limited common element which the Map indicates is appurtenant to such owner's units. The right of an owner or of several owner to use a limited common element shall be to the exclusion of the other owner of the common elements, except by invitation.

4.3 Owner's Rights in Unit. Subject to the other provisions of this Declaration, each owner shall have full and complete dominion of his unit, and each owner shall have exclusive right to use and enjoy the same.

4.4 Owner's Maintenance Responsibility for His Unit.

4.4.1 For maintenance purposes, an owner shall be obligated to keep in good repair and condition the interior walls; and the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the subflooring) which make up the finished surfaces of the perimeter and interior walls, ceilings and floors within his unit, including all doors and windows. Carpets are not common elements, but instead are a part of the unit. Replacement of carpets shall be at the separate expense of the owner. The lines, pipes, wires, conduits or systems (which are hereafter referred to as "utilities") running through his unit which serve one or more other units are general common elements. Such utilities shall not be disturbed or relocated by an owner without the written consent and approval of the Association. An owner's right to repair, alter and remodel the interior of his unit shall be coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials of at least the same quality.

4.4.2 An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. An owner shall maintain and keep in repair heating equipment which supplies by reason of its installation, cool or hot air to the owner's unit exclusively. All other fixtures and equipment

installed within the unit commencing at a point where the utilities enter the unit shall be maintained and kept in good repair and condition by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. An owner shall always keep the limited common elements adjoining or appurtenant to his unit in a clean and sanitary condition, free from debris and hazards. Inoperable motor vehicles shall not be stored upon any limited common element.

4.4.3 The Association shall be responsible for removal of snow from the parking spaces in limited common elements, provided the parking spaces are unobstructed.

4.4.4 The owner of each unit shall have the obligation to landscape that portion of the limited common element which is described as yard area (see Condominium Map). Each owner shall be responsible for maintaining such limited common area and keeping such area free of weeds and shall keep any grass or other plants properly mowed or trimmed. Such landscaping shall be within the control and discretion of the owner of the unit. However, all such landscaping shall be done so as to not be obnoxious or offensive to other owners and the Association.

4.5 Access to Units for Maintenance, Repair and Emergencies

4.5.1 The owner shall have the irrevocable right, to be exercised by the Association, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom; provided, however, that such right of access shall be immediate for making emergency repairs therein in order to prevent damage to the common elements or to another unit.

4.5.2 Damage to the interior or any part of a unit resulting from the maintenance, repair, emergency repair or replacement of any of the common elements or as a result of emergency repairs within another unit shall be a common expense of all of the owner, provided, however, that if such damage is caused by negligent or tortious act of a unit owner, members of his family, his agent, employee, invitee, licensee or tenant, then such unit owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored substantially to the same condition in which they existed prior to the damage. All maintenance, repairs and replacements of the common elements, whether located inside or outside of units (unless necessitated by the negligence, misuse or tortious act 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 owner.

4.6 Owner's Easement for Access, Support and Utilities. Each owner shall have a nonexclusive easement in and over general common elements, including those that are within the unit of another owner, for horizontal and lateral support of the unit which is part of his condominium unit and for utility service to that unit, including water, sewer, gas, electricity, telephone and television service.

4.7 Easements Deemed Appurtenant. The easements and rights herein created for an owner shall be appurtenant to the condominium unit of that owner and any transfer, assignment, sublease, mortgage or deed of trust and other instruments affecting the title to a condominium unit shall be deemed to grant and reserve the easements and rights as are provided for herein, even though no specific reference to such easements appear in any such instrument.

4.8 Owner's Compliance with Declaration and Other Governing Instruments. Each owner shall comply with the provisions of this Declaration the Articles of Incorporation and Bylaws of the Association, and the rules and regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully adopted and amended from time to time.

Failure to comply with any of the same shall be ground for an action to recover sums due for damages or injunctive relief, or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Association on behalf of the owner or, in a proper case, by an aggrieved owner.

ARTICLE V

Common Expense Assessments by Association

5.1 Budget Determination and Assessments. The total amounts required to be raised for the payment of the common expenses shall be determined for each fiscal year by the Association's Board of Directors. The assessment shall be determined at least two months in advance of the beginning of the fiscal year to which it applies.

To determine the total amounts required to be raised, the Board of Directors shall prepare the budget for the fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated costs and expenses which shall be payable, and any estimated income and other funds which will be received, and the estimated total amounts required to be raised by assessments to cover costs and expenses and to provide reasonable reserves for the periodic repair and landscaping, maintenance and replacement of common elements. The Board of Directors shall furnish a copy of the budget to the owner.

The total amounts required to be raised by assessments for any fiscal year shall be those amounts necessary to cover the costs and expenses of fulfilling the obligations of the Association made in connection with or contemplated under any previously approved budget. The total amounts required to be raised by assessments for any fiscal period less than a full fiscal year shall be determined as above and multiplied by a fraction, the numerator of which is the number of days in the fiscal period and the denominator of which is the number of days in that fiscal year. Any deficits, occurring or anticipated, shall be the subject of an amendment of the annual assessment and will result in an increased payment or payments as specified by the Board of Directors.

Except as emergencies may require, the Association shall make no commitments or expenditures in excess of the funds reasonably expected to be available to it.

The total amount to be assessed by the Association shall be allocated among the condominium units on the basis of the relationship of each owner's interests as set forth on Exhibit "A". However, no assessment shall be allocated to units which Declarant owns until the period that begins on the first day of the second month following the month of the issuance of a certificate of occupancy by the appropriate governmental authority and no payment shall be required of Declarant until such day.

In addition to the assessments authorized above, the Association may at any time and from time to time, determine, levy and assess in any assessment year, which determination, levy and assessment may be made by the Association's Board of Directors with or without vote of the members of the Association, a special assessment not to exceed Five Thousand Dollars (\$5,000.00) in the aggregate for all condominium units, applicable to that particular assessment year for the purpose of defraying, in whole or in part, the unbudgeted costs, payments for any deficit remaining from a previous period, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of the common elements, the project, or any facilities located thereon, specifically including any fixtures and personal property related thereto. The amounts determined, levied and assessed pursuant hereto shall be assessed to each owner in accordance with his "Percentage of Responsibility" set forth in Exhibit "A" attached hereto; and shall be due and payable as set forth in the Notice of Assessment promulgated by the Association's Board of Directors.

5.2 Time for Payment. One-twelfth of each owner's annual assessment shall be due on the first day of the fiscal year and on the first day of each month thereafter. A monthly assessment installment shall be considered past due on the sixteenth day of the month for which it is due. A late charge of ten percent (10%) of the past due payment shall then be charged to the owner. In the event a monthly assessment installment has not been received by the Association by the end of the month for which it is due, interest shall accrue

on such amount from the first day of such month at the rate of eighteen percent (18%) per annum.

5.3 Assessment Reserves. Each owner except the Declarant shall be required to deposit and to maintain with the Association four times the amount of the current monthly common assessment plus an amount equal to the owner's allocable share (calculated according to the owner's undivided interest in the common elements) of the Association's current hazard insurance premium, without interest, which sum shall be used by the Board of Directors for the payment of common expenses, for purchase of equipment and supplies and for working capital. Such advance payment shall not relieve an owner from making the regular monthly payments of the monthly common assessment as the same come due, nor from the penalties and interest for failure to make the regular monthly payments. Upon the sale or other disposition of a condominium unit, the assessment reserves shall be transferred on the Association's records to the transferee. No refund of the assessment reserve shall be made to the transferor in such circumstances, instead, the transferor shall be entitled to charge the transferee for the amount of the assessment reserve.

5.4 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. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid for more than 30 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 all expenses of collection, including reasonable attorney's fees. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing the lien, nor shall such suit be or construed to be a waiver of the lien.

5.5 Association Lien for Nonpayment of Common Expenses.

5.5.1 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 assessments liens on the condominium 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 encumbrances. To evidence such lien, a written notice of lien assessment shall be prepared setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charge thereon, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice of lien shall be signed by one of the directors or by one of the officers of the Association, or by a managing agent, if any, and shall be recorded in the office of the County Clerk and Recorder. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, shall have been fully paid.

5.5.2 Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice of claim thereof. In such proceedings, the owner shall be required to pay the costs, expense and attorney's fees incurred for filing the lien, and in the event of foreclosure proceedings, all additional costs, all expenses and reasonable attorney's fees. The owner of the condominium unit being foreclosed shall be required to pay to the Association the monthly common assessment for the condominium unit being foreclosed for the condominium unit during the period of foreclosure, and the Association shall be entitled to a receiver during the foreclosure. The Association shall have the power to bid on 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.

5.5.3 Any mortgagee holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common assessments payable with respect to such unit, and upon such payment, such encumbrancer shall have a lien on such unit for the amount paid of the same rank as the lien of his mortgage or encumbrance without the necessity of having to record a notice or claim of such lien. Upon request of a mortgagee, the Association shall report to the mortgagee of a condominium unit any unpaid common assessment or other charges remaining unpaid for longer than sixty days after the same is due, provided, however, that a mortgagee shall have furnished to the managing agent or to the Board of Directors notice of such encumbrance.

5.5.4 The recorded lien may be released by recording a Release of Lien to be signed by an officer or a director of the Association.

5.6 Priorities of Association. The owner of a condominium unit may create a junior mortgage (junior to the lien, deed of trust or other encumbrances of the first mortgagee), lien or encumbrances on his condominium unit; provided, however, that any such junior mortgages, liens or encumbrances shall always be subordinate to the prior and paramount lien of the Association for common expenses and all of the terms, conditions, covenants, restrictions, uses, limitations and obligations under this Declaration, Articles of Incorporation and Bylaws and provided, further, that such junior encumbrancer(s) shall release, for purposes of restoration of any improvements upon the encumbered condominium unit, all of his rights, title and interest in and to the proceeds under all insurance policies upon said premises by the Association, and if such request is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee.

5.7 Ascertainability of Unpaid Common Expenses. Upon ten days' written request for a statement of account by an owner or his agent, any prospective mortgagee or prospective grantee of a condominium unit, the Association shall furnish a written statement of the amount of any unpaid common expenses, the amount for any advanced payments made, prepaid items such as insurance premiums and reserves therefor, deficiencies in reserve accounts, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request shall be complied with within ten days after receipt of such written request, all unpaid common expenses which become due prior to the date of such request shall be subordinate to the rights of the person requesting such statement. A reasonable service fee in an amount necessary to reimburse the Association for its expense, as determined from time to time by the Board of Directors, shall be paid for furnishing the statement of account.

5.8 Omissions Do Not Constitute Waiver. The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the owner from their obligation to pay the same.

5.9 Accrued Assessments Following Foreclosure. Any first mortgagee who acquires title to a condominium unit by foreclosure or by a deed in lieu of foreclosure shall not be liable for the unpaid assessment for such unit which accrued prior to such mortgagee's acquisition of title.

ARTICLE VI

Association

6.1 Regular Membership. There shall be one membership in the Association for each condominium unit, which membership shall be appurtenant to each condominium unit. The owner of a condominium unit shall automatically be the owner of the membership appurtenant to that condominium unit, and title to and ownership of the membership for that condominium unit, and shall automatically be entitled to the benefits and subject to the burdens relating to the membership for his condominium unit. If the interest in a condominium unit is held by more than one person or entity, the membership appurtenant to that condominium unit shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership as the interest to the condominium unit is held.

6.2 Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate any portion of its authority to any executive committee, or to an executive manager or director. One-third of the members of the Board of Directors shall be elected annually by the owner. There shall be not less than three nor more than six members of the Board of Directors, divided into three classes and serving staggered terms. Until the first annual meeting of members of this Association, non-owner may serve as directors. Thereafter, all directors shall be owner of condominium units.

6.3 Voting of Owners. Except as hereinbelow set forth to the contrary, the owner of a unit shall be entitled to cast one vote on all matters to be voted upon by the members. If multiple parties own a unit, they shall be entitled to one vote, collectively, on all matters to be voted upon by the members, subject to any provision of the Articles of Incorporation or Bylaws regarding the inability of multiple owner to agree upon their vote. Voting by proxy shall be permitted.

6.3.1 Classes of Membership. There shall be two classes of membership:

Class A. All the owner as defined herein with the exception of the Declarant.

Class B. The Declarant.

6.3.2 Class A Members - Voting. Those Class A members holding an interest in any one unit shall collectively be entitled to one vote for said unit.

6.3.3 Class B Members. The Class B member shall be entitled to three votes for each unit in which it holds the interest required for membership, provided that the Class B membership shall cease and become converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On December 31, 1984.

6.4 Notices. Except as a greater period is specified in this Declaration, each owner shall be entitled to at least fifteen (15) days' notice of any meeting at which such owner has the right to vote. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Any notice shall be deemed given and any information or material shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the mail or at a telegraph office, postage or charges prepaid, addressed to the party, and in any event, when such party actually receives such notice, information or material. Any notice, information or material shall be deemed properly addressed to an owner if it is addressed to the name and address shown on the Association's registered address form to be completed by such owner and furnished to the Association or, if a name and address is not so furnished, if it is addressed "To the Owner" at the address of the condominium unit of such owner.

6.5 Record Date. The Board of Directors of the Association shall have the power to fix in advance a date as a record date for the purpose of determining owner entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or material or other purpose and for any supplementary notice, or information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall be not more than fifty (50) days prior to the date on which the particular action requiring determination of owner is proposed or expected to be taken or to occur. If no record date is established for a meeting, the date on which the notice of such meeting is first given to any owner shall be deemed the record date for the meeting.

6.6 Quorums. Thirty-two percent (32%) of the voters entitled to vote on any matter, present in person or by proxy, at a meeting to consider a matter, or actually voting on the matter, shall constitute a quorum for consideration of that matter. If a quorum is established for consideration of a matter, except as a greater percentage of votes is required under a specific provision of this Declaration, a majority of the votes cast on the matter or, in the case of elections in which there are more than two candidates, a plurality of votes cast, shall decide the matter.

6.7 Articles of Incorporation and Bylaws. The purposes and powers of the Association and the rights and obligations with respect to owner or memberships set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws of the Association, including any reasonable provisions with respect to corporate matters, but no such provisions shall be, at any time, inconsistent with any provision of this Declaration.

ARTICLE VII

Rights and Obligations of the Association

7.1 The Association as Attorney-in-Fact for Owners. The Association is hereby irrevocably appointed attorney-in-fact for the owner of all condominium units. On behalf of the condominium owner, the Association shall manage, control and deal with the interests of each owner so that the Association may fulfill all of its duties and obligations under this Declaration and exercise all of the rights established for it by this Declaration. Subject to the limitation set forth in Section 7.2, the Association shall decide upon and make all capital improvements to the condominiums and assess the condominium owner therefor, enforce payment of assessments, deal with the condominium project in the event of its damage, destruction or obsolescence, make assessments for replacement in such cases, and deal with insurance proceeds. It shall enforce payment of its assessments. It shall acquire property, enforce rights of access and use, exercise or waive rights of first refusal, enforce restrictive covenants, and, in general, perform all duties and exercise all rights created expressly, impliedly or by operation of law, by this Declaration and its Articles of Incorporation. The acceptance by any person or entity of any interest in any condominium unit shall constitute an appointment of the Association as an attorney-in-fact as provided above.

7.2 Capital Improvements. The Association shall be responsible for making all necessary or desirable alterations, additions, betterments or improvements to or on the general common elements. In the first year commencing on the date of this Declaration, there shall be no additions, alterations or improvements of or to the common elements by the Association which would increase the total assessments to each owner by more than One Hundred Fifty Dollars (\$150.00) without prior approval of a majority of the owner. In subsequent years, there shall be no additions, alterations or improvements of or to the common elements by the Association which would increase the total assessments to each owner by more than One Hundred Fifty Dollars times one plus or minus the fractional change in the Consumer Price Index for February, 1981 to its amount for the February which precedes the date of the proposed addition, alteration, or improvement. Consumer Price Index is defined as the Consumer Price for ALL URBAN CONSUMERS (CPI-U) for all items for DENVER as determined by the United States Department of Labor. Such approval shall be expressed by a vote in favor thereof by the owner of a majority in interest at special or regular meetings of the Association members. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any common element or common personal property.

7.3 Rules and Regulations. The Association may make and enforce reasonable and uniformly applied rules and regulations governing the use of the units and the common elements.

7.4 Common Elements and Expense

7.4.1 Maintenance. The Association shall provide for the care, operation, management, maintenance and repair of the common elements. Without limiting the generality of the foregoing, said obligations shall include the keeping of such common elements in good, clean, attractive and sanitary condition, order and repair, removing snow and any other materials from such common elements which might impair access to the project or to the unit, and keeping the project safe, attractive and desirable. Owners having exclusive use of limited common elements shall not be subject to any special charges or assessments for the repair or maintenance thereof.

7.4.2 Reserves for and Replacement of Certain Common Elements. The Association shall provide for the replacement, maintenance and repairs of common elements which must be replaced periodically. Without limiting the objects of such reserves, examples of common elements requiring periodic replacement are roofing materials, driveways, recreational equipment and exterior paint, stain or other surface protection. The Association shall establish reserves for such purposes.

7.4.3 Utilities. Gas and electrical costs associated with the common elements shall be considered a common expense. Sewer facilities and water used in the common elements shall be common expenses.

7.5 Insurance.

7.5.1 The Association shall obtain and maintain, to the extent obtainable, the following insurance:

(a) Fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire condominium improvements and any other property, the nature of which is a common element (including all of the units, and fixtures therein initially installed by the Declarant; but not including furniture, furnishings or other personal property supplied by or installed by unit owner; together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation, and which 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 such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth in Article VIII.

(b) Public liability insurance for at least \$1,000,000 coverage per occurrence for personal injury and/or property damage or such greater limits as the Association may from time to time determine, covering each member of the Board of Directors of the Association and each unit owner;

(c) Fidelity coverage against dishonest acts on the part of directors, managers, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be in an amount sufficient to provide protection which is in no event less than one and one-half times the Association's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

7.5.2 Such public liability coverage shall also cover cross liability claims of one insured against the other either by specific coverage or by a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a condominium unit owner because of negligent acts of the Association or other unit owner. All policies of public liability insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured and shall provide that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insured, 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 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 owner, which policy or policies shall identify the interest of each condominium unit owner (owner's name and unit number).

7.5.3 Prior to obtaining any policy of fire insurance or renewal thereof, the Association shall obtain an appraisal from a knowledgeable person of the full replacement value of the entire condominium improvements, 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 (of each unit) shall be made annually by a written appraisal to be furnished by a person knowledgeable of replacement cost and each mortgagee shall be furnished with a copy thereof within thirty days after receipt of such written appraisal.

7.5.4 Unit owner 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 Association shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

7.5.5 Insurance coverage on furnishings and other items of personal 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 Association shall have no responsibility therefor.

7.5.6 Insurance policies required by this section shall comply with all requirements imposed from time to time by The Federal Home Loan Mortgage Corporation (FHLMC) for its purchase of mortgages on condominium units in the project. The Association shall cooperate with first mortgagees and FHLMC to assure insurance coverage satisfactory to FHLMC.

7.5.7 Premiums for the insurance coverage described in this section shall be common expenses.

7.6 Management Agreement; Record Notice of Managing Agent. Any agreement for the professional management of the condominium project may not be for a term in excess of three (3) years. Any such agreement must provide for termination by either party, without cause and without payment of a termination fee on ninety (90) days or less prior written notice. The Association shall cause to be recorded a statement identifying and setting forth the name and location of any managing agent or its name and address. Such recorded statement shall be conclusive evidence thereof in favor of any person relying thereon in good faith regardless of time elapsed since date thereof. The first such recorded statement, if any, shall be recorded on or before ninety (90) days after recording this Declaration. The fees of the professional manager shall be common expenses.

7.7 Association Right to Acquire Additional Property. The Association may acquire and hold for the benefit of all of the condominium unit owner, 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 owner in the same proportions as their respective interests in the common elements, and such interest therein shall not be transferable except with a conveyance of a condominium unit. The cost of acquiring personal property shall be a common expense.

ARTICLE VIII

Destruction, Damages or Obsolescence

8.1 Association as Attorney-in-Fact. This Declaration does make mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction or damage, for its repair and reconstruction or its obsolescence and to maintain, repair and improve the condominium units, buildings and common elements. 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 owner 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 or destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary or assistant secretary or its other duly authorized officers or agents, 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 this Article means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and the common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected by the Association shall be available for the purpose of repair, restoration, reconstruction or replacement unless the owner and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

8.2 Restoration of Improvements.

8.2.1 Insurance Proceeds Sufficient. 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 such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvements. Assessments for common expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

8.2.2 Insurance Proceeds Insufficient - Assessment.

(a) If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is not more than sixty percent (60%) of the total replacement cost of all of the condominium units, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the owner and their condominium units. Such deficiency assessment shall be a common expense and made pro-rata according to the replacement cost of each unit as established in the manner provided in Section 10.5. Such assessment 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, replacement or restoration of the improvements using all of the insurance proceeds for each 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 Article V. 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 sold by the Association, as attorney-in-fact, pursuant to the provisions of this section. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the per annum rate of eight percent (8%) in excess of the prime lending rate at the Association's bank on the day the assessment is made on the amount of the assessment, and all reasonable attorney's fees. 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:

1. For payment of taxes and special assessments liens in favor of any assessing entity and the customer expense of sale;
2. For payment of the balance of the lien of any first mortgage;
3. For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;
4. For payment of unpaid special assessments and all costs, expenses and fees incurred by the Association;
5. For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
6. The balance remaining, if any, shall be paid to the condominium owner.

(b) If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements, and if such damage is more than sixty percent (60%) of the total replacement cost of all of the condominium units in this project, not including land, such damage shall be promptly repaired and reconstructed according to the terms as set forth in this article, Section 8.2.2 (a), unless more than two-thirds (2/3) of the owner (members of the Association) and the holders of more than two-thirds (2/3) of the mortgages on condominium units (based upon one vote per mortgage) approve or consent in writing that the entire remaining premises shall be sold by the Association pursuant to the provisions of this section, as attorney-in-fact for all of the owner, free and clear of the provisions contained in this Declaration, the Map, the Association's Articles of Incorporation and the Bylaws, in which event the Association shall forthwith record a notice setting forth such fact or facts. 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 the replacement cost of each unit as established in the manner provided in Section 7.5. 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 against 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 the replacement cost of each unit as established in the manner provided in Section 7.5. The total funds of each account shall be used and disbursed, without contribution from one account to another by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (a) 1 through 6 of this Section 8.2.2.

(c) In the event of such damage or destruction under subparagraph (b) of this paragraph, and if a plan for repair, replacement and reconstruction is adopted as therein provided, then all of the owner shall be bound by the terms and other provisions of such plan. Any special assessments made in connection with such plan shall be made pro rata according to the replacement cost of each unit as established in the manner provided in Section 7.5 and shall be due and payable as provided by the terms of such plan, but not sooner than thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of improvements using all of the insurance proceeds for such purpose notwithstanding the failure of any owner to pay the assessment. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The special 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 Article V. 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 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 sold by the Association. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of eighteen percent (18%) per annum and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (a) 1 through 6 of this Section 8.2.2.

8.2.3 Obsolescence.

(a) More than two-thirds of the owner (members of the Association) may agree that the common elements are obsolete and adopt a plan for the renewal and reconstruction, which plan has the approval of more than two-thirds of the first mortgagees of record (based upon one vote per mortgage) at the time of the adoption of such plans. 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 owner as a special assessment, whether or not they have previously consented to the plan of renewal and reconstruction. 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 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 sold by the Association. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of eighteen percent (18%) per annum on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in this article, subparagraph (a) 1 through 6 of Section 8.2.2.

(b) More than two-thirds of the owner (members of the Association) may agree that the condominium units are obsolete and that the same should be sold. Such plan or agreement must have the approval of more than two-thirds of the first mortgagees (based upon one vote per mortgage). 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 owner, free and clear of the provisions contained in this Declaration, the Map, the Association's Articles of Incorporation and the Bylaws. The sale proceeds shall be apportioned among the owner on the basis of the replacement cost of each unit as established in the manner as provided in Section 7.5 and such apportioned proceeds shall be paid into separate accounts, each such account representing one condominium unit. 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 this article, subparagraph (a) 1 through 6 of Section 8.2.2.

ARTICLE IX

Restrictive Covenants and Obligations

9.1 The property is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use. No buildings or structures shall be moved from other locations onto said premises and no residential buildings other than buildings shown on the Map shall be erected or constructed on the property except by vote of the majority interest of the condominium unit owner. No structures of a temporary character, trailer, basement, tent, shack, barn, or other outbuildings shall be used or permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently.

9.2 Except as may be otherwise limited by ordinance or governmental regulation, units designated two-bedroom units on the Map or Maps may be occupied by not more than five (5) persons. Three-bedroom units may be occupied by not more than seven (7) persons. The same guest shall not occupy a unit for more than thirty consecutive days, and occupancy by such guest may occur not more frequently than once every six months.

9.3 Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant, its agents, employees and contractors to maintain during the period of construction and sale of the condominium units, upon such portion of the property as the Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale or rental of condominium units and interests, including, but without limitation, a business office, storage area, construction yards, signs, model units, sales office, construction office, parking areas and lighting.

9.4 No animals, livestock or poultry of any kind shall be raised, bred or kept on the property except that an owner or owner of a unit may keep a dog, or a cat, or another household pet. The right to keep a household pet shall be coupled with the responsibility to pay for any damage caused by such pet. Every owner of a pet shall maintain strict control over his pet and shall prohibit the pet from making loud, disturbing noises. The owner of a dog shall prohibit barking by his dog. No animal shall be permitted to roam the common elements. No animal shall be chained or caged in a general common or a limited common element. The owner of a pet shall keep the general common elements and limited common elements clean of the animal's fecal deposits.

9.5 No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or reasonably disturb the owner of any condominium unit or any resident thereof. No "For Sale" or "For Rent" signs or other notification that a unit is for sale or for rent shall be affixed to the exterior of any unit, placed on the ground outside any unit or displayed through any window or door of any unit. The Association shall maintain a display board or area for the purpose of displaying "For Sale" or "For Rent" signs and shall regulate its use. Further, no business activities of any kind whatever shall be conducted in any building or on any portion of the property; provided, further, that the foregoing covenants shall not apply to the business activities signs and billboards or the construction and maintenance of buildings and improvements, if any, of the Declarant, its agents, contractors and assigns during the construction and sale or rental period and of the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

9.6 No nuisances shall be allowed on the condominium property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful enjoyment of possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard to exist. No unit owner shall permit any use of his unit or make use of the common elements which will increase the rate of insurance of the condominium property.

9.7 No improper, offensive or unlawful use shall be permitted or made of the condominium property or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

9.8 Utilization of parking spaces not assigned to a unit or the use of which has been licensed by an owner to whom the space was assigned by the Map shall be regulated by the Association in a manner which is fair and equitable to all owner. No parking space, whether assigned or not, shall be used for the storage of infrequently used, demolished or unlicensed motor vehicles, or for boats, trailers, campers, housetrailer or any other object, vehicle or equipment. No owner nor any person residing in a unit shall store any motor vehicle, boat, trailer, camper, housetrailer or other object on any public street adjacent to the condominium project.

9.9 Rules and regulations may be adopted by the Association concerning and governing the use of the general and limited common elements; provided, however, that such rules and regulations shall be furnished to unit owner prior to the time that they become effective and that such rules and regulations shall be uniform and nondiscriminatory.

9.10 Except for those improvements erected or installed by Declarant, no exterior additions, alterations or decorating to any buildings, nor changes in fences, hedges, walls, and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, material, color, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the condominium project by the Board of Governors of the Association or by an architectural committee established by the Board of Directors. The Association may also adopt rules and regulations allowing for exemptions from this prohibition against exterior change in instances which it deems necessary or advisable. No such change or addition shall encroach upon or violate any of the easements, rights-of-way or limitations set forth in paragraph 4 of the RECITALS above.

ARTICLE X

Miscellaneous

10.1 Reservation to Enlarge and Supplement Condominium Project.

10.1.1 Declarant, for itself, its successors and assigns, expressly reserves until December 31, 1987, the right to enlarge this condominium project by submitting additional properties to the Condominium Map for Conestoga Condominiums and improvements thereon. Such additions shall be expressed in and by a duly recorded Supplement to the Map. The reference to the Map and Declaration in any instrument shall be deemed to include any supplements to the Map and Declaration without specific reference thereto.

10.1.2 Such Supplements to this Declaration shall provide for a division of such additionally submitted real property and improvements into condominium units. Each unit shall be separately designated, and each building shall be identified by a symbol designation dissimilar to any other building in the condominium project. The undivided interest in and to the common elements appurtenant to each such unit shall not be a part of the common elements of the condominium units described and initially created by this Declaration and the Map, nor a part of the common elements of subsequently submitted condominium units; provided, however, that all owner of condominium units in the condominium project shall have a nonexclusive right in common with all of the other owner to use the sidewalks, pathways, driveways, recreational facilities and all other common elements within this entire condominium project so designated on the Map and all amendments and supplements thereto.

10.1.3 Except as may be otherwise provided by the provision of such Supplement(s) to this Declaration, all the provisions contained in this Declaration shall be applicable to such additional condominium units submitted to this condominium project.

10.1.4 As additional condominium units are submitted to this condominium project and in order that the common expenses of this condominium project be shared proportionately and equitably by the owner of the initially submitted condominium units and the owner of all subsequently submitted

additional condominium units, the common expenses for each unit within the project shall be determined by multiplying the total amount of funds needed by a fraction of the numerator of which is each unit's Percentage of Responsibility and the denominator of which is the aggregate of all of the Percentages of Responsibility assigned to all condominium units. Further, each condominium unit, regardless of the number of owner, shall be entitled to one (1) vote for all purposes hereunder and shall not change by the enlargement of the condominium project or otherwise.

10.1.5 Each owner shall have the nonexclusive right, together with all other owner, to use all general common elements, open spaces, recreational facilities, grass and landscaping areas and all other areas in the entire project which are not herein specifically dedicated to the use of less than all the owner. This easement shall be irrevocable and shall be for the purposes of egress and ingress, recreational and social use and shall apply to all property hereafter committed to this condominium project.

10.1.6 It is contemplated that additional land will ultimately be committed to this project, but the Declarant, its appointees, successors and assigns, shall have no affirmative obligation to do so. The rights of the Declarant, its appointees, successors and assigns, as described in Section 39 hereof, shall apply to all properties which are added to this project in accordance with these provisions relating to enlargement thereof.

10.2 Duration of Declaration. All provisions contained in this Declaration shall continue and remain in full force and effect until condominium ownership of the project and this Declaration are terminated or revoked as hereinafter provided.

10.3 Revocation or Amendment.

10.3.1 The Declarant may amend or revoke (by recordation of a written instrument setting forth the amendment or revocation) this Declaration at any time prior to the first transfer of a condominium unit to an owner other than Declarant. Once the first transfer of a condominium unit is made and so long as the Declarant is an owner of one or more units, this Declaration shall not be amended or revoked without the written consent of the Declarant, the written consent of eighty percent (80%) of the first mortgagees of condominium units and the written consent of eighty percent (80%) of the owner (members of the Association) of the condominium units. Thereafter, the Declarant's written consent shall not be required but the written consents of mortgagees and owner in the amounts and manner set forth in the preceding sentence shall be required to amend or revoke. The amendment or revocation shall be effective upon recordation of a statement of the amendment or revocation. Such statement shall be complete if it contains a description of the action so taken, a statement of the number of first mortgages outstanding, the number of first mortgagees who voted in writing in favor of such action, the number of first mortgagees who voted in writing against such action, the number of owner who voted in writing in favor of such action, the number of owner who voted against such action, be signed by the president and secretary of the Association and, if required by this section, be consented to in writing by the Declarant on the statement.

10.3.2 Notwithstanding the foregoing, Declarant hereby reserves and is hereby granted the right and power, until such time as all condominium units within the project are conveyed, to record a Special Amendment to this Declaration to amend this Declaration to: (i) comply with the requirements of the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation; and/or (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages or deeds of trust covering condominium units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to a Special Amendment on behalf of each owner and mortgagee. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a condominium unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power of Declarant to make, execute and record Special Amendments.

10.3.3 No Special Amendment made by Declarant shall affect or impair the lien of the first mortgage or deed of trust upon a condominium unit or any warranties made by an owner or first mortgagee in order to induce any of the above agencies or entities to make, purchase, insure, or guarantee the first mortgage or deed of trust on such owner's condominium unit.

10.4 Registration of Mailing Address. Each owner shall register his mailing address with the Association, on such form as required by the Association, and notices or demands intended to be served upon an owner shall be sent by mail, postage prepaid, addressed in the name of the owner at such registered address.

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

10.5.1 Be deemed incorporated in each deed or other instrument by which right, title or interest in the project or in any condominium unit is created, whether or not set forth or referred to in such instrument.

10.5.2 By virtue of acceptance of any right, title or interest in the project or in any condominium unit by an owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such owner, and, as a personal covenant, shall be binding on such owner and such owner's heirs, personal representatives, successors and assigns, and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other owner.

10.5.3 Be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the project and each condominium unit and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the project and each condominium unit.

10.5.4 Be deemed a covenant, obligation and restriction secured by a lien in favor of the Association burdening and encumbering the title to the project and each condominium unit in favor of the Association.

10.6 Enforcement and Remedies. Each provision of this Declaration with respect to an owner or the condominium unit of such owner shall be enforceable by the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages, or, in the discretion of the Association, for so long as any owner fails to comply with any such provisions, by exclusion of such owner and such owner's guests from use of any common elements. If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney's fees.

10.7 Creation of Utility Easements. Until all of the units in the project shall have been completed subject to this Declaration or until September 30, 1983, whichever event first occurs, Declarant reserves to itself, its successors and assigns the right to establish utility easements and other easements consistent with the condominium use or the condominium project. Declarant reserves, thereafter, to the Association the right to establish utility easements and other easements consistent with the condominium use of the condominium project.

10.8 General.

10.8.1 This Declaration shall be binding upon and shall inure to the benefit of Declarant, the Association and each owner, and the heirs, personal representatives, successors and assigns of each of them.

10.8.2 Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

10.8.3 The captions and headings in this instrument are for convenience only and shall not be considered in construing any provision of this Declaration.

10.8.4 Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration.

10.8.5 The Declarant contemplates that the condominium project will not contain any recreational facilities and there shall be no expansion of the condominium project in a manner which would cause an increase in the assessments upon owner.

10.8.6 The provisions of this Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado.

IN WITNESS WHEREOF, declarant has executed this declaration this 29 day of June, 1981.

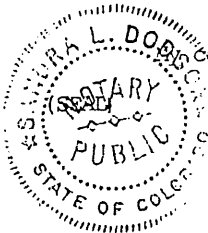
BONANZA DEVELOPMENT, LTD.,
a Colorado general partnership

[Signature]
Authorized Partner

STATE OF COLORADO }
 } ss.
County of Garfield }

The foregoing instrument was acknowledged before me this 29 day
of June, 1981,
by Paul R. Tellez

WITNESS my hand and official seal.



Commission expires: 2/11/83

[Signature]
Notary Public