

**DECLARATION
FOR
THE HOMESTEAD IN GRAND JUNCTION
A CONDOMINIUM**

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Covenants, Conditions, and Restrictions (CC&R's)

Declaration for the Homestead in Grand Junction, A Condominium

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**DECLARATION
FOR
THE HOMESTEAD IN GRAND JUNCTION, A CONDOMINIUM**

This Declaration for The Homestead in Grand Junction, A Condominium (this “Declaration”) is made this 21st day of August, 2000, by Hacienda Partners, LLC, a Colorado limited liability company (“Declarant”).

**ARTICLE I
STATEMENTS OF PURPOSE AND DECLARATION**

Section 1.1 Owner. Declarant is the owner of the property located in the City of Grand Junction, County of Mesa, State of Colorado, described on the attached Exhibit A (the “Property”). Declarant hereby makes the following declarations.

Section 1.2 Purpose. The purpose of this Declaration is to create a planned community of condominiums (the “Project”) which will be known as “The Homestead in Grand Junction”, all in accordance with the Colorado Common Interest Ownership Act, Colo. Rev. Stat. §38-33.3-101 through §38-33.3-319, as amended and supplemented from time to time.

Section 1.3. Intention of Declarant. Declarant intends to protect the value and desirability of the Project, further a plan for the improvement, sales and condominium ownership of the Project, create a harmonious and attractive development, and promote and safeguard the health, comfort, safety, convenience and welfare of the owners of Units in the Project.

Section 1.4 Development and Use. Upon completion, the Project will consist of a maximum of 368 Residential Condominium Units and 750 Garage Condominium Units. No more than 368 Residential Condominium Units and 750 Garage Condominium Units may be established on the Property by subdivision of existing units, conversion of non-condominium space or by time shares or any other method. Declarant intends to construct the Project in phases, each of which phases will consist of one building each and will be subject to this Declaration.

Section 1.5 Imposition of Covenants. To accomplish the purposes indicated above, Declarant hereby declares that from the date of recording this Declaration forward, the Property shall constitute a planned community under the Colorado Common Interest Ownership Act, Colo. Rev. Stat. §38-33.3-101 through §38-33.3-319, as amended and supplemented from time to time, and shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements (collectively, these “Covenants”). The Covenants shall run with the land and be binding upon all persons having any right, title or interest in all or any part of the Property (including Declarant) and their heirs, successors and assigns, and their tenants, employees, guests and invitees. These Covenants will inure to the benefit of each Owner of the Property. All Owners (including Declarant) are subject to all the rights and duties assigned to Owners under these covenants. During the period that Declarant is the Owner of a Unit, Declarant also enjoys the same rights and assumes the same obligations as they relate to each Unit owned by Declarant.

ARTICLE II DEFINITIONS

The following terms, as used in this Declaration, are defined as follows:

2.1 “Act” means the Colorado Common Interest Ownership Act, Colo. Rev. Stat. §38-33.3-101 through §38-33.3-319, as amended and supplemented from time to time, or any successor legislation to these statutes.

2.2 “Annual Assessment” means the Assessment levied annually pursuant to Section 8.3.

2.3 “Articles” or “Articles of Incorporation” means the articles of incorporation for the Association, which have been filed with the Colorado Secretary of State to create The Homestead in Grand Junction Homeowners Association, as such articles may be amended or restated from time to time.

2.4 “Assessments” means the Annual, Special and Default Assessments levied pursuant to Article VIII below.

2.5 “Association” means The Homestead in Grand Junction Homeowners Association, a Colorado nonprofit membership corporation, and any successor of that entity by whatever name, charged with the duties and obligations of administering the Project.

2.6 “Board of Directors” or “Board” means the Board of Directors of the Association, which is the executive board, as defined in the Act, designated in this Declaration to act on behalf of the Association.

2.7 “Building” means the building (including all fixtures and improvements contained within it) located on the Property in which the individual air space units are located.

2.8 “Bylaws” means the Bylaws of the Association, which establish the methods and procedures of its operation, as such bylaws may be amended or restated from time to time.

2.9 “Common Elements” means all of the Project, except the Individual Air Space Units, including, without limiting the generality of the foregoing, the following components:

2.9.1 The Property, excluding improvements on the Property unless specifically described in this Section 2.9; and

2.9.2 The Building (including, but not by way of limitation, the foundation, columns, girders, beams, supports, perimeter and supporting walls, chimneys, chimney chases, roofs, patios, balconies, entrances and exits, and the mechanical installations of the Building consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, and heating and central

air conditioning, which exist for use by one or more of the Owners, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire, and other similar utility installations used in connection therewith), except for the Individual Air Space Units; and

2.9.3 The sidewalks, walkways, paths, grass, shrubbery, trees, driveways, roadways, landscaping, parking areas, and related facilities upon the Property; and

2.9.4 The pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and in general, all apparatus, installations, and equipment of the Building existing for the use of one or more of the Owners; and

2.9.5 In general, all other parts of the Project designated by Declarant as Common Elements and existing for the use of one or more of the Owners.

The Common Elements shall be owned by the Owners of the separate Condominium Units, each Owner of a Condominium Unit having an undivided interest in the Common Elements as provided below.

2.10 “Common Expense(s)” means and includes the following: (I) expenses of administration, insurance, operation, management, repair, and replacement of the Common Elements except to the extent such repairs and replacements are the responsibilities of an Owner as delineated in Section 9.1 below; (ii) expenses declared Common Expenses by the provisions of this Declaration or the Bylaws of the Association; (iii) sums lawfully assessed against the Condominium Units by the Board of Directors; (iv) expenses agreed upon as Common Expenses by the members of the Association; and (v) expenses provided to be paid pursuant to any Management Agreement.

2.11 “Condominium Map” or “Map” means and includes any engineering survey or surveys of the Property locating the Condominium Units in the Building and the Building on the Property (including the original Map, any amendments thereto, and any supplemental maps), and depicting the floor plans of the Units together with other drawings or diagrammatic plans and information regarding the Property as may be included in the discretion of the Declarant, as recorded by Declarant in the office of the Clerk and Recorder of Mesa County, Colorado

2.12 “Condominium Unit” or “Unit” means the fee simple interest in and to an Individual Air Space Unit, together with the undivided interest in the Common Elements appurtenant to the Individual Air Space Unit, as specified in the Map.

2.12.1 “Garage Condominium Unit” means the fee simple interest in and to an Individual Air Space Unit the use of which is limited to the parking and storage of a motor vehicle, together with the undivided interest in the common Elements appurtenant thereto, as specified in the Map.

2.12.2 “Residential Condominium Unit” means the fee simple interest in and to an Individual Air Space Unit the use of which is limited to dwelling purposes

together, with the undivided interest in the Common Elements appurtenant thereto, as specified in the Map.

2.13 “Declarant” means Hacienda Partners, LLC, a Colorado limited liability company, or its successors or assigns, including any Successor Declarant to the extent the rights of Declarant are assigned to the Successor Declarant, as provided in this Declaration below.

2.14 “Default Assessment” means the Assessments levied by the Association pursuant to Section 8.6 below.

2.15 “Default Rate” means an annual rate of interest that is the lesser of (I) five percent above the prime rate of interest charged by the Association’s bank, or such other rate as shall have been established by the Board of Directors, and (ii) the maximum rate permitted by the Act or other applicable law.

2.16 “Development Rights” is defined in Section 14.1.2.

2.17 “Director” means a member of the Board.

2.18 “Eligible Mortgage Holder” means a First mortgagee or any insurer or guarantor of a First mortgage which has notified the Association in writing of its name and address and status as a holder, insurer or guarantor of a First Mortgage. Such notice will be deemed to include a request that the Eligible Mortgage Holder be given the notices and other rights described in Article XXI.

2.19 “Expansion Property” means property that may be added to the Project and subject to the Project Documents.

2.20 “First Mortgage” means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

2.21 “First Mortgagee” means the holder of record of a First Mortgage.

2.22 “General Common Elements” means the Common Elements, except for Limited Common Elements.

2.23 “Individual Air Space Unit” means a single unit depicted on the Map and consisting of enclosed rooms in the Building and bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof. For the purpose of defining an Individual Air Space Unit, the terms set forth below shall be defined as follows:

2.23.1 “Unfinished wall” means the sheetrock which constitutes the interior face of a wall of an Individual Air Space Unit.

2.23.2 “Unfinished ceiling” means the concrete slabs, unfinished sheetrock or other structural materials which constitute the ceiling of an Individual Air Space Unit.

2.23.3 “Unfinished floor” means the concrete slab, wood decking or other structural materials which constitutes the floor of an Individual Air Space Unit.

An Individual Air Space Unit shall include the unfinished wall, wall paneling, wood, tile, paint, paper, carpeting, or other wall, ceiling, or floor covering, windows and window frames and glass, shutters, awnings, doorsteps, stoops, and interior doors and door frames. An Individual Air Space Unit shall also include any fireplace or stove hearth, facing brick, tile or firebox. An Individual Air space Unit shall further include fixtures and hardware and all improvements contained within the unfinished perimeter walls, ceilings, and floors. An Individual Air Space Unit shall include any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical, or other utility services to the Individual Air Space Unit and located within the unfinished walls, ceilings, and floors; provided, however, that an Individual Air Space Unit shall not include any of the structural components of the Building or utility or service lines located within the Individual Air Space Unit but serving more than one Individual Air Space Unit.

2.24 “Limited Common Elements” means those parts of the Common Elements which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Condominium Units. Without limiting the foregoing, the Limited Common Elements shall include any balcony, deck, patio, entryway or porch adjacent to an Individual Air Space Unit, storage spaces outside Individual Air Space Units, including, but not limited to, all such items designated as Limited Common Elements on the Map. The balcony or patio which is accessible from, associated with, and which adjoins a particular Individual Air Space Unit, without further reference thereto, shall be used in connection with such Individual Air Space Unit to the exclusion of the use thereof by the other Owners, except by invitation. Limited Common Elements will also include the parking space(s) and storage space(s) allocated to a particular Unit by reference on the deed to such Unit or other agreement between the Owner of the Unit and the Declarant or the Association. Notwithstanding the foregoing, with respect to Limited Common Elements other than the parking space(s) and storage space(s), no reference thereto need be made in any instrument of conveyance, encumbrance, or other instrument.

2.25 “Management Agreement” means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance, and management of the Project.

2.26 “Manager” means such person or entity engaged by the Board to perform certain duties, powers, or functions of the Board pursuant to this Declaration or the Bylaws.

2.27 “Member” means any person holding a membership in the Association.

2.28 “Mortgage” means any mortgage, deed of trust or other document which is recorded in the office of the Clerk and Recorder of Mesa County, Colorado, and which encumbers any portion of the Property or interest therein as security for payment of a debt or obligation.

2.29 “Mortgagee” means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

2.30 “Owner” means the owner of record (including Declarant, and including a contract seller, but excluding a contract purchaser), whether one or more persons, of fee simple title to any Residential Condominium Unit, but does not mean or refer to any person who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person has acquired fee simple title pursuant to foreclosure or other proceedings.

2.31 “Period of Declarant Control” means the period during which Declarant (or any Successor Declarant) may appoint and remove the Directors and officers of the Association as permitted under the Act. The Period of Declarant Control will begin on the date this Declaration is first recorded in the office of the Clerk and Recorder of Mesa County, Colorado, and will end no later than (I) 60 days after conveyance of 75% of the Condominium Units that have been created within the Property to Owners other than Declarant (or any Successor Declarant), (ii) two years after the first conveyance of a Condominium Unit by Declarant (or any Successor Declarant) in the ordinary course of business, (iii) two years after any right to add new units was last exercised by Declarant, or (iv) the date on which Declarant (or any Successor Declarant) voluntarily terminates the Period of Declarant Control by recording a notice to that effect in the office of the Clerk and Recorder of Mesa County, Colorado, whichever of the foregoing dates or events occurs first. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will have all the rights and duties ordinarily given to Members under this Declaration.

2.32 “Person” (whether or not in capitalized form) means a natural person, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity or combination thereof.

2.33 “Project” means the planned community established by this Declaration known as “The Homestead in Grand Junction.”

2.34 “Project Documents” means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the Articles, the Bylaws, and any procedures, rules, regulations or policies adopted under such documents by the Association or the Board of Directors and its authorized committees, and the Map.

2.35 “Property” means the real property described on Exhibit A and subjected to this Declaration.

2.36 “Special Assessment” means an Assessment levied pursuant to Section 8.5 below on an irregular basis.

2.37 “Special Declarant Rights” is defined as set forth in Section 14.1 below.

2.38 “Special Declarant Rights Period” means the period beginning the date this Declaration is first recorded in the office of the Clerk and Recorder of Mesa County, Colorado, and ending the date on which Declarant shall have conveyed to parties (other than a Successor Declarant) all Units, as defined in the Act, originally owned by Declarant in the Project.

2.39 “Successor Declarant” means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as permitted by Section 25.7 and evidence by an assignment or deed of record in the office of the Clerk and Recorder of Mesa County, Colorado, designating such party as a Successor Declarant, signed by the transferor and the transferee, and otherwise complying with the requirements of the Act. Upon such recording, Declarant’s rights and obligations under the Declaration shall cease and terminate to the extent provided in such document.

ARTICLE III THE PROJECT PLANNED COMMUNITY

Section 3.1 Establishment of Planned Community. By this Declaration, the Project is established as a planned community under the Act, consisting of no more than 368 Residential Condominium Units and 750 Garage Condominium Units.

Section 3.2 Division Into Condominium Units. The Property is hereby divided into Condominium Units, each to consist of a fee simple interest in an Individual Air Space Unit and an undivided fee simple interest in the Common Elements in accordance with the respective undivided interests in the Common Elements as set forth in the Map. . Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Units.

Section 3.3 Delineation of Unit Boundaries. The boundaries of each Individual Air Space Unit are delineated and designated by the identifying number on the Map, and those numbers are set forth in Exhibit B.

Section 3.4 Inseparability of Condominium Unit. No part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be partitioned or separated from any other part thereof during the period of condominium ownership prescribed in this Declaration, except as may be allowed under the Act. Each Condominium Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, or otherwise affected only as a complete Condominium Unit. Every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Condominium Unit or any part thereof shall be presumed to be a disposition of the entire Condominium Unit, together with all appurtenant rights and interests created by law or by this Declaration, including the Owner’s membership of the Association.

Section 3.5 Nonpartitionability of Common Elements. Subject to the provisions of this Article, Article V, and Article XXI below, the Common Elements shall be owned in common by all

of the Owners and shall remain physically undivided, and no Owner shall bring any action for partition or division of the Common Elements. Any conveyance, encumbrance, judicial sale, or other transfer (voluntarily or involuntarily) of an individual interest of the Common Elements will be void unless the Unit to which that interest is allocated is also transferred. By acceptance of a deed or other instrument of conveyance or assignment to a Condominium Unit, each Owner of the Unit shall be deemed to have specifically waived such Owner's right to institute or maintain a partition action or any other cause of action designed to cause a division of the Common Elements, and this Section 3.5 may be pleaded as a bar to the maintenance of such an action. Any Owner who shall institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Association's costs, expenses, and reasonable attorneys' fees in defending any such action. Such amounts shall automatically become a Default Assessment determined and levied against such Owner's Unit and enforced by the Association in accordance with Article VIII below.

Notwithstanding the foregoing and subject to the limitation of the Act, the Association shall have the right to dedicate, sell or otherwise transfer all or any part of the Common Elements to any public, governmental, or quasi-governmental agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners and subject to such additional limitations as may be set forth in the Act..

Section 3.6 Recorded Easements and Licenses. The recording data for recorded easements and licenses appurtenant to or included in the Project is set forth on the Map.

Section 3.7 Subsequent Limited Common Elements. All or part of the property described on Exhibit C may be converted (or allocated) subsequently from General Common Elements to Limited Common Elements allocable to one or more Units by Declarant from time to time during the Special Declarant Rights Period by recording an amendment to this Declaration and an amended Map.

ARTICLE IV CONDOMINIUM MAP

Section 4.1 Condominium Map. The Map shall be filed for record in the office of the County Clerk and Recorder of Mesa County, Colorado, and shall comply with the requirements of the Act. Any Map filed subsequent to the first Map shall be termed a supplement to such Map, and the numerical sequence of such supplements shall be shown thereon. The Map shall be filed for record following substantial completion of the Building depicted on the Map and prior to the conveyance of any Condominium Unit depicted on the Map to a purchaser. The Map shall show the location of the Building on the Property; the floor and elevation plans; the location of the Condominium Units within the Building, both horizontally and vertically; the thickness of the common walls between or separating the Condominium Units one from the other, or one from Common Elements, as applicable; the Condominium Unit designations; designation of General Common Elements and Limited Common Elements; and such other information as required by the Act and as Declarant may require in its discretion. The Map shall contain a certificate of a registered professional engineer or licensed architect or a licensed land surveyor certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Building and the Condominium Units, the

dimensions and, if Declarant directs, the square foot areas of the Condominium Units, and the elevations of the unfinished floors and ceilings as constructed, and certifying that such Map is prepared subsequent to the substantial completion of the improvements, and certifying that the Map complies with the Act. Each supplement or amendment shall set forth a like certificate when appropriate.

Section 4.2 Amendment. Declarant reserves the right to amend the Map, from time to time, to conform it to the actual location or any of the constructed improvements and, on or before the expiration of the Period of Declarant Control to establish, vacate, and relocate outside the Building utility easements, access easements, and parking areas.

ARTICLE V OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS

Section 5.1 General Common Elements. Every Owner and the family members, guests, tenants, and licensees of each Owner shall have a perpetual right and easement of access over, across, and upon the General Common Elements for the purpose of getting to and from the Condominium Unit and parking area of such Owner and the public ways for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Condominium Unit; provided, however, that such right and easement shall be subject to the following:

5.1.1 The covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the Map;

5.1.2 The right of the Association to adopt, from time to time, any and all rules and regulations concerning vehicular traffic and travel upon, in, under, and across the Project; and

5.1.3 The right of the Association to adopt, from time to time, any and all rules and regulations concerning the Common Elements as the Association may determine is necessary or prudent.

Section 5.2 Undivided Interest in Common Elements. An Owner's undivided interest in the Common Elements equal to the product of a fraction, the numerator of which is "1" and the denominator of which is equal to the number of completed residential condominiums units in the Project.

Section 5.3 Limited Common Elements. Subject to the provisions of this Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to his Condominium Unit.

ARTICLE VI ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 6.1 Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Residential Condominium Unit. No owner, whether one or more persons, will have more than one membership per Residential Condominium Unit owned, but all of the persons owning each Condominium Unit will be entitled to rights of membership and use and enjoyment appurtenant to such ownership.

Section 6.2 Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Condominium Unit and then only to the purchaser or Mortgagee of his Condominium Unit.

Section 6.3 Classes of Membership. Initially, the Association shall have one class of voting membership, composed of all Owners, including Declarant. The Bylaws may set forth additional classifications of membership from time to time.

Section 6.4 Voting Rights. Each Member shall be entitled to one vote in Association matters pursuant to this Declaration.

When more than one person holds an interest in any Condominium Unit, all such persons shall be Members. The vote for such Condominium Unit shall be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Condominium Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is a majority agreement if any one of the multiple Owners casts the vote allocated to his Condominium Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Condominium Unit.

Section 6.5 Appointment of Officers and Directors by Declarant. Until the expiration of the Period of Declarant Control and subject to the limitations of the Act, Declarant will retain the exclusive powers to appoint and remove Directors and officers of the Association.

Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint and remove Directors and officers of the Association before the end of the Period of Declarant Control by providing a notice to that effect to the Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Period of Declarant Control, Declarant may require throughout the balance of the Period of Declarant Control (had it not been voluntarily terminated) that specified actions of the Association or the Board, as described in an instrument executed and recorded by Declarant in the office of the Clerk and Recorder of Mesa County, Colorado, be approved by Declarant before those actions become effective.

After the Period of Declarant Control, the Directors and the officers of the Association will be elected as provided in the Bylaws.

Section 6.6 Notice of Membership. Any person, on becoming a Member, will furnish the Secretary of the Association with a photocopy or certified copy of the recorded instrument or such other evidence as may be specified by the Board under the Bylaws or the Association rules, vesting the person with the interest required to make him a Member. At the same time, the Member will provide the Association with the single name and address to which the Association will send any notices given pursuant to the Project Documents. The member will state in such notice the voting interest in the Association to which the member believes he is entitled and the basis for that determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the member will give a new written notice to the Association containing all of the information required to be covered in the original notice. The Association will keep and preserve the most recent written notice received by the Association with respect to each Member.

Section 6.7 Owner's and Association's Addresses for Notices. All Owners of each Condominium Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or Owners of a Condominium Unit shall furnish such registered address to the Secretary of the Association within five days after transfer of title to the Condominium Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Condominium Unit or by such persons as are authorized by law to represent the interests of all Owners of the Condominium Unit.

If no address is registered or if all of the Owners cannot agree, then the address of the Condominium Unit shall be deemed their registered address until another registered address is furnished as required under this Section.

If the address of the Condominium Unit is the registered address of the Owners, then any notice shall be deemed duly given if delivered to any person occupying the Condominium Unit or sent to the Condominium Unit by any other means specified for a particular notice in any of the Project Documents, or if the Condominium Unit is unoccupied, if the notice is held and available for the owners of the principal office of the Association. All notices and demands intended to be served upon the Board of Directors shall be sent to the address of the Association or such other address as the Board may designate from time to time by a notice delivered to all Owners in accordance with this Section.

Unless applicable provisions of this Declaration or the Act expressly require otherwise, all notices given under this Declaration shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit with a courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three days after deposit in the U.S. mail.

Section 6.8 Compliance with Project Documents. Each Owner will abide by and benefit from the provisions, covenants, conditions and restrictions contained in the Project Documents.

ARTICLE VII POWERS AND DUTIES OF ASSOCIATION

Section 7.1 Association Management Duties. Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration and the Act, the Association shall be responsible for the administration and operation of the Project and for the exclusive management, control, maintenance, repair, replacement and improvement of the General Common Elements (including facilities, furnishings, and equipment related thereto) and the Limited Common Elements, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The expenses, costs and fees of such management operation, maintenance and repair by the Association shall be part of the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees. The Board of Directors will exercise for the Association all powers, duties and authority vested in or obligated to be taken by the Association and not reserved to Declarant or the other Members by this Declaration, the other Project Documents, the Act or other applicable law.

Section 7.2 Owner's Negligence. In the event that the need for maintenance, repair or replacement of all or any portion of the Common Elements is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's guests, invitees, licensees or tenants, then the expenses incurred by the Association for such maintenance, repair or replacement shall be a personal obligation of such Owner. If the Owner fails to repay the expenses incurred by the Association within 30 days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Section, and such expenses shall automatically become a Default Assessment enforceable in accordance with Article VIII below.

Section 7.3 Rules and Regulations.

7.3.1 Board Power. From time to time and subject to the provisions of the Project Documents, the Board of Directors may adopt, amend and repeal rules and regulations governing among other things and without limitation, the use and rental of the condominium Units and the use of the Common Elements. A copy of the rules in effect will be distributed to each Member, and any change in the rules will also be distributed within a reasonable time following the effective date of the change.

7.3.2 Enforcement. The Board of Directors will provide for enforcement of the Association rules as set forth in the Bylaws. Without limiting the generality of the foregoing, the Board may suspend the voting rights of a Member after notice and hearing as provided in the Bylaws for an infraction of the rules.

Section 7.4 Delegation by Association Board.

7.4.1 Delegation to Manager. The Association, acting through the Board, may employ or contract for the services of a Manager to act for the Association and the board and the officers according to the powers and duties delegated to the Manager

pursuant to the Bylaws or resolution of the Board. Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

7.4.2 Committees. The Association, acting through the Board, may delegate any of its rights, duties or responsibilities to any committee or other entity that the Board may choose to form.

7.4.3 Limitation. Any delegation by the Board under this Article VII is subject to compliance with the Act and the Bylaws and the requirement that the Board, when so delegating, will not be relieved of its responsibilities under the Project Documents and the Act.

Section 7.5 Acquiring and Disposing of Personal Property. The Association may acquire, own, and hold for the use and benefit of all Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such interests shall not be transferable except with the transfer of a Condominium Unit. A conveyance of a Condominium Unit shall transfer ownership of the transferor's beneficial interest in such personal property without any reference thereto. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium Unit.

Section 7.6 Cooperation with Others. The Association may contract or cooperate with the City of Grand Junction and the County of Mesa, or with other homeowners' associations or owners of nearby property as convenient or necessary to provide services and privileges, such as access to the Project, for the benefit of Owners and their family members, guests, tenants and invitees. The costs associated with such efforts by the Association shall be a Common Expense.

Section 7.7 Books and Records. The Association will make available for inspection by owners and mortgagees, upon request, during normal business hours or under other reasonable circumstances, current copies of the Project Documents, and the books, records, and financial statements of the Association prepared pursuant to the Bylaws, as well as any management agreement. Any Owner or mortgagee may make a written request to the Association for a copy of the Association's financial statements for the preceding year, which will be available within 120 days after the end of the Association's fiscal year. The Association may charge a reasonable fee for copying such materials.

Section 7.8 Reserve Account. The Association will establish and maintain an adequate reserve fund from Annual Assessments levied pursuant to Section 8.3 below for maintenance, repair or replacement of the Common Elements that must be replaced on a periodic basis and for any other facilities made available to the Association that must be replaced on a periodic basis with contribution from the Association.

Section 7.9 Working Capital Account. The Association will also administer a working capital account funded as provided in Section 8.4

Section 7.10 Implied Rights and Obligations. The Association will perform all of the duties and obligations imposed on it expressly by the Project Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Documents or reasonably necessary to satisfy any such duty or obligation. The Association may exercise any other right or privilege (i) given to it expressly by the Project Documents, (ii) reasonably to be implied from the existence of another right or privilege given expressly by the Project Documents, or (iii) reasonably necessary to effectuate any such right or privilege.

ARTICLE VIII ASSESSMENTS

Section 8.1 Creation of Lien and Personal Obligation for Assessments. Declarant, by creating the Condominium Units pursuant to this Declaration, hereby covenants, and each Owner of any Residential Condominium Unit or Garage Condominium Unit, by accepting a deed for a Condominium Unit, whether or not it shall be so expressed in such deed or other instrument of transfer, is deemed to covenant to pay to the Association (1) Annual Assessments imposed by the Board of Directors as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements, to fund the reserve account contemplated under Section 8.2 and to generally carry out the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (3) Default Assessments which may be assessed against a Condominium Unit for the owner's failure to perform an obligation under the Project Documents or because the Association has incurred an expense on behalf of the Owner under the Project Documents.

All Assessments, together with fines, interest, costs, reasonable attorneys' (and legal assistants') fees and other charges allowed under the Act, shall be a charge on the Unit and shall be a continuing lien upon the Condominium Unit against which each such Assessment is made until paid.

Each such Assessment, together with fines, interest, costs, and reasonable attorneys' (and legal assistants') fees and other charges allowed under the Act, shall also be the personal, joint and several obligation of the Owner of such Condominium Unit as of the time the Assessment falls due, and two or more Owners of a Condominium Unit shall be jointly and severally liable for such obligations. No Owner may exempt himself from liability for any Assessments by abandonment or leasing of his Condominium Unit or by waiver of the use or enjoyment of the Common Elements. Suit to recover a money judgment for unpaid Assessments and related charges as listed above may be maintained without foreclosing or waiving the Assessment liens provided in this Declaration.

Section 8.2 Purpose of Assessments. The Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and occupants of the Project, and for the improvement and maintenance of the Property and of the services and facilities located on the Property. Proper uses of the Assessments shall include, but are not limited to, the following:

8.2.1 Repairing, replacing, renovating and maintaining any of the Common Elements not made the responsibility of the Owners by Section 7.1 or Section 7.2 above, Section 9.2 below, or other provisions of this Declaration;

8.2.2 Installing, maintaining, and repairing underground utilities upon, across, over and under any part of the Project which are not conveyed to and accepted by utility companies;

8.2.3 Furnishing garbage, trash pick-up, natural gas, water and sewer services to the Project;

8.2.4 Obtaining and maintaining insurance in accordance with the provisions of Article XV below;

8.2.5 Establishing and maintaining reserves for repairs, replacement, maintenance, taxes, capital improvements, and other purposes;

8.2.6 Carrying out all other powers, rights, and duties of the Association specified in the Project Documents; and

8.2.7 Generally, addressing any other expenses necessary to meet the purposes of the Association;

Section 8.3 Annual Assessments.

8.3.1 Calculation of Annual Assessments. The Board of Directors shall prepare a budget before the close of each fiscal year of the Association and submit the budget to the Association as required by the Act. Annual Assessments for Common Expenses shall be based upon the estimated net cash flow requirements of the Association to cover items including, without limitation, the cost of routine maintenance and operation of the Common Elements; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; snow removal, landscaping, care of grounds, common lighting within the Common Elements, routine renovations within the Common Elements; wages; common water and utility charges for the Common Elements; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the supplementing of the reserve fund for general, routine maintenance, repairs, and replacement of the Common Elements on a periodic basis, as contemplated under Section 8.2.

8.3.2 Apportionment of Annual Assessments. Generally, each Owner shall be responsible for that Owner's share of the Common Expenses, which, except as specifically provided in this Declaration, shall be assessed equally to the Condominium Units in proportion to the respective undivided interests in the

Common Elements appurtenant to the Units, as shown on the Map subject to the following provisions. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit or Units to which that Limited Common Element is assigned, equally, or in any other proportion the Board of Directors reasonably determines. Any Common Expense or portion thereof benefiting fewer than all of the Units, including in particular any Common Expense associated with Garage Condominium Units, shall be assessed exclusively against the Units benefited. The costs of insurance shall be assessed in proportion to risk, and except as separately metered to individual Unit Owners, the costs of utilities shall be assessed in proportion to the respective undivided interests in the Common Elements appurtenant to the Units; provided, however, that any utility costs attributable to Garage Units shall be assessed to the Garage Units benefitted. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Unit. The Board of Directors, with the assistance of any company providing insurance for the benefit of the Owners under Article XV, may reasonably adjust the allocation to each Owner of the cost of premiums for any insurance carried for, and to be charged to, a particular Owner, as more fully detailed in Article XV. The total Annual Assessments of the Association shall be apportioned among all Condominium Units as provided in this Section 8.3 and shall not be apportioned among General Common Elements and Limited Common Elements, Residential Condominium Units and Garage Condominium Units.

8.3.3 Collection. Annual Assessments shall be collected in periodic installments as the Board may determine from time to time, but until the Board directs otherwise, they shall be payable monthly in advance on the first day of each calendar month. The Association shall have the right, but not the obligation, to make pro rata refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year, however specifically excluding here from any amounts deposited in the reserve fund of the Association. Any such excess funds not refunded will be applied to the next installment(s) of Annual Assessments due.

8.3.4 Date of Commencement of Annual Assessments. The Annual Assessments shall commence as to all Condominium Units no later than 60 days after the date of the first conveyance by Declarant of a Condominium Unit to an Owner. The first Annual Assessment shall be prorated according to the number of months remaining in the calendar year.

Section 8.4 Capitalization of the Association. Declarant will establish a working capital fund in an amount at least equal to two months' installments of the Annual Assessment for each Unit in the Project as each Phase is completed. Upon the first conveyance of record title to a Condominium Unit from Declarant, the Owner shall contribute to the working capital and reserves of the Association an amount equal to two months' installments of the Annual Assessment at the rate in effect at the time of the sale, and upon the sale of each Unit from the Declarant to an Owner, Declarant will receive a refund of the contribution to the working capital fund made by Declarant for

such Unit. The Association shall maintain the working capital funds in segregated accounts to meet unforeseen expenditures or to acquire additional equipment or services for the benefit of the Members. Such payments to this fund shall not be considered advance payments of Annual Assessments and except for refunds to Declarant, shall not be refundable. Declarant may not use any working capital funds to defray any of its expense, reserve contributions, or construction costs or to make up any budget deficits.

Section 8.5 Special Assessments.

8.5.1 Determination by Board. Subject to the budget procedures required by the Act, the Board of Directors may levy in any fiscal year one or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement within the Project or any facilities located in the Project, including the necessary fixtures and personal property related to it, or to make up any shortfall in the current year's budget.

8.5.2 Apportionment and Collection of Special Assessments. The Board will apportion Special Assessments among the Condominium Units and collect payment according to the same guidelines as set forth for Annual Assessments in Section 8.3.2.

8.5.3 Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least 14 days prior to the due date.

8.5.4 Member Approval. If any of the Special Assessments levied pursuant to this Section are to be used for the construction of new facilities (as opposed to repair and reconstruction of existing facilities in the Project), and if the total amount of the Special Assessments levied for such construction exceeds 10% of the gross annual budget for the Association for that year, then the use of Special Assessments for that construction will require the approval of Owners representing at least 67% of the votes in the Association. The use of Special Assessments pursuant to this Section for constructing any Common Elements shall not apply to the construction of any Common Elements to be completed by Declarant in development of the Project.

Section 8.6 Default Assessments. All monetary fines, penalties, interest or other charges or fees levied against an Owner pursuant to the Project Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Project Documents, and any expense (including without limitation attorneys' fees) incurred by the Association as a result of the failure of an Owner to abide by the Project Documents, constitutes a Default Assessment, enforceable as provided in this Declaration below and in accordance with the Act.

Section 8.7 General Remedies of Association for Nonpayment of Assessment. Any installment of an Annual Assessment or a Special Assessment which is not paid within the time period established from time to time by the Board shall be delinquent. If such an Assessment installment becomes delinquent, or if any Default Assessment is levied, the Association, in its sole discretion, may take any or all of the following actions:

8.7.1 Assess a late charge of 10% of the past due installment for each delinquency at uniform rates set by the Board of Directors from time to time;

8.7.2 Charge interest from the date of delinquency at the Default Rate of 2% per month;

8.7.3 Suspend the voting rights of the Owner during any period of delinquency;

8.7.4 Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

8.7.5 Bring an action at law against any Owner personally obligated to pay the delinquent Assessment charges;

8.7.6 File a statement of lien with respect to the Condominium Unit and foreclose as set forth in more detail below.

The remedies provided under this Declaration shall not be exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

Section 8.8 Assessment Liens. Any Assessment chargeable to a Condominium Unit (together with any interest, late charges, costs, expenses and reasonable attorneys' fees and legal assistants' fees) shall constitute a lien on the Condominium Unit, effective the due date of the Assessment. To evidence the lien, the Association may, but shall not be required to, prepare a written lien statement setting forth the name of the Owner, the legal description of the Condominium Unit, the name of the Association and the delinquent Assessment amounts then owing. Any such statement shall be duly signed and acknowledged by the president or a vice president of the Association or by the Manager, and the Association shall serve the notice upon the Owner by mail to the address of the Condominium Unit or to such other address as the Association may have in its files for such Owner. At least 10 days after the Association mails the statement to the Owner, the Association may record the same in the office of the Clerk and Recorder of Mesa County, Colorado. The Association shall have the power to bid on a Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the Condominium Unit.

Section 8.9 Successor's Liability for Assessment. All successors to the fee simple title of a Condominium Unit will not be personally liable for assessments levied during the prior Owner's ownership of the Unit, unless such new Owner expressly agreed to assume the obligation. Liability

for Assessments is personal to such Owner. Any successor shall be entitled to rely on the statement of Status of Assessments given by or on behalf of the Association under Section 8.13 below.

Section 8.10 Waiver of Homestead Exemption; Subordination of the Lien. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by any federal law or the laws of the State of Colorado, and to all other liens and encumbrances except the following:

8.10.1 Liens and encumbrances recorded before the date of the recording of this Declaration;

8.10.2 Liens for real estate taxes and other governmental assessments or charges duly imposed against the Condominium Unit by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

8.10.3 The lien for all sums unpaid on a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, including any and all advances made by the First Mortgagee, even though some or all of such advances may have been made subsequent to the date of attachment of the Association's lien; all subject, however, to the limitations of the Act.

With respect to Section 8.10 above, any First Mortgagee who acquires title to a Condominium Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, shall take the Condominium Unit free of any claims for unpaid Assessments, interest, late charges, costs, expenses, and attorneys' (and legal assistants') fees against the Condominium Unit which accrue prior to the time such First Mortgagee or purchaser acquires title to the Condominium Unit, except as provided in the Act.

All other persons holding a lien not described in Sections 8.10.1 through 8.10.3 , shall be deemed to consent that any such lien or encumbrance shall be subordinate to the Association's future liens for Assessments, interest, late charges, costs, expenses and attorneys' (and legal assistants') fees, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

The lien of the Assessments is also prior to the First Mortgage described in the preceding subsection 8.10.3 to the extent of an amount equal to the Assessments based on a periodic budget adopted by the Association as provided above, which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien for the Assessments of an action or a non-judicial foreclosure either to enforce or to extinguish the lien.

Section 8.11 Reallocation of Assessments Secured by Extinguished Lien. The sale or transfer of any' Condominium Unit to enforce any of the liens to which the lien for Assessments is

subordinate shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer to the extent provided in the Act. The amount of such extinguished lien may be reallocated and assessed to all Condominium Units as a Common Expense at the direction of the Board of Directors. However, no such sale or transfer shall relieve the purchaser or transferee of a Condominium Unit from liability for, or the Condominium Unit from the lien of, any Assessments made after the sale or transfer.

Section 8.12 Exempt Property. The following portions of the Property shall be exempt from the Assessments, charges, and liens created under this Declaration:

8.12.1 All properties to the extent of any easement or other interest therein dedicated and accepted by the City of Grand Junction or Mesa County, Colorado, and devoted to public use;

8.12.2 All utility lines and easements; and

8.12.3 The Common Elements.

Section 8.13 Statement of Status of Assessments. The Association shall furnish to an Owner or his designee or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Condominium Unit in which the Owner, designee or Mortgagee has an interest. The Association shall deliver the statement personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party within 14 calendar days after the registered agent of the Association receives the request by personal delivery or by certified mail, first class postage prepaid, return receipt requested or as otherwise required by the Act. The information contained in such statement, when signed by the Treasurer of the Association or the Manager, shall be conclusive upon the Association, the Board, and every Owner as to the person or persons to whom such statement is issued and who rely on it in good faith. The Board may establish a reasonable fee relating to such statement.

Section 8.14 Protection of Association's Lien. With the approval of the Board of Directors, the Association may protect its lien for Assessments against any Condominium Unit by submitting a bid at any sale held for delinquent taxes payable with respect to the Condominium Unit.

Section 8.15 Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice will not be deemed a waiver, modification, or release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association in accordance with any budget procedures.

ARTICLE IX MAINTENANCE RESPONSIBILITY

Section 9.1. Owner's Rights and Duties with Respect to Interiors. Except as may be provided in the purchase and sale agreement or other conveyancing documents executed by Declarant in connection with sales to initial purchasers of the Condominium Units, each Owner shall have the exclusive right and duty to maintain and repair the interior surfaces of the walls, floors, ceilings, and doors forming the boundaries of such Owner's Individual Air Space Unit and all walls, floors, ceilings, and doors within such boundaries, including without limitation painting of interior surfaces. At an Owner's option, an Owner may paint, tile, wax, paper, or otherwise decorate or redecorate the Condominium Unit.

Section 9.2. Responsibility of the Owner. The Owner at the Owner's expense shall maintain and keep in repair the interior of the Condominium Unit, including the fixtures and utilities located in the Condominium Unit to the extent current repair shall be necessary in order to avoid damaging other Condominium Units or the Common Elements. All fixtures, equipment, and utilities installed and included in an Individual Air Space Unit commencing at a point where the fixtures, equipment, and utilities enter the Individual Air Space Unit shall be maintained and kept in, repair by the Owner of that Unit. An Owner shall not allow any action or work that will impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of the Building, or impair any casement or hereditament. To accomplish such purpose, no Owner shall perform or contract for the performance of any electrical, mechanical, plumbing, or structural work without the prior approval of the Association. An Owner shall not be responsible for repair occasioned by casualty occurring outside an Individual Air Space Unit, unless such casualty is due to the act or negligence of the Owner, or guests, invitees, or tenants of such Owner, as provided in Section 7.2 above. An Owner is responsible for all repair resulting from a casualty occurring within, or affecting the inside of, an Individual Air Space Unit. No Owner shall alter any Common Elements without the prior written consent of the Association, nor shall Owner make any electrical or plumbing alterations without the written consent of the Association.

Section 9.3. Responsibility of the Association. The Association, without the requirement of approval of the Owners, shall maintain and keep in good repair, replace, and improve, as a Common Expense, all the Project not required in this Declaration to be maintained and kept in good repair by an Owner or by Declarant.

ARTICLE X CONVEYANCES AND TAXATION OF CONDOMINIUM UNITS

Section 10.1. Contracts to Convey Entered Into Prior to Recording of Condominium Map and Declaration. A contract or other agreement for the sale of a Condominium Unit entered into prior to the recording of the Condominium Map and this Declaration in the office of the Clerk and Recorder of Mesa County, Colorado, may legally describe such Condominium Unit in substantially the manner set forth in Section 10.2 below, and may indicate that the Condominium Map and this Declaration are to be recorded.

Section 10.2. Contracts to Convey and Conveyances Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Condominium Map and this

Declaration, the legal condominium description in contracts to convey, instruments of conveyance of Condominium Units, and every other instrument affecting title to a Condominium Unit shall be in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required by the circumstances or appropriate to conform to the requirements of any governmental authority or any usage or requirement of law with respect thereto:

Condominium Unit ____ and Garage No. _____, The Homestead in Grand Junction, A Condominium, according to the Condominium Map recorded _____, 2000, in Book ____ at Page ____, and as defined and described in The Declaration For The Homestead in Grand Junction, A Condominium, recorded _____, 2000, in Book ____ at Page ____ in the office of the Clerk and Recorder of Mesa County, Colorado.

Section 10.3 Ownership of Garage Condominium Units. Garage Condominium Units are to be owned only by the Owner of a Residential Condominium Unit. No Garage Condominium Unit may be transferred, sold, or conveyed to any person who is not an Owner.

Section 10.4 Conveyance Deemed to Describe an Undivided Interest in Common Elements. Every instrument of conveyance, Mortgage, or other instrument affecting the title to a Condominium Unit which legally described the Unit substantially in the manner set forth in Section 10.2 above shall be construed to describe the Individual Air Space Unit, together with the undivided interest in the Common Elements appurtenant to it, and together with all fixtures and improvements contained in it (unless any such fixtures or improvements shall be Common Elements), and to incorporate all the rights incident to ownership of a Condominium Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, including the easement of enjoyment to use the Common Elements.

Section 10.5 Separate Tax Assessments. Upon the recording of this Declaration and the recording of the Condominium Map of record in Mesa County, Colorado, Declarant shall deliver a written notice to the Assessor of Mesa County, Colorado, as provided by law, which notice shall set forth the descriptions of the Condominium Units, including the interest in the Common Elements appurtenant to the Unit, so that thereafter all taxes, assessments, and other charges by the state or any governmental or political subdivision or any special improvement district or any other taxing agent or assessing authority shall be assessed against and collected on each Condominium Unit, each of which shall be carried on the tax records as a separate and distinct parcel for that purpose. For the purpose of such assessment against the Condominium Units, valuation of the Common Elements shall be apportioned among the Units in proportion to the fractional interest in the Common Elements appurtenant to such Units.

The lien for taxes assessed to the Owner or Owners of a Condominium Unit shall be confined to his Individual Air Space Unit and to his appurtenant undivided interest in the Common Elements.

No forfeiture or sale of any Condominium Unit for delinquent taxes, assessment, or other governmental charge shall divest or in any way affect the title to any other Condominium Unit.

ARTICLE XI MECHANICS' LIENS

Section 11.1. Mechanic's Liens. Subsequent to the filing of the Map and recording of this Declaration, no labor performed or materials furnished for use and incorporated in any Condominium Unit with the consent of or at the request of the Owner of the Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Individual Air Space Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Condominium Unit against tile Condominium Unit of another Owner or against the Common Elements, or any part thereof.

Section 11.2. Enforcement by the Association. At its own initiative or upon the written request of any Owner (if the Association determines that further action by the Association is proper) the Association shall enforce the indemnity provided by the provisions of Section 11.1 above by collecting from the Owner of the Condominium Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Condominium Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven days after the Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 11.2, and such amount to be indemnified shall automatically become a Default Assessment determined and levied against such Condominium Unit, and enforceable by the Association in accordance with Article VIII above.

ARTICLE XII USE RESTRICTIONS

Section 12.1. Use of Condominium Units. All Residential Condominium Units shall be used for dwelling purposes only. All Garage Condominium Units shall be used only for parking and storage of motor vehicles. Owners of the Condominium Units may rent or lease such Units to others for the purposes allowed under this Declaration; provided, however, that any rental agreement or lease shall be in writing and shall be subject to the Project Documents, and may use the Residential Units for home occupations which do not cause unreasonable disturbance to other Owners and which are permitted by applicable zoning codes. A Garage Condominium Unit shall not be rented except in connection with the rental of the Owner's related Residential Condominium Unit.

Section 12.2. Conveyance of Condominium Units. All Condominium Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, as the same may be amended from time to time.

Section 12.3. Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements by any Owner without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Association.

Section 12.4. Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Project or in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to or waste of the Common Elements shall be committed by any Owner, or by any member of the Owner's family, or by any guest, invitee, or contract purchaser of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss from any such damage or waste caused by him, the members of his family, or his guests, invitees, tenants or contract purchasers. Failure to so indemnify shall be a default by such Owner under this Section, and such amount to be indemnified shall automatically become a Default Assessment determined and levied against such Condominium Unit. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper), the Association shall enforce the foregoing indemnity as a Default Assessment as provided in Article VIII above.

Section 12.5. Structural Alterations and Exterior Appearance. No structural alterations to any Condominium Unit (including the construction of any skylight) or any Common Element shall be made or caused to be made by any Owner without the prior written approval of the Association. No structural alterations may be made to any windows or doors, and no patio or balcony area may be enclosed. No Owner shall perform or contract for the performance of any electrical, mechanical, plumbing, or structural work without the prior approval of the Association.

Section 12.6. Signs and Exterior Decorations. No signs of any kind shall be displayed to the public view on or from any portion of a Unit except, (i) during the Special Declarant Rights Period, signs of Declarant or its affiliates or assigns, all of which may be placed at Defendant's sole discretion and (ii) signs required by law. No exterior decorations that are visible for public view from outside the Unit will be allowed without first obtaining the written approval of the Association.

Section 12.7. Animals and Pets. No animals of any kind shall be kept, raised or bred on a any portion of the Project, except not more than two dogs, cats or other interior confined household

pets having a combined weight of no more than 65 pounds may be kept by an Owner. The rules and regulations may regulate, permit or prohibit the kind and number of such pets from time to time.

12.7.1 Containment. Household pets, such as dogs and cats, must be contained in a Unit or on the deck or patio that is assigned to a Unit as a Limited Common Element. Such pets may not be permitted to run at large at any time.

12.7.2 Leashes. Pedestrians within the Property who are accompanied by pets permitted under this Declaration must have the pets under the pedestrians' direct control by use of a leash not to exceed 10 feet in length.

12.7.3 Noise. Owners of pets on the Property will be required to take all steps necessary to control barking or other disturbances caused by their pets.

Section 12.8. Trash. No trash, ashes, building materials, firewood or other unsightly items shall be thrown, dumped or stored on any land or area within the Property, except as designated by the Association. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage of refuse within the Unit.

Section 12.9 Vehicles. No vehicles of any kind shall be permitted to park on any street in the project, other than in designated parking spaces. Recreational vehicles, boats, and trailers of any kind shall not be parked, located, or stored on the Common Elements for a period longer than eight (8) hours in any 31-day period, except that such vehicles may be parked in a designated storage facility (if any).

Section 12.10 Construction Rules and Regulations. All Owners and contractors shall comply with the rules and regulations regulating construction activities. Such regulations may affect, without limitation, the following: trash and debris removal; restoration of damaged property; conduct and behavior of contractors, subcontractors and Owners' representatives on the Property at any time; and fire protection.

Section 12.11 Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property. Further, no Owner shall dispose or allow any person under the Owner's control or direction to release, discharge or emit from the Property or dispose of any material on the Property that is designated as hazardous or toxic under any federal, state or local law, ordinance or regulation.

Section 12.12 No Outside Clotheslines. No laundry or wash shall be dried or hung outside any Individual Unit.

Section 12.13 Antennae. No exterior radio, television, microwave or other antenna or antenna dish or signal capture and distribution device of a size greater than 24 inches shall be permitted outside any Individual Air Space Unit. The location of any such device shall be approved in writing by the Association prior to its installation. Declarant or the Association may install one or

more exterior radio, television, microwave or other antenna or antenna dish or signal capture and distribution device for the Project.

Section 12.14 Outside Burning. There shall be no exterior fires, or charcoal or wood stoves, except propane-fueled barbecues which shall be installed, utilized, and maintained only on patios located adjacent to and accessible directly from a Unit kitchen. No Owner shall permit any condition upon a Unit which creates a fire hazard or is in violation of fire prevention regulations.

Section 12.15. Nuisance. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants.

Section 12.16 Balconies. No bicycles or trash containers may be stored on the balconies or patios of Units. Such items may be stored only in the storage closets located in each unit. Lawn furniture and barbecue grills may be stored on balconies or patios of Units if such items are not taller than 36" high and cannot be visibly viewed from other Units or other portions of the Property.

Section 12.17 Leasing. An Owner shall have the right to lease the Unit, subject to the condition that the Owner shall be liable for any violation of the Project Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant. Any lease of a Unit must be in writing, must be for an initial term of not less than six months, and must be subject to the requirements of the Project Documents. Supplementing Section 12.7, no tenant will be permitted to bring pets to the Project.

Section 12.18 Enforcement. The Association, or the Board acting on behalf of the Association, may take such action as it deems advisable to enforce these Covenants as provided in this Declaration. In addition, the Association and the Board shall have a right of entry on any part of the Property for the purposes of enforcing this Article, and any costs incurred by the Association or the Board in connection with such enforcement which remain unpaid 30 days after the Association has given notice of the cost to the Owner and otherwise complied with the Act shall be subject to interest at the Default Rate from the date of the advance by the Association or the Board through the date of payment in full by the Owner, and shall be treated as a Default Assessment enforceable as provided in Article VIII.

ARTICLE XIII

PROPERTY RIGHTS OF OWNERS

Section 13.1. Owner's Easements of Access and Enjoyment. Every Owner has a perpetual, non-exclusive easement for use and enjoyment of the General Common Elements, which easement is appurtenant to and shall pass with the title to every Condominium Unit, subject to the following provisions.

Section 13.2. Delegation of Use. Any Owner may delegate his right of enjoyment of the Common Elements to the members of his family, his tenants, guests, licensees and invitees, but only in accordance with the applicable rules of the Association and the other Project Documents.

Section 13.3. Easements of Record and of Use. The Property will be subject to all easements shown on the recorded Map and to any other easement of record or of use as of the date of recordation of this Declaration, including those listed on the attached Exhibit C.

Section 13.4. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons and to the Association to enter upon the Property in the proper performance of their duties.

Section 13.5. Easement for Encroachments. The Project, and all portions of it, are subject to easements hereby created for encroachments (so long as such encroachments exist) between Condominium Units and the Common Elements as follows:

13.5.1 In favor of all Owners so that they shall have no legal liability when any part of the Common Elements encroaches upon an Individual Air Space Unit;

13.5.2 In favor of each Owner of each Unit so that the Owner shall have no legal liability when any part of his Individual Air Space Unit encroaches upon the Common Elements or upon another Individual Air Space Unit; .

13.5.3. In favor of all Owners, the Association, and the Owner of any encroaching Individual Air Space Unit for the maintenance and repair of such encroachments.

Encroachments referred to this Section 13.5 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Building or any Condominium Unit constructed on the Property, 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 any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project.

Section 13.6. Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within the Individual Air Space Units or may be conveniently accessible only through the Individual Air Space Units. The Owners of other Individual Air Space Units and the Association shall have the irrevocable right, to be exercised by the Association as the Owners' agent, to have access to each Individual Air Space Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal, or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs necessary to prevent damage to the Common Elements or to any Individual Air Space Unit. Subject to the provisions of Section 7.2 above, damage to the interior of any part of an Individual Air Space Unit resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Elements or as a result of emergency repair within another Individual Air Space Unit at the instance of the Association or of Owners shall be a Common Expense.

Section 13.7. Combination of Units. The Owner of a Unit may acquire title to the adjacent Unit and combine the two Units into one Unit, subject to the requirements of the Association, the Act, Section 20.4 below and other applicable laws and regulations of the locale in which the Project is located. Every agreement and recorded instrument for the combination of Units will make adequate provision for the preservation of easements previously established with respect to the Units. Further, the voting rights and liability for payment of Assessments related to such Units will not be adjusted or reallocated.

Section 13.8. Partition or Subdivision of Units: A Unit may be partitioned or subdivided subject to the requirements of the Association, the Act, Section 20.4 below and other applicable laws and regulations of the locale in which the Project is located.

ARTICLE XIV SPECIAL DECLARANT RIGHTS

Section 14.1 Improvements. Without being obligated to exercise such right, Declarant hereby reserves for itself, its successors and assigns the right to construct:

- (a) any improvement shown on any recorded Plat of the Project, as the same may be amended from time to time;
- (b) any other buildings, structures or improvements that Declarant desires to construct on the Project or any other real estate owned by Declarant, whether or not the same ever becomes part of the Project; and
- (c) improvements, including but not limited to recreation and athletic facilities, upon the Common Area, or to construct such facilities upon property owned by Declarant and then designate such real property as Common Area.

Section 14.2 Development Rights. Declarant hereby reserves for itself, its successors and assigns:

- (a) the right to subdivide any Unit owned by Declarant;
- (b) the right to combine any Units owned by Declarant;
- (c) the right to reconfigure (including changing the size of) and/or replat any Unit or any property, whether or not a part of the Project, owned by Declarant, including property created by subdividing and/or combining property owned by Declarant; and
- (d) the right to convert any Lot owned by Declarant into Common Area.

Section 14.3 Sales Offices, Model Homes, Construction Trailers, Etc. Declarant hereby reserves for itself, its successors and assigns the right to maintain sales offices, management offices, models, construction trailers, fenced and unfenced storage areas and paved and unpaved parking

areas upon any Property owned or leased by Declarant and any and all Common Area. Such offices, models and construction trailers may be of such size and number as Declarant determines and may be located and relocated as often and as many times as Declarant determines. Declarant shall continue to be the owner of any such office, model, trailer, storage area or parking area, and such office, trailer, etc. shall not be or become part of the Common Area and the Association shall not own or become the owner of any such office, model, trailer, storage area or parking area, unless Declarant fails to remove the same within the applicable time specified in this Section 14.3. Declarant shall have the right to remove any such office, model, trailer, storage area at any time that Declarant is the Owner of the Property on which such office or model is located and within one year after Declarant ceases to be the Owner of such Property. Declarant shall have the right to remove any such office, model, trailer, storage area or parking area located on Common Area at any time that Declarant owns any property within the Project and within two years after Declarant ceases to be the Owner of property within the Project. Declarant also reserves for itself, its successors and assigns the right to construct, maintain and remove signs advertising the Project on any and all Common Areas.

Section 14.4 Merger; Community Declaration. In the event that all or any portion of the Expansion Area is not annexed into the Project as permitted in Article XV:

(a) Declarant hereby reserves for itself and its successors and assigns the right to merge or consolidate the common interest community created by this Declaration with any other common interest community created for the Expansion Area in the manner provided in the Act.

(b) Declarant further reserves, for itself and its successors and assigns, the right to subject all or any portion of the Project to a declaration (the "Community Declaration") creating a Community Association to own, manage, operate, repair, and replace recreational facilities, parks, open space or other amenities hereafter created by the Declarant upon the Expansion Property or Common Elements and to permit the use of such facilities for the common enjoyment of Owners of Units in the Project and the owner of lots or units within the Expansion Property. The Community Association shall have the right to assess all lots or units which enjoy the benefit of such facilities, including the Units, for expenses associated with the performance of its duties on a uniform and non-discriminatory basis consistent with the formula established by Article VIII of this Declaration. Following the period of Declarant control, if any, the executive board of the Community Association shall be elected in a manner permitted by Section 38-33.3-220(5) of the Act.

ARTICLE XV

DECLARANT'S EXPANSION, DEVELOPMENT AND WITHDRAWAL RIGHTS

Section 15.1 Expansion Rights. Declarant expressly reserves the right to subject all or any part of the property described in Exhibit D attached hereto and incorporated by this reference (the "Expansion Property") to the provisions of this Declaration in accordance with the procedures described in Article XVI. In addition, Declarant also expressly reserves the right to add unspecified property to the Project as allowed by the Act. Upon the exercise of the rights contained in this Section, and upon substantial completion of the improvements intended for the property to be added to the Project, which improvements shall be consistent in type and quality with improvements already

constructed, the Expansion Property, or designated part thereof, or the additional property shall be added to and become a part of the Project for all purposes.

Section 15.2 Development of Expansion Area. Declarant expressly reserves the right to subdivide, improve, create Units and Common Areas and buildings or other facilities thereon (the “Additional Improvements”), to exercise any Special Declarant Right, and to grant or dedicate easements for streets, utilities and the like on all or any portion of the Expansion Property, whether or not the Expansion Property is subjected to this Declaration.

Section 15.3 Party Wall Provision. Declarant expressly reserves the right to utilize any structural wall located on the boundary of any parcel identified as Expansion Property on Exhibit D as Party Wall. In the event Declarant constructs improvements on a parcel of the Expansion Property which does not become part of the Project, Declarant shall prepare a Party Wall Agreement which shall include easements for both the Project and the Expansion Property parcel for encroachments, support and repair as necessary to maintain the Party Wall. Except as specifically covered by the Party Wall Agreement prepared by Declarant at the time of construction of improvements on the Expansion Property parcel utilizing the Party Wall, the Party Wall shall be governed by the common law with respect to party walls as it exists from time to time under the laws of the State of Colorado.

Section 15.4 Withdrawal Rights. Declarant reserves the right to withdraw property from the Project from this Declaration in accordance with the provisions of this Section. No portion of the Project containing a Building in which a Unit has been conveyed from the Declarant may be withdrawn. Upon the exercise of the rights contained in this Section, the withdrawn property shall cease to be a part of the Project and shall no longer be subject to this Declaration for any purpose, except as specified in Section 16.9.

ARTICLE XVI ADDITIONAL PROVISIONS REGARDING DEVELOPMENT RIGHTS

Section 16.1 Exercise of Development Rights. Except as expressly limited herein, Development Rights may be exercised as to any of the property in the Project. The consent of Owners or mortgagees or other holders of security interests shall not be required for any exercise of Development Rights, and Declarant may proceed with such exercise without limitation at its sole option. No assurances are made, however, that any further development will occur. Different Development Rights may be exercised as to different parcels at different times, and, except as expressly contained herein, no assurances are made regarding the boundaries or the order in which parcels may be subjected to the exercise of Development Rights. Exercise of a Development Right with respect to any one parcel does not require exercise of a Development Right on any other parcel of property subject to Development Rights.

Section 16.2 Amendment of Declaration. Upon the exercise of a Development Right, Declarant shall record an amendment to this Declaration (an “Amendment”): (i) executed and acknowledged by the Declarant; (ii) containing the legal description of the property affected by the exercise of the Development Right; (iii) providing a description of the Development Right being exercised and the nature of the exercise; (iv) if appropriate, recalculating the shares of Common

Expenses; and (v) containing such other provisions, restrictions, and requirements consistent with the terms of this Declaration as Declarant deems necessary or desirable, including a description of any Development Rights reserved within any property added to the Project. The exercise of a Development Right shall be effective upon recording the Amendment.

Section 16.3 Supplement to the Map. Declarant shall, contemporaneously with the Amendment, file a Supplement to the Map showing the location of the Additional Improvements constructed on the Expansion Property or the construction, combination, subdivision, conversion, or allocation of Units, Lots or Common Areas allowed by this Declaration. The Supplement to the Map shall substantially conform to the requirements contained in this Declaration and the Act.

Section 16.4 Interpretation. Upon the recording of an Amendment following the exercise of a Development Right, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Project as affected by the exercise of the Development Right. Reference to this Declaration and Map in any instrument shall be deemed to include all Amendments to this Declaration and Supplements to the Map without specific reference thereto.

Section 16.5 Maximum Number of Units. The maximum number of Residential Condominium Units in the Project shall not exceed 368 and the maximum number of Garage Condominium Units shall not exceed 750, or, if allowed by the Act, the maximum number of Units allowed by any governmental entity having jurisdiction over the Project pursuant to any development plan for the Project and the Expansion Property. Declarant shall not be obligated to expand the Project beyond the number of units initially submitted to this Declaration.

Section 16.6 Interference With Development Rights. Neither the Association nor any Owner may take any action or adopt any rule and regulation that will interfere with or diminish any Development Rights reserved by this Article without the prior written consent of the Declarant. In the event of any controversy, dispute or litigation involving exercise of the reserved Development Rights by Declarant, this Declaration shall be interpreted so as to give the Declarant the broadest, most flexible Development Rights allowed by the Act.

Section 16.7 Transfer of Development Rights. Any Development Rights created or reserved in this Declaration for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred, executed by the transferor Declarant and recorded in the office of the Clerk and Recorder of Mesa County, Colorado.

Section 16.8 Termination of Development Rights. The Development Rights reserved to Declarant, for itself, its successors and assigns, shall expire at the end of the Special Declarant Rights Period as defined in Section 2.38 of this Declaration except to the extent that the Development Rights are reinstated or extended by the Association.

Section 16.9 Reciprocal Easements. If all or part of the Expansion Property is not submitted to this Declaration, or if property is withdrawn from the Project pursuant to Article XV (the "Withdrawn Property"):

(a) the owner(s) of the Expansion Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over the across the Common Area and Units; ; and

(b) the Owners shall have whatever easements are necessary, if any, for access, utility service, repair, maintenance and emergencies over and across the Expansion Property and Withdrawn Property.

Declarant shall prepare and record in the office of the Clerk and Recorder of Mesa County, Colorado, whatever documents are necessary to evidence such easements and shall amend Exhibit E to this Declaration to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the owner(s) of the Expansion Property and the Withdrawn Property and the Owners shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section 16.9 shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section 16.9

ARTICLE XVII INSURANCE

Section 17.1 Authority to Purchase. Except as provided in Section 17.13 below, all insurance policies relating to the Property shall be purchased by the Board of Directors or its duly authorized agent. The Board of Directors, the Manager and Declarant shall not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable cost.

Section 17.2 Notice to Owners. The Board of Directors shall promptly furnish to each Owner written notice of materially adverse changes in, cancellation or termination of, insurance coverages obtained on behalf of the Association under this Article, such notice to be delivered to all Owners by such methods as required by the Act. The notice (which may be issued in the form of a subpolicy relating to a master policy, if the Board of Directors obtains a master policy), shall specify the insurance coverage in effect on the Owner's Condominium Unit.

Section 17.3. General Insurance Provisions. All such insurance coverage obtained in accordance with this Article shall conform to any minimum requirements of the Act, and, to the extent not inconsistent with the Act, the following provisions.

17.3.1. As long as Declarant owns any Condominium Unit, Declarant shall be protected by all such policies in the same manner as any Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or

waive any rights with respect to) warranty claims against Declarant as the developer of the Project.

17.3.2. Depending on the area within the Property (whether Common Elements or one or more Condominium Units) damaged or destroyed and covered by an insurance claim submitted on behalf of the Association, the deductible amount, if any, on any insurance policy purchased by the Board of Directors may be treated as a Common Expense payable from Annual Assessments or Special Assessments allocable to all of the Condominium Units or to only some of the Condominium Units, if the claims or damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners, or as an item to be paid from working capital reserves established by the Board of Directors. The Association may enforce payment of any amount due from an individual Owner toward the deductible in accordance with Sections 8.6 and 8.7 above. Except as otherwise set forth in this Article, the maximum deductible amount shall be the lesser of \$10,000 or one percent of the policy face amount.

17.3.3. Except as otherwise provided in this Declaration, insurance premiums for the insurance coverage obtained by the Board of Directors pursuant to this Article shall be a Common Expense to be paid by regular Annual Assessments. In accordance with Section 8.3.2 above, the Board of Directors shall make appropriate allocations of the cost of any insurance carried by the Association for the benefit of a particular Owner.

Section 17.4. Property Damage Insurance, The Association shall obtain and maintain in full force and effect property damage insurance on all insurable improvements located on or constituting part of the Property (including, without limitation, the Common Elements and the Individual Air Space Units, together with, unless the Board of Directors directs otherwise, the fixtures, equipment and other personal property initially installed in the Individual Air Space Units and replacements thereof up to the value of those initially installed by Declarant, but not including furniture, wall coverings, improvements, additions or other personal property supplied or installed by Owners), together with all fixtures, building service equipment and common personal property and supplies of the Association, and heating equipment and other service machinery contained therein and covering the interests of the Owners and their Mortgagees, as their interests may appear. The insurance shall be carried in an amount equal to full replacement value (*i.e.*, 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property and, other items normally excluded from coverage), and shall include a replacement cost endorsement and an agreed amount endorsement waiving the requirement of coinsurance. Such insurance shall afford protection against at least the following:

17.4.1. Loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement including but not limited to sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage;

17.4.2. If the Project has central heating or cooling or the Common Elements contain a steam boiler, a broad form policy of repair and replacement steam boiler and machinery insurance (or endorsement) in the lesser of (i) the amount of the insurable value of the building housing the boiler, or (ii) \$2,000,000 (or such other amount as the Board deems advisable).

17.4.3. Such other risks as shall customarily be covered with respect to projects similar in construction, location and use to the Project. The Board shall obtain property damage insurance covering any personal property owned by the Association.

Section 17.5. Provisions Common to Property Damage Insurance. In contracting for the policy or policies of insurance obtained pursuant to Section 17.4 above, the Board of Directors shall make reasonable efforts to secure coverage, if the Board deems such coverage advisable, which provides the following endorsements (or equivalent): (a) "cost of demolition;" (b) "contingent liability from operation of building laws or codes" (building ordinance or law endorsement); (c) "increased cost of construction"; (d) "agreed amount" or elimination of co-insurance clause; and (e) "inflation guard" (if available).

Prior to obtaining any policy of property damage insurance or any renewal thereof, and at such other intervals as the Board of Directors may deem advisable (but in any event, at least once every three years), the Board of Directors shall obtain an appraisal from a general contractor or such other source as the Board may determine, of the then current replacement cost of the property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage) subject to insurance carried by the Association, without deduction for depreciation, for the purpose of determining the amount of property damage insurance to be secured pursuant to this Article.

A certificate evidencing coverage under the policy of property damage insurance, together with proof of payment of premiums and any notice issued under Section 17.2 above, shall be delivered by the insurer to the Association and upon request, to any Owner or Mortgagee. The Mortgagee of a Condominium Unit shall also be entitled to receive upon request a certificate confirming the renewal of any existing property damage insurance at least 10 days before the expiration of the then current policy, and to receive notice promptly of any event giving rise to a claim under such policy arising from damage to such Condominium Unit.

Section 17.6. Liability Insurance. The Association shall obtain and maintain in full force and effect commercial general liability insurance (including bodily injury, libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Association, the Manager, and the employees and agents of the Association and the Manager against any liability to the public or the Owners (and their guests, invitees, tenants, agents' and employees) arising out of or incident to the ownership existence, operation, management, maintenance or use of the Common Elements and any other areas under the control of the Association. Declarant shall be included as an additional insured in Declarant's capacity as an Owner or Director. The Owners shall be included as additional insured, but only for claims and liabilities arising in connection with the

ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

Such comprehensive policy of public liability insurance shall include the following:

17.6.1. Coverage for contractual liability, liability for non-owned and hired automobiles, and, if applicable, bailee's liability, garage keeper's liability, host liquor liability, employer's liability, and such other risks as shall customarily be covered with respect to projects similar to the Project in construction, location, and use.

17.6.2. A cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured.

17.6.3. A "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of the negligent acts of the Association or another Owner.

The Board of Directors shall review the coverage limits at least once every two years, but, generally, the Board shall carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to the Project and in no event shall such coverage be less than \$1,000,000 for all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than \$2,000,000.

At the election of the Board of Directors, the Board may also contract for commercial general liability insurance covering each Owner with respect to the ownership and use of the Condominium Units, as necessary or convenient to allow the Board, the Manager and the Association to perform their respective duties in connection with the Common Elements. Notice of such coverage shall be given to the Owners as necessary to keep the Owners currently informed.

Section 17.7 Fidelity Insurance. Fidelity insurance shall be maintained by the Association to protect against dishonest acts on the part of its officers, Directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association, regardless of whether such person receives compensation for services. Such insurance shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. Such insurance will be not less than (in the aggregate) three months' current Assessments plus reserves, as calculated from the current budget of the Association, on all Units in the Project. In addition, irresponsibility for handling funds is delegated to a Manager, such insurance shall be obtained by the Manager for the Manager and its officers, employees, and agents, as applicable, and shall contain the same coverages that are provided under the fidelity insurance obtained by the Association.

Section 17.8. Flood Insurance. If any habitable structure on the property is located in a Special Flood Hazard Area which is designed A, AE, AH, AO, AI-30, A-99, V, VE or VI-30 on a Flood Insurance Rate Map, the Association shall obtain a policy of flood insurance in an amount equal to 100% of the insurable value of the Common Elements and each Building in the Project in which Individual Air Space Units are located or the maximum coverage available under the appropriate National Flood Insurance Administration program. The Building coverage should equal 100% of the insurable value of the Building, including machinery and equipment that are part of the Building. The contents coverage must include 100% of the insurable value of all contents, including any machinery and equipment that are not part of the Building, but which are Common Elements or owned by the Association. The maximum deductible amount shall be the lesser of \$5,000 or one percent of the policy face amount. Funds to cover this deductible amount should be included in the Association's reserve account.

Section 17.9. Provisions Common to Property Damage Insurance, Liability Insurance, Fidelity Insurance and Flood Insurance. Any insurance coverage obtained by the Association under the provisions of this Article above shall be subject to the following provisions and limitations:

17.9.1 The named insured under any such policies shall include Declarant, until all the Condominium Units have been conveyed, and the Association, as attorney-in-fact for the use and benefit of the Owners, or the authorized representative of the Association (including any trustee with whom the Association may enter into an insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee" and such Insurance Trustee will be recognized by an insurer providing insurance pursuant to this Article XVII) who shall have exclusive authority to negotiate losses; and receive payments under such policies, and the "loss payable" clause should designate the Association or the Insurance Trustee, if any, who will act as trustee for each Owner and the holder of each Unit's Mortgage.

17.9.2 Each Owner shall be an insured person with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

17.9.3 In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees.

17.9.4 The policies shall provide that coverage shall not be prejudiced by (I) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees and guests) when such act or neglect is not within the control of the Association; or (ii) any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control; or (iii) conduct of any kind on the part of an Owner (including the Owner's family, tenants, servants, agents, invitees and guests) or any

Director, officer, employee or Manager of the Association, without prior demand to the Association and a reasonable opportunity to cure the matter. .

17.9.5. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be canceled in the middle or at the end of any policy year or other period of coverage or substantially modified or reduced (including cancellation for nonpayment of premiums) without at least 30 days' prior written notice mailed to the Association and to each Owner and First Mortgagees to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses,

17.9.6. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Board of Directors, the Association, the Manager, and any Owner or their respective agents, employees, or tenants, and in the case of Owners, members of their households, and of any defenses based upon co-insurance.

17.9.7 The policies described in this Article shall provide that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board shall be deemed primary coverage, and any individual Owners' policies shall be deemed excess coverage.

Section 17.10. Personal Liability Insurance of Officers and Directors. To the extent obtainable at a reasonable cost, appropriate officers' and directors' personal liability insurance shall be maintained by the Association to protect the officers and Directors from personal liability in relation to their duties and responsibilities in acting as such officers and Directors on behalf of the Association.

Section 17.11. Workmen's Compensation Insurance. The Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 17.12. Other Insurance. Association may obtain insurance against such other insurable risks of a similar or dissimilar nature as it deems appropriate with respect to the Association's responsibilities and duties.

Section 17.13. Insurance Obtained by Owners. It shall be the responsibility of each Owner, at such Owner's expense, to maintain property damage insurance on such Owner's personal property and furnishings and public liability insurance covering such Owner's Individual Air Space Unit. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Condominium Unit as the Owner, in the Owner's sole discretion, shall conclude to be desirable. However, no such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy

maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. An Owner shall be liable to the Association for the amount of any such diminution of insurance proceeds to the Association resulting from insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a Default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners, including Declarant, should Declarant be the Owner of any Condominium Unit.

The Board of Directors may require an Owner who purchases additional insurance coverage for the Owner's Condominium Unit (other than coverage for the Owner's personal property) to file copies of such policies with the Association within 30 days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

ARTICLE XVIII ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact in such Owner's name, place and stead for the purposes of dealing with the Project upon its damage or destruction as provided in Article XIX, or a complete or partial taking as provided in Article XIX below. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article XVII above and to represent the Owners in any condemnation proceeding under Article XXI below including: the collection and appropriate disposition of the proceeds of such insurance or any condemnation award; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, (is their interests may appear. Acceptance by a grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner, which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XIX DAMAGE OR DESTRUCTION

Section 19.1. The Role of the Board of Directors. Except as provided in Section 19.6, in the event of damage to or destruction of all or part of any Condominium Unit, Common Elements, or other property covered by insurance written in the name of the Association under Article XVII, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Project, including, without limitation, the floor coverings, fixtures, and appliances

initially installed therein by Declarant, and replacement thereof installed by the Owners up to the value of those initially installed by Declarant, but not including any furniture, furnishings, fixtures, equipment, or other personal property supplied or installed by the Owners in the Condominium Unit unless covered by insurance obtained by the Association. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his Unit.

Section 19.2. Estimate of Damage or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Project, unless such damage or destruction shall be minor, the Board of Directors shall obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Project damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed immediately prior to the damage or destruction, with each Individual Air Space Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

Section 19.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 19.4. Funds for Repair and Reconstruction. Subject to the provisions of Section 19.6 below, the proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair and reconstruction. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 8.5 above, levy, assess, and collect in advance from the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. The cost of repair and reconstruction in excess of insurance proceeds and reserves is a Common Expense.

Section 19.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. Such fund shall be applied by the Association as attorney-in-fact for 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. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, or if no Special Assessments were made, then in proportionate shares on the basis of the allocation to the Owners of Common Expenses under Section 8.3.2 above, first to the Mortgagees and then to the Owners as their interests appear.

Section 19.6. Decision Not to Rebuild. Any portion of the Project for which insurance is required pursuant to the provisions of this Declaration or the Act which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (i) The project is terminated pursuant to Article XX below and the Act;
- (ii) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (iii) Owners representing at least 80% of votes in the Association, including the vote of every Owner of a Condominium Unit or assigned Limited Common Element that will not be rebuilt and including during the Special Declarant Rights Period, the vote of Declarant, the vote of at least 5 % of Eligible Mortgage Holders (based on one vote for each Mortgage owned), and any other votes required by the Act, vote not to repair and reconstruct the Project; or
- (iv) Prior to the conveyance of a Unit to a person other than the Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Project rightfully demands all or a substantial part of the insurance proceeds.

If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and, except to the extent that other persons will be distributees, the insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Elements interests of all the Units, as set forth on Exhibit B.

Section 19.7 Repairs. All repairs and reconstruction contemplated by this Article XIX shall be performed substantially in accordance with this Declaration, the Map, and the original plans and specifications for the Project, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Project Documents.

Section 19.8. Notice of Damage or Destruction to First Mortgages. In the event that any portion of the Project encompassing more than one Individual Air Space Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner and First Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE XX

TERMINATION OF PROJECT

Section 20.1. Adoption of Termination Agreement. Except in the case of a taking of all of the Units by eminent domain, the Project may be terminated by the agreement of Owners of Units to

which at least 67% of the votes in the Association are allocated, which termination proposal must have the approval of at least 67% of the First Mortgagees (based on one vote for each Mortgage owned) of record at the time of the adoption of such plan. The approval of a First Mortgagee will be assumed when an Eligible Mortgage Holder fails to submit a written response to the proposed termination within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested. The agreement of Owners to terminate must be evidenced by their execution of a termination agreement or ratifications thereof in the same manner as a deed, by the requisite number of Owners. The termination agreement must specify a date after which the agreement will be void unless it is recorded before that date. The termination agreement and all ratifications thereof must be recorded in Mesa County, Colorado, and is effective only upon recordation.

Section 20.2. Sale of the Property. The termination agreement may provide that all of the Common Elements and Units of the Project must be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement must set forth the minimum terms of sale. Subject to the provisions of the termination agreement, the Association, on behalf of the Owners, may contract for the sale of real estate in the Project following termination, but the contract is not binding on the Owners until approved pursuant to Section 20.1 above. If any real estate is to be sold following termination, title to that real estate, upon termination, vests in the Association as trustee for the holders of all interests in the Units. Thereafter, the Association has all the powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the Association continues in existence with all the powers it had before termination. Proceeds of the sale must be distributed to Owners and lienholders as their interests may appear in accordance with Section 20.4 below, taking into account the value of property owned or distributed that is not sold so as to preserve the proportionate interests of each Owner with respect to all property cumulatively. Following termination of the Project, the proceeds of any sale of the Property, together with the assets of the Association, are held by the Association as trustee for the Owners and holders of liens on the Units as their interest may appear. Creditors of the Association who obtain a lien and duly record it in Mesa County, Colorado, are to be treated as if they had perfected liens on the Units immediately before termination or when the lien is obtained and recorded, whichever is later. Unless otherwise specified in the termination agreement, as long as the Association holds title to the Property, each Owner and the Owner's successors in interest have an exclusive right to occupancy of the portion of the Property that formerly constituted the Unit. During the period of that occupancy, each Owner and the Owner's successors in interest remain liable for all Assessments and other obligations imposed on Owners by the Declaration.

Section 20.3 Status of Property Not Sold. Title to the Units not to be sold following termination vests in the Owners upon termination as tenants in common in fractional interests that maintain, after taking into account the fair market value of property owned and the proceeds of property sold, their respective interests as provided in Section 20.4 below with respect to all property appraised under Section 20.4 below, and liens on the Units shift accordingly. While the tenancy in common exists, each Owner and the Owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formally constituted such Unit.

Section 20.4 Interests of the Owners. The respective interests of the Owners are as follows:

20.4.1 Except as provided in Section 20.4.2 below, the respective interests of Owners are the combined fair market values of their Units, allocated interests, and Limited Common Elements, immediately before the termination, as determined by one or more independent appraisers selected by the Association. The decision of the independent appraisers shall be distributed to the Owners and becomes final unless disapproved within 30 days after distribution by Owners of Units to which 25% of the votes in the Association are allocated. The proportion of any Owner's interest to that of all Owners is determined by dividing the fair market value of that Owner's Unit and its allocated interests by the total fair market value of all the Units and their allocated interests.

20.4.2 If any Unit or the Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all Unit Owners are their respective Common Element interests immediately before the termination.

ARTICLE XXI CONDEMNATION

Section 21.1. Consequences of Condemnation. If, at any time or times during the continuance of the Project pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages, or other proceeds of condemnation, the sum of which is referred to as the "condemnation award" below, shall be payable to the Association, and the provisions of this Article XXI shall apply.

Section 21.2. Complete Taking. In the event that the entire Project is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership pursuant this Declaration shall terminate. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. Such award shall be apportioned among the Owners and the Mortgagees on the basis of the undivided interest in the Common Elements appurtenant to the Unit in which such Owners and Mortgagees have an interest; provided, however, that if a standard different from the value of the Project as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, then in determining such apportionment the same standard shall be employed. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled in accordance with each Owner's allocated interest in the Common Elements, and such shares shall be paid first to the Mortgagees and then to the Owners, as their interests appear.

Section 21.3. Partial Taking. Except as the Owners may otherwise agree pursuant to Article XIX above, in the event that less than the entire Project is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership under this Declaration shall not terminate. Each Owner (and Mortgagee holding an interest in such Owner's

Unit) shall be entitled to a share of the condemnation award to be determined under the following provisions. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. As soon as practical, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners, as follows:

21.3.1. Subject to Section 21.3.3 below, the total amount allocated to a taking of or injury to the Common Elements shall be apportioned among Owners and their Mortgagees on the basis of each Owners's undivided interest in the Common Elements, and any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which the Limited Common Element was allocated at the time of acquisition;

21.3.2. The total amount allocated to severance damages shall be apportioned to the Owners and Mortgagees of those Condominium Units which were not taken or condemned;

21.3.3. The respective amounts allocated to the taking of or injury to a particular Condominium Unit or to improvements an Owner has made within the Owner's own Condominium Unit (including compensation to the Officer for the Unit and its allocated interest in the Common Elements whether or not the Common Elements are acquired) shall be apportioned to the Owner and Mortgagees of that particular Condominium Unit involved; and

21.3.4. The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances.

If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 21.4. Reorganization. In the event a partial taking results in the taking of an Individual Air Space Unit, the Owners thereof shall automatically cease to be members of the Association, and their ownership interests in the Common Elements shall terminate and vest in the Owners of the remaining Condominium Units. Thereafter, subject to the provisions of the Act, the Association shall reallocate the ownership, voting rights, and Assessment ratios determined in accordance with this Declaration and the Act, according to the same principles employed in this Declaration at its inception and as required under the Act and the Board of Directors of the Association shall amend this Declaration accordingly.

Section 21.5. Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article XIX above.

Section 21.6. Notice of Condemnation. In the event that any portion of the Project shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgage.

ARTICLE XXII MORTGAGEE PROTECTIONS

Section 22.1. Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Mortgages. This Article is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

Section 22.2 Percentage of Eligible Mortgage Holders. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgage Holders is required, it shall mean the approval or consent of Eligible Mortgage Holders under Mortgages encumbering Condominium Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Condominium Units then subject to Mortgages held by Eligible Mortgage Holders.

Section 22.3. Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgage Holder of the following:

22.3.1 Any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Condominium Unit in which an interest is held by the Eligible Mortgage Holder.

22.3.2 Any delinquency which remains uncured for 60 days in the payment of Assessments by an Owner whose Condominium Unit is encumbered by a Mortgage held by such Eligible Mortgage Holder.

22.3.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity insurance maintained by the Association.

22.3.4 Any proposed action which would require the consent of Eligible Mortgage Holders as required in Section 23.4 below.

22.3.5 Any judgment rendered against the Association.

Section 22.4.1 Document Changes. No amendment of any material provision of this Declaration described in this Section 22.4.1 may be effective without the vote of at least 67% of the Owners in the Association (subject to Section 26.3 below) and the approval in writing of at least 51% of the Eligible Mortgage Holders. "Material" provisions include any provision affecting the following:

(a) Assessments (if such amendment will increase the then existing amount of Assessments by more than 25%), Assessment liens, or the subordination or priority of Assessment liens.

(b) Voting rights.

(c) Reserves for maintenance, repair and replacement of the Common Elements.

(d) Responsibility for maintenance and repairs.

(e) Rights to use the Common Elements.

(f) Reallocation of interests in the Common Elements or rights to their use, except that when Limited Common Elements are reallocated by agreement between Owens, only those Owners and the Eligible Mortgage Holders having an interest in such Units must approve such action.

(g) Definitions of boundaries of Units.

(h) Insurance or fidelity bonds.

(i) Imposition of any restrictions on an Owner's right to sell, lease or transfer his Condominium Unit.

(j) Restoration or repair of the Property after hazard damage or partial condemnation in a manner other than that specified in this Declaration.

(k) Termination of this Declaration after the occurrence of substantial destruction or condemnation.

(l) Conversion of Units into Common Elements or conversion of Common Elements into Units.

(m) A decision by the Association to establish self management if professional management had been required by the Project Documents or by an Eligible Mortgage Holder.

(n) The benefits of Eligible Mortgage Holders.

22.5 Actions. The Association may not take any of the following actions, except as such rights have been specifically reserved by Declarant under the provisions of this Declaration, without the approval of at least 67% of the Owners in the Association (subject to Section 26.3 below) and the approval in writing of at least 51% of the Eligible Mortgage Holders:

(a) Conveyance or encumbrance of the Common Elements (provided, however, that the granting of easements for public utilities, for construction and maintenance of roads within the Project, or for other public purposes not inconsistent with the use of the Common Elements by the Owners shall not be deemed a transfer within the meaning of this clause). I

(b) Restoration or repair of the Property (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration.

(c) Termination of this Declaration for reasons other than substantial destruction or condemnation, as permitted with the approval percentages specified in Articles XIX and XX above.

(d) Merger of the Project with any other common interest community.

(e) The granting of easements, leases, licenses or concessions through or over the Common Elements (excluding, however, any such grants for public utilities or other public purposes not inconsistent with the use of the Common Elements by the Owners).

(f) The assignment of the future income of the Association, including its right to receive Assessments.

(g) Any action not to repair or replace the Common Elements except as permitted under Articles XIX and XX above.

Section 22.6. Notice to Objection. Unless an Eligible Mortgage Holder provides the Secretary of the Association with written notice of its objection, if any, to any proposed amendment or action outlined above within 30 days following the receipt of notice delivered by certified or registered mail, return receipt requested, of such proposed amendment or action, the Eligible Mortgage Holder shall be deemed conclusively to have approved the proposed amendment or action.

Section 22.7. First Mortgagees' Rights.

22.7.1 Payment of Taxes and Insurance. First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Elements. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

22.7.2 Payment of Assessments. Mortgage Holders shall be entitled to cure any delinquency of the Owner of the Condominium Unit encumbered by the Eligible Mortgage Holder in the payment of Assessments of which the Eligible Mortgage Holder has received notice under Section 22.3 above. In that event, the

Eligible Mortgage Holder shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 22.8 Title Taken by First Mortgagee. Any First Mortgagee who obtains title to the Condominium Unit pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, shall be liable for all Assessments due and payable as of the date title to the Condominium Unit vests in the First Mortgagee under the statutes of Colorado governing foreclosures. Except as provided in the Act, such First Mortgagee shall not be liable for any unpaid dues and charges attributable to the condominium Unit which accrue prior to the date such title vests in the First Mortgagee.

ARTICLE XXIII ENFORCEMENT OF COVENANTS

Section 23.1. Violations Deemed a Nuisance. Every violation of this Declaration or any other of the Project Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement or correction of the violation. In addition, all public and private remedies allowed at law or equity against anyone in violation of these covenants will be available.

Section 23.2. Compliance. Each Owner or other occupant of any part of the Property will comply with the provisions of the Project Documents as the same may be amended from time to time.

Section 23.3. Failure to Comply. Failure to comply with the Project Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Bylaws will be given to the delinquent party prior to commencing any legal proceedings.

Section 23.4. Who May Enforce. Any action to enforce the Project Documents may be brought by Declarant, the Board or the Manager in the name of the Association on behalf of the Owners, or any aggrieved Owners. Such an action may be brought against the Declarant, the Board, the Manager, the Association or any Owner.

Section 23.5. Remedies. In addition to the remedies set forth above in this Article, any violation of the Project Documents shall give to the Board, the Manager or Declarant, on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest of the Owners and meaning of the Project Documents. If the offense occurs in any easement, walkway, Common Elements or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 23.6 Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 23.7. No Waiver. The failure of the Board of Directors, Declarant, the Manager, or any aggrieved Owner to enforce the Project Documents will not be deemed a waiver of the right to do

so for any subsequent violations or of the right to enforce any other part of the Project Documents at any future time.

Section 23.8. No Liability. No member of the Board of Directors, the Declarant, the Manager or any Owner will be liable to any other Owner for the failure to enforce any of the Project Documents at any time.

Section 23.9. Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Project Documents or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Project Documents or the restraint of violations of the Project Documents, the prevailing party will be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees (and legal assistants' fees) as may be incurred, or if suit is brought, as may be determined by the court.

ARTICLE XXIV RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Association or relating to the interpretation, performance or nonperformance, violation, or enforcement of the Project Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the Bylaws.

ARTICLE XXV DURATION OF THESE COVENANTS AND AMENDMENT

Section 25.1 Term. This Declaration and any amendments or supplements hereto will remain in effect from the date of recordation until the twenty-fourth anniversary of the date this Declaration is first recorded in the office of the Clerk and Recorder of Mesa County, Colorado. Thereafter, these Covenants will be automatically extended for successive periods of 10 years each, unless otherwise terminated or modified as provided below.

Section 25.2 Amendment. This Declaration, or any provision of it, may be terminated, extended, modified or amended, or revoked as to the whole or any portion of the Property, upon the written consent of Owners holding 67% or more of the votes in the Association, and upon compliance with Article XXIII above, as appropriate. Amendments made pursuant to this Section will inure to the benefit of and be binding upon all Owners, their families, tenants, guests, invitees and employees, and their respective heirs, successors, and assigns. A certificate of a licensed abstract or title company showing record ownership of the Property and a certificate of the Secretary of the Association documenting votes held and voting rights exercised on the basis of such ownership records will be evidence of such ownership and voting representation for the purposes of any such amendment.

Section 25.3 Declarant's Approval. Notwithstanding the provisions of Section 25.2, no termination, extension, modification, amendment or restatement of this Declaration will be effective in any event during the Period of Declarant Control, unless the written approval of Declarant is first obtained; and (ii) no termination, extension, modification, amendment or restatement of this Declaration may be made during the Special Declarant Rights Period to impair any of the Special Declarant Rights or Declarant's other rights under Article XVI or this Article XXVI unless the written approval of Declarant is first obtained.

Section 25.4 Notice of Amendment. No amendment or revocation of this Declaration will be effective unless a written notice of the proposed amendment is sent to every Owner reasonably in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent thereto.

Section 25.5 Effective on Recording. Any modification, amendment or revocation made in accordance with this Declaration will be immediately effective upon recording in Mesa County, Colorado, a copy of such amendment, modification or revocation executed and acknowledged by the necessary number of Owners (and by Declarant, as required), accompanied by either a certificate of a licensed abstract or title company as to ownership, or a duly authenticated certificate of the Secretary of the Association stating that the required number of consents of Owners were obtained, based on a certificate of a licensed title or abstract company or other authoritative evidence of compliance with the requirements of this Declaration regarding such matters, which will be placed on file in the office of the Association.

ARTICLE XXVI MISCELLANEOUS PROVISIONS

Section 26.1. Severability. This Declaration, to the extent possible, will be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 26.2. Construction. In interpreting words in this Declaration, unless the context will otherwise provide or require, the singular will include the plural, the plural will include the singular, and the use of any gender will include all genders.

Section 26.3. Headings. The headings are included only for purposes of convenient reference, and they will not affect the meaning or interpretation of this Declaration.

Section 26.4. Waiver. No failure on the part of the Association or the Board to give notice of default or to exercise or to delay in exercising any right or remedy will operate as a waiver, except as specifically provided above in the event the Board fails to respond to certain requests. No waiver will be effective unless it is in writing and signed by the President or Vice President of the Board on behalf of the Association.

Section 26.5. Limitation of Liability. Neither the Association nor any officer or member of the Board will be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Project Documents if the action or failure to act was made in good faith. The Association will indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles of Incorporation and Bylaws.

Section 26.6. Conflicts Between Documents. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration will control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation will control.

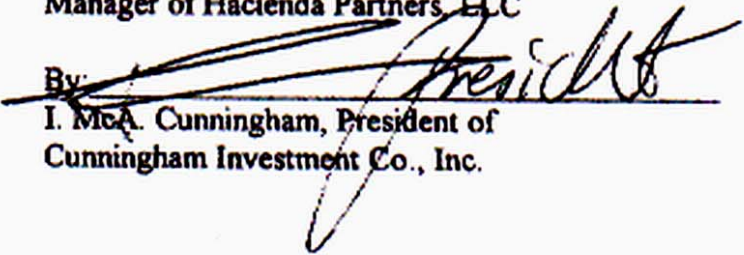
Section 26.7. Assignment. Subject to the requirements and limitations of the Act, Declarant may assign all or any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor will be identified, the particular rights being assigned will be specified, and, to the extent required, concomitant obligations will be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Mesa County, Colorado.

Section 26.8. Limit of Timesharing. No Owner of any Condominium Unit shall offer or sell any interest in such Condominium Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

Section 26.9 Counterparts. This Declaration and the required approvals and joinders to It, may be executed in two or more counterparts which when taken together shall evidence the agreement of Declarant and all such parties approving or joining in this Declaration.

HACIENDA PARTNERS, LLC
A Colorado Limited Liability Company

By: CUNNINGHAM INVESTMENT CO., INC.,
Manager of Hacienda Partners, LLC

By: 
I. McA. Cunningham, President of
Cunningham Investment Co., Inc.

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 21st day of August 2000, by I. McA. Cunningham as President of Cunningham Investment Co., Inc., Manager of Hacienda Parnters, LLC, a Colorado Limited Liability Company.

WITNESS my hand and official seal.

My commission expires: 9/30/02


Notary Public



APPROVAL OF LIENOR

The undersigned, beneficiary under a Deed of Trust dated as of April 10, 2000, and recorded April 20, 2000, Book 2700 at Page 743 in the office of the Clerk and Recorder of Mesa County, Colorado, approves the foregoing Declaration for The Homestead in Grand Junction, A Condominium (the "Declaration"), and the undersigned agrees and acknowledges that any foreclosure or enforcement of any other remedy available to the undersigned under the Deed of Trust shall not rendered void or otherwise impair the validity of the Declaration and the covenants running with the land described in the Declaration.

Dated 8/1, 2000

Tim Peracta

By TIM PERACTA
Its SENIOR VICE PRESIDENT

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

On August 1, 2000, before me, Lynette Mancuso, a Notary Public, personally appeared Tim Peracta, [name of individual whose signature is being notarized], personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

My Commission expires: 2/2/2003



Lynette Mancuso
Notary Public

APPROVAL OF LIENOR

The undersigned, beneficiary under a Deed of Trust dated as of Feb. 22, 2000, and recorded Feb. 23, 2000, Book 2682 at Page 30 in the office of the Clerk and Recorder of Mesa County, Colorado, approves the foregoing Declaration for The Homestead in Grand Junction, A Condominium (the "Declaration"), and the undersigned agrees and acknowledges that any foreclosure or enforcement of any other remedy available to the undersigned under the Deed of Trust shall not rendered void or otherwise impair the validity of the Declaration and the covenants running with the land described in the Declaration.

Dated Aug. 21, 2000

Bryan Sandlin
Sr. Vice President

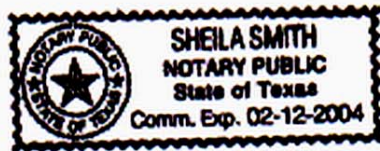
By Bryan Sandlin
Sr. Vice President
Its Construction Loan Division

Texas
STATE OF ~~COLORADO~~)
) ss.
COUNTY OF MESA Dallas)

On August 21, 2000, before me, Sheila Smith, a Notary Public, personally appeared Bryan Sandlin [name of individual whose signature is being notarized], personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

My Commission expires: 2-12-04



Sheila Smith
Notary Public

EXHIBIT A

Legal Description of the Property

PROPERTY DESCRIPTION**BOOK 2745 PAGE 771**

A part of Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, and being situated in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Beginning at the northeast corner of said Block 2;
Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet;
Thence departing the east line of said Block 2 and continuing South 00°00'00" West, a distance of 50.19 feet;
Thence North 90°00'00" West, a distance of 317.88 feet;
Thence South 00°00'00" East, a distance of 110.18 feet;
Thence North 90°00'00" West, a distance of 168.85 feet to a point of cusp on a 452.00 foot radius curve concave to the west;
Thence 132.06 feet northerly along the arc of said curve, through a central angle of 16°44'24", with a chord bearing North 05°23'22" East, a distance of 131.59 feet to a point of cusp on a curve, from which the radius point bears South 27°46'37" West;
Thence northwesterly and westerly a distance of 8.73 feet along the arc of said curve concave to the south, having a radius of 18.00 feet and a central angle of 27°46'37"
Thence radial to said curve, North 00°00'00" East, a distance of 32.00 feet;
Thence South 90°00'00" East, a distance of 50.55 feet;
Thence 72.79 feet along the arc of a 180.00 foot radius tangent curve to the right, through a central angle of 23°10'14", with a chord bearing South 78°24'53" East, a distance of 72.30 feet to a point of cusp;
Thence North 00°00'00" West, a distance of 210.60 feet to the north line of said Block 2;
Thence along said north line North 89°47'41" East, a distance of 361.39 feet to the Point of Beginning.

Containing 2.633 acres, more or less.

This description was prepared by:
Kenneth Scott Thompson
Colorado P.L.S. 18480
529 15 1/2 Road, Suite 210
Grand Junction, Colorado

K Scott Thompson
08/15/2000

NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

EXHIBIT B

Unit Numbers

Building #3
2461 F-1/4 Road
Grand Junction, Colorado 81505

Units 311, 321, 331, 341
312, 322, 332, 342

Building #4
2461 F-1/4 Road
Grand Junction, Colorado 81505

Units 411, 421, 431, 441
412, 422, 432, 442

Building #5
2461 F-1/4 Road
Grand Junction, Colorado 81505

Units 511, 521, 531, 541
512, 522, 532, 542

Building #6
2461 F-1/4 Road
Grand Junction, Colorado 81505

Units 611, 621, 631, 641
612, 622, 632, 642

Garage #1
2461 F-1/4 Road
Grand Junction, Colorado 81505

Units 31 - 38, inclusive, and
Units 41 - 48, inclusive

Garage #2
2461 F-1/4 Road
Grand Junction, Colorado 81505

Units 51 - 58, inclusive

EXHIBIT C

List of Property Convertible by Declarant from General
Common Elements to Limited Common Elements

Open Air Parking Spaces

EXHIBIT D

Easements

14' multi-purpose easements as recorded in ^{PLAT} Book 17 at Page 220-22 of the Real Estate Records of Mesa County, Colorado. (Recep # 1930890)

20' sanitary sewer easements to the City of Grand Junction as perpetual easements for the installation, operation, repair and maintenance of sanitary sewer pipelines, cleanouts, pumps or other devices necessary for the discharge of sewer waste to the public sewer system, and including the right of ingress and egress on, along, over, under and through and across the Property, as recorded in Book 17 at Page 220-22 of the Real Estate Records of Mesa County, Colorado. (Recep # 1930890) PLAT

Owners' Easements of Access and Enjoyment as set forth in Section 13.1 of Declaration.

Easements of Record and of Use as set forth in Section 13.3 of Declaration.

Emergency Access Easement as set forth in Section 13.4 of Declaration.

Easement for Encroachments as set forth in Section 13.5 of Declaration.

Easements of Access for Repair, Maintenance and Emergencies as set forth in Section 13.6 of Declaration.

Reciprocal Easements as set forth in Section 16.9 of Declaration.

EXHIBIT E

Expansion Property

PROPERTY DESCRIPTION**BOOK 2745 PAGE 775**

Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, and being situated in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado;

EXCEPT that part more particularly described as follows:

Beginning at the northeast corner of said Block 2;
Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet;
Thence departing the east line of said Block 2 and continuing South 00°00'00" West, a distance of 50.19 feet;
Thence North 90°00'00" West, a distance of 317.88 feet;
Thence South 00°00'00" East, a distance of 110.18 feet;
Thence North 90°00'00" West, a distance of 168.85 feet to a point of cusp on a 452.00 foot radius curve concave to the west;
Thence 132.06 feet northerly along the arc of said curve, through a central angle of 16°44'24", with a chord bearing North 05°23'22" East, a distance of 131.59 feet to a point of cusp on a curve, from which the radius point bears South 27°46'37" West;
Thence northwesterly and westerly a distance of 8.73 feet along the arc of said curve concave to the south, having a radius of 18.00 feet and a central angle of 27°46'37"
Thence radial to said curve, North 00°00'00" East, a distance of 32.00 feet;
Thence South 90°00'00" East, a distance of 50.55 feet;
Thence 72.79 feet along the arc of a 180.00 foot radius tangent curve to the right, through a central angle of 23°10'14", with a chord bearing South 78°24'53" East, a distance of 72.30 feet to a point of cusp;
Thence North 00°00'00" West, a distance of 210.60 feet to the north line of said Block 2;
Thence along said north line North 89°47'41" East, a distance of 361.39 feet to the Point of Beginning.

Containing 11.147 acres, more or less.

This description was prepared by:
Kenneth Scott Thompson
Colorado P.L.S. 18480
529 25 1/2 Road, Suite 210
Grand Junction, Colorado

K. Scott Thompson
08/15/2000

NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

EXHIBIT F

Exceptions to Title

COMMITMENT FOR TITLE INSURANCE
SCHEDULE B - Section 2
Exceptions

FILE NUMBER: 43540

The policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records, or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.

B. General Exceptions:

1. Rights or claims of parties in possession not shown by the public records.
2. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey or inspection of the premises including, but not limited to, insufficient or impaired access or matters contradictory to any survey plat shown by the public records.
3. Easements, or claims of easements, not shown shown by the public records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. (a.) Unpatented mining claims; (b.) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c.) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Taxes or special assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

Paragraphs 1, 2, 3, 4, 5 and 6 above will not appear as printed exceptions on extended coverage policies, except as to such parts thereof which may be shown as a Special Exception in Schedule B-Section 2.

C. Special Exceptions:

7. Any and all unpaid taxes, assessments and unredeemed tax sales, if any.
8. The right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to intersect said premises as reserved in United States Patent recorded February 4, 1896, in Book 11 at Page 427.
9. Terms, conditions and provisions of Ordinances Annexing Territory to the City of Grand Junction, recorded April 20, 1984, in Book 1490 at Page 50 and March 3, 1995, in Book 2131 at Page 204.
10. Terms, conditions and provisions of Letter from Planning Division of Grand Junction Community Development Department, recorded July 21, 1997, in Book 2343 at Page 161.
11. Covenants, conditions and restrictions, but omitting therefrom any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicap persons, as set forth in instrument recorded January 13, 1998, in Book 2394 at Page 354. Said instrument also provides for the levy of assessments, the tie of which are stated to be subordinate to the lien of a first mortgage or first Deed of Trust made in good faith and for value.
12. Any Lien, whether by statute or otherwise, to secure payment of the assessments provided for under that certain agreement recorded January 13, 1998, in Book 2394 at Page 354.
13. Terms, conditions and provisions imposed by reason of inclusion in Hacienda Subdivision Association as set forth in instrument recorded January 13, 1998, in Book 2394 at Page 354.

- 14 . Easements for sanitary sewer and incidental purposes over the Common Area as shown on the plat of The Homestead In Grand Junction.
- 15 . Note set forth on the plat of said subdivision, as follows:
"A site and building specific soils investigation and engineered foundation design shall be completed prior to the construction of each building or structure. All construction must meet the requirements of the Subsurface Soils Exploration Report."
and
"Prior to the sale of any lots or blocks, survey monuments shall be placed in accordance with CRS 38-51-105."
- 16 . A multi-purpose easement and incidental purposes over the most Northerly 14 feet of Block 2 of The Homestead In Grand Junction as shown on the plat of said subdivision.
- 17 . The matters set forth in Condominium Declaration recorded (to be inserted upon recording), which, among other things, contains or provides for: certain easement; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions.
- 18 . Any Lien, whether by statute or otherwise, to secure payment of the assessments provided for under that certain agreement recorded (to be inserted upon recording).
- 19 . Terms, conditions and provisions imposed by reason of inclusion in The Homestead In Grand Junction Homeowners Association as set forth in instrument recorded (to be inserted upon recording).

**FIRST AMENDMENT TO DECLARATION
FOR
THE HOMESTEAD IN GRAND JUNCTION, A CONDOMINIUM**

This First Amendment to Declaration for The Homestead in Grand Junction, A Condominium ("First Amendment"), is made and executed by Hacienda Partners, LLC, a Colorado limited liability company ("Declarant") this 3 day of May, 2001.

1994988 05/07/01 0151PM
MONIKA TODD CLK&REC MESA COUNTY CO
REC FEE \$20.00

RECITALS

A. On August 30, 2000, Declarant recorded its Declaration for The Homestead in Grand Junction, A Condominium, in Book 2745 at Pages 709 through 778 of the records of Mesa County, Colorado ("Declaration"). The Declaration affected the real property described in Exhibit A attached hereto.

B. Articles XV and XVI provide the right of Declarant to subject other real property to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium. Declarant can accomplish this by filing of record an amendment to the Declaration describing that portion of the Expansion Property ("Expansion Property") to be included under the Declaration.

C. Pursuant to Articles XV and XVI of the Declaration, Declarant by this First Amendment to the Declaration hereby includes that portion of the Expansion Property legally described on Exhibit B attached hereto, in The Homestead in Grand Junction, a Condominium, and subjects it to the Declaration.

DECLARATION

1. Pursuant to Article XV and Article XVI of the Declaration for The Homestead in Grand Junction, A Condominium, Declarant hereby declares that the real property known as Building 7, and the immediately surrounding general common elements, legally described in Exhibit B attached hereto, shall become a part of the Property, as that term is defined in the Declaration, and shall be subject to the Declaration for The Homestead in Grand Junction, A Condominium. Declarant has recorded a revised condominium map entitled "The Homestead in Grand Junction Map 2", which depicts this expansion, on February 21, 2001, in Plat Condominium Book 3, Pages 11-17, Drawer No. KK01 in the records of Mesa County, Colorado.

2. This First Amendment to Declaration shall be in addition to and supplemental to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, as amended.

DECLARANT:

HACIENDA PARTNERS, LLC
A Colorado Limited Liability Company
By: CUNNINGHAM INVESTMENT CO., INC.,
Manager of Hacienda Partners, LLC

By: 
Mark A. Cunningham, President of
Cunningham Investment Co., Inc.

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 2nd day of May, 2001, by L. McA. Cunningham as President of Cunningham Investment Co., Inc., Manager of Hacienda Partners, LLC, a Colorado Limited Liability Company.

WITNESS my hand and official seal.

My Commission expires: 9/30/02


Notary Public



PROPERTY DESCRIPTION

BOOK 2846 PAGE 251

A part of Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, and being situated in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Beginning at the northeast corner of said Block 2;
 Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet;
 Thence departing the east line of said Block 2 and continuing South 00°00'00" West, a distance of 50.19 feet;
 Thence North 90°00'00" West, a distance of 317.88 feet;
 Thence South 00°00'00" East, a distance of 110.18 feet;
 Thence North 90°00'00" West, a distance of 168.85 feet to a point of cusp on a 452.00 foot radius curve concave to the west;
 Thence 132.06 feet northerly along the arc of said curve, through a central angle of 16°44'24", with a chord bearing North 05°23'22" East, a distance of 131.59 feet to a point of cusp on a curve, from which the radius point bears South 27°46'37" West;
 Thence northwesterly and westerly a distance of 8.73 feet along the arc of said curve concave to the south, having a radius of 18.00 feet and a central angle of 27°46'37"
 Thence radial to said curve, North 00°00'00" East, a distance of 32.00 feet;
 Thence South 90°00'00" East, a distance of 50.55 feet;
 Thence 72.79 feet along the arc of a 180.00 foot radius tangent curve to the right, through a central angle of 23°10'14", with a chord bearing South 78°24'53" East, a distance of 72.80 feet to a point of cusp;
 Thence North 00°00'00" West, a distance of 210.60 feet to the north line of said Block 2;
 Thence along said north line North 89°47'41" East, a distance of 361.39 feet to the Point of Beginning.

Containing 2.633 acres, more or less.

This description was prepared by:
 Kenneth Scott Thompson
 Colorado P.L.S. #8486
 529 25 1/2 Road, Suite 210
 Grand Junction, Colorado

NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

K Scott Thompson
 08/15/2000

EXPANSION PROPERTY DESCRIPTION

A part of Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, and being situated in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Commencing at the northeast corner of said Block 2;
Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet;
Thence departing the east line of said Block 2 and continuing South 00°00'00" West, a distance of 50.19 feet to the Point of Beginning;
Thence continuing South 00°00'00" West, a distance of 102.53 feet;
Thence North 90°00'00" West, a distance of 108.73 feet;
Thence North 00°00'00" East, a distance of 102.53 feet;
Thence North 90°00'00" East, a distance of 108.73 feet to the Point of Beginning.

Containing 0.256 acres, more or less.

**SECOND AMENDMENT TO DECLARATION
FOR
THE HOMESTEAD IN GRAND JUNCTION, A CONDOMINIUM**

This Second Amendment to Declaration for The Homestead in Grand Junction, A Condominium ("Second Amendment"), is made and executed by Hacienda Partners, LLC, a Colorado limited liability company ("Declarant") this 7th day of November, 2001.

RECITALS

A. On August 30, 2000, Declarant recorded its Declaration for The Homestead in Grand Junction, A Condominium, in Book 2745 at Pages 709 through 778 of the records of Mesa County, Colorado ("Declaration"). Declarant has amended the Declaration pursuant to the First Amendment to Declaration for The Homestead in Grand Junction recorded on May 7, 2001, in Book 2846 at Page 249 of the records of Mesa County, Colorado.

B. Articles XV and XVI provide the right of Declarant to subject other real property to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, by filing of record an amendment to the Declaration describing that portion of the Expansion Property ("Expansion Property") to be included under the Declaration.

C. Pursuant to Articles XV and XVI of the Declaration, Declarant by this Second Amendment to the Declaration hereby includes that portion of the Expansion Property legally described on **Exhibit A** attached hereto, in The Homestead in Grand Junction, a Condominium, and subjects it to the Declaration.

DECLARATION

1. Pursuant to Article XV and Article XVI of the Declaration for The Homestead in Grand Junction, A Condominium, Declarant hereby declares that the real property known as Building 2, and the immediately surrounding general common elements, all as legally described in **Exhibit A** attached hereto, shall become a part of the Property, as that term is defined in the Declaration, and shall be subject to the Declaration for The Homestead in Grand Junction, A Condominium. Declarant has recorded a supplemental condominium map entitled "The Homestead in Grand Junction Map 3", which depicts this expansion, on November 9, 2001, in Plat Condominium Book 3, Pages 57-63, Drawer No. KK22 in the records of Mesa County, Colorado.

2. This Second Amendment to Declaration shall be in addition to and supplemental to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, as amended.

DECLARANT:

HACIENDA PARTNERS, LLC
A Colorado Limited Liability Company
By: WEST VEST PARTNERS, LLC,
Manager of Hacienda Partners, LLC

By: Kenneth A. Barfield
Kenneth A. Barfield, Manager

STATE OF COLORADO)
)ss:
COUNTY OF MESA)

BOOK 2956 PAGE 985

The foregoing instrument was acknowledged before me this 7th day of November, 2001, by Kenneth A. Barfield, Manager of West Vest Partners, LLC, Manager of Hacienda Partners, LLC, a Colorado Limited Liability Company.

WITNESS my hand and official seal.

My Commission expires: 11/2/05



Notary Public

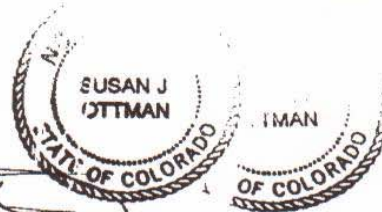


EXHIBIT "A"

A portion of Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, described and shown on the within Condominium Map of THE HOMESTEAD IN GRAND JUNCTION CONDOMINIUM MAP 3 and being situated in the southwest quarter of the southeast quarter of Section 4, Township I South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Commencing at the northeast corner of said Block 2:

Thence along the east line of said Block 2 South 0°00'00" West, a distance of 202.08 feet;

Thence departing the east line of said Block 2 and continuing South 00°00'00" West, a distance of 50.19 feet;

Thence North 90°00'00" West, a distance of 216.75 feet to the Point of Beginning;

Thence South 00°00'00" West, a distance of 110.18 feet; Thence North 90°00'00"

West, a distance of 101.13 feet; Thence North 00°00'(X)" East, a distance of 110.18 feet; Thence North 90°00'00" East, a distance of 101.13 feet to the Point of Beginning

Containing 0.256 acres, more or less.

32 PAGE DOCUMENT

re-recorded to attach Exhibit "A"

2031997 12/20/01 0319PM
MONIKA TODD CLK&REC MESA COUNT
REC FEE \$10.00

**THIRD AMENDMENT TO DECLARATION
FOR Book 2986 Page 611
THE HOMESTEAD IN GRAND JUNCTION, A CONDOMINIUM**

This Third Amendment to Declaration for The Homestead in Grand Junction, A Condominium ("Third Amendment"), is made and executed by Hacienda Partners, LLC, a Colorado limited liability company ("Declarant") this 20th day of December, 2001.

Book 3013 Page 322

RECITALS

2038562 02/01/02 0242PM
MONIKA TODD CLK&REC MESA COUNTY CO
REC FEE \$15.00

A. On August 30, 2000, Declarant recorded its Declaration for The Homestead in Grand Junction, A Condominium, in Book 2745 at Pages 709 through 778 of the records of Mesa County, Colorado ("Declaration"). Declarant has amended the Declaration pursuant to the First and the Second Amendments to Declaration for The Homestead in Grand Junction duly recorded in the records of Mesa County, Colorado.

B. Articles XV and XVI provide the right of Declarant to subject other real property to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, by filing of record an amendment to the Declaration describing that portion of the Expansion Property ("Expansion Property") to be included under the Declaration.

C. Pursuant to Articles XV and XVI of the Declaration, Declarant by this Third Amendment to the Declaration hereby includes that portion of the Expansion Property legally described on **Exhibit A** attached hereto, in The Homestead in Grand Junction, a Condominium, and subjects it to the Declaration.

DECLARATION

1. Pursuant to Article XV and Article XVI of the Declaration for The Homestead in Grand Junction, A Condominium, Declarant hereby declares that the real property known as Garage 7, and the immediately surrounding general common elements, all as legally described in **Exhibit A** attached hereto, shall become a part of the Property, as that term is defined in the Declaration, and shall be subject to the Declaration for The Homestead in Grand Junction, A Condominium. Declarant has recorded a supplemental condominium map entitled "The Homestead in Grand Junction Map 4", which depicts this expansion, on December 20, 2001, in Plat Condominium Book 3, Pages 64, Drawer No. KK-23 in the records of Mesa County, Colorado.

2. This Third Amendment to Declaration shall be in addition to and supplemental to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, as amended.

DECLARANT:

HACIENDA PARTNERS, LLC

A Colorado Limited Liability Company

By: WEST VEST PARTNERS, LLC,

Manager of Hacienda Partners, LLC

By: Kenneth A. Barfield
Kenneth A. Barfield, Manager

Texas
STATE OF COLORADO)
Trawis)ss:
COUNTY OF MESA)

BOOK 2986 PAGE 612

BOOK 3013 PAGE 323

The foregoing instrument was acknowledged before me this 19 day of December, 2001, by Kenneth A. Barfield, Manager of West Vest Partners, LLC, Manager of Hacienda Partners, LLC, a Colorado Limited Liability Company.

WITNESS my hand and official seal.

My Commission expires: 10/26/2004



Teresa J. Wheatley
Notary Public

That portion of Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, being situated in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Commencing at the northeast corner of said Block 2;

Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet to the Point of Beginning;

Thence continuing along the line of said Block 2, North 90°00'00" East, a distance of 65.00 feet;

Thence continuing along said line South 00°00'00" West, a distance of 122.94 feet;

Thence South 34°54'38" East, a distance of 44.27 feet;

Thence departing said line North 90°00'00" West, a distance of 90.34 feet;

Thence North 00°00'00" East, a distance of 159.24 feet to the Point of Beginning.

Containing 0.248 acres, more or less.

**FOURTH AMENDMENT TO DECLARATION
FOR
THE HOMESTEAD IN GRAND JUNCTION, A CONDOMINIUM**

This Fourth Amendment to Declaration for The Homestead in Grand Junction, A Condominium ("Fourth Amendment"), is made and executed by **HOMESTEAD IN GRAND JUNCTION HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation** ("HOA") this 28th day of June, 2004.

RECITALS

A. On August 30, 2000, the original declarant recorded its Declaration for The Homestead in Grand Junction, A Condominium, in Book 2745, at Pages 709 through 778 of the records of Mesa County, Colorado ("Declaration"). Declarant amended the Declaration for The Homestead in Grand Junction to provide for additional condominium units.

B. Articles XV and XVI of the Declaration provided for subjecting other real property to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, by filing of record an amendment to the Declaration describing that portion of the Expansion Property ("Expansion Property") to be included under the Declaration.

C. Pursuant to Articles XV and XVI of the Declaration, HOA by this Fourth Amendment to the Declaration hereby includes that portion of the Expansion Property legally described on Exhibit "A" attached hereto, in The Homestead in Grand Junction, A Condominium, and subjects it to the Declaration.

DECLARATION

1. Pursuant to Article XV and Article XVI of the Declaration for The Homestead in Grand Junction, A Condominium, HOA hereby declares that the real property legally described on Exhibit "A" attached hereto, shall become a part of the Property, as that term is defined in the Declaration, and shall be subject to the Declaration for The Homestead in Grand Junction, A Condominium. Declarant has recorded a supplemental condominium map entitled "The Homestead in Grand Junction Map 5", which depicts this expansion, on July 1, 2004, in Plat Condominium Book 3689, Pages 34-37, Drawer No. KK-75 in the records of Mesa County, Colorado.

2. This Fourth Amendment to Declaration shall be in addition to and supplemental to the provisions of the Declaration for The Homestead in Grand Junction, A Condominium, as amended.

“HOA”

HOMESTEAD IN GRAND JUNCTION
HOMEOWNERS ASSOCIATION, INC.

By:

Martin W. Temple
President

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 28th day of June, 2004, by Homestead in Grand Junction Homeowners Association, by Martin W. Temple, President.

WITNESS my hand and official seal.
My commission expires:

Joan L. Carrico
Notary Public



My Commission Expires 10/24/2008.

EXHIBIT "A"

Tax Schedule Number: part of 2945-044-10-093

That portion of Block 2 of the HOMESTEAD IN GRAND JUNCTION CONDOMINIUM MAP 5 in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Commencing at the northeast corner of said Block 2;
Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet;
Thence departing the east line of said Block 2 and continuing South 00°00'00" West a distance of 50.19 feet;
Thence North 90°00'00" West, a distance of 108.73 feet to the Point of Beginning;
Thence South 00°00'00" West, a distance of 110.18 feet;
Thence North 90°00'00" West, a distance of 108.01 feet;
Thence North 00°00'00" East, a distance of 110.18 feet;
Thence North 90°00'00" East, a distance of 108.01 feet to the Point of Beginning.

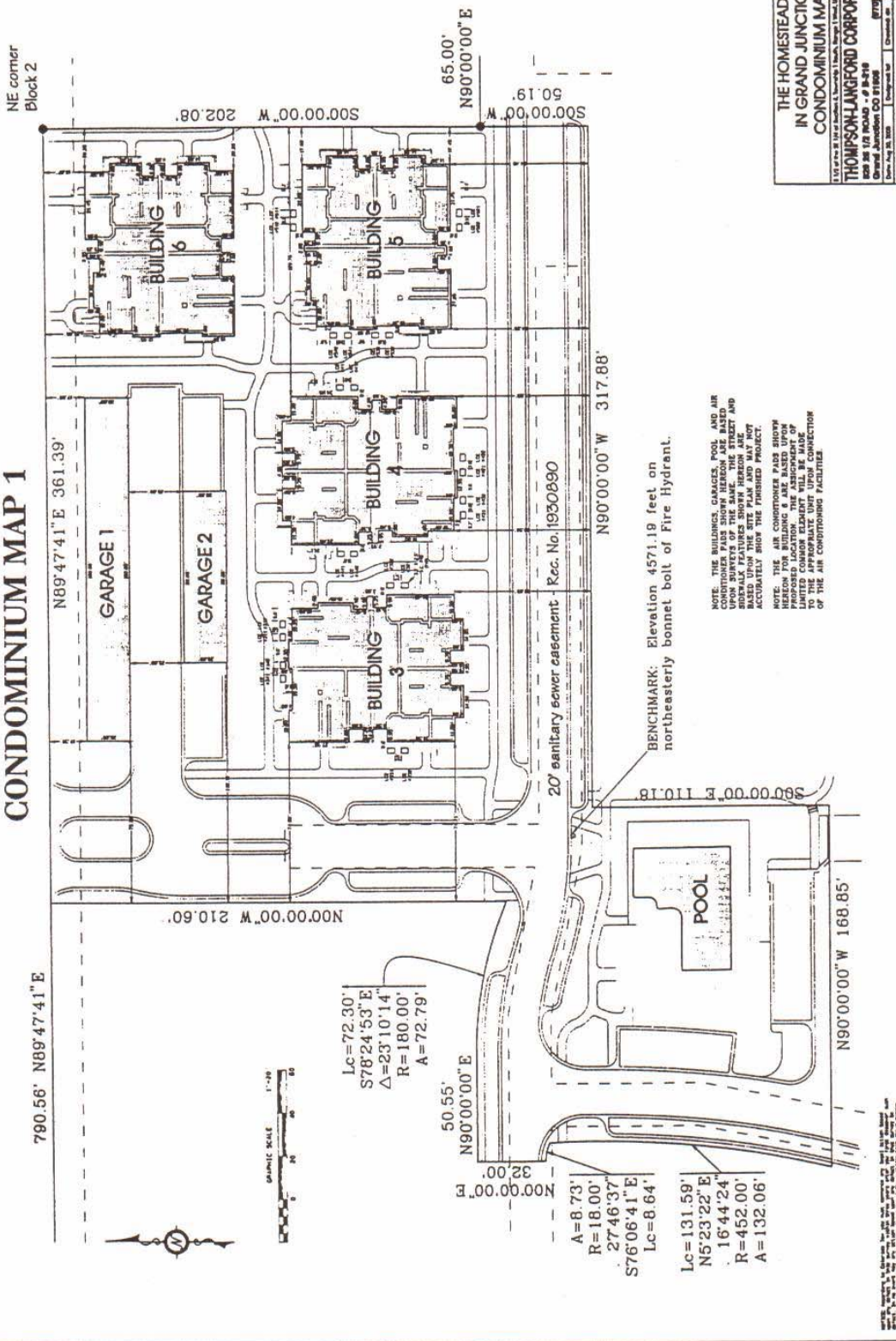
Containing 0.273 acres, more or less.

TOGETHER WITH

Commencing at the northeast corner of said Block 2;
Thence South, a distance of 252.27 feet;
Thence West, a distance of 216.74 feet;
Thence South, a distance of 110.18 feet;
Thence West, a distance of 101.13 feet to the Point of Beginning;
Thence South, a distance of 93.31 feet;
Thence West, a distance of 48.82 feet;
Thence East, a distance of 77.45 feet;
Thence West, a distance of 124.22 feet to a point of cusp on a 452.00 foot radius curve concave to the west;
Thence 16.40 feet northerly along the arc of said curve, through a central angle of 2°04'44", with a chord bearing North 14°47'56" East, a distance of 16.40 feet;
Thence East, a distance of 168.85 feet to the Point of Beginning.

Containing 0.149 acres, more or less.

THE HOMESTEAD IN GRAND JUNCTION CONDOMINIUM MAP 1

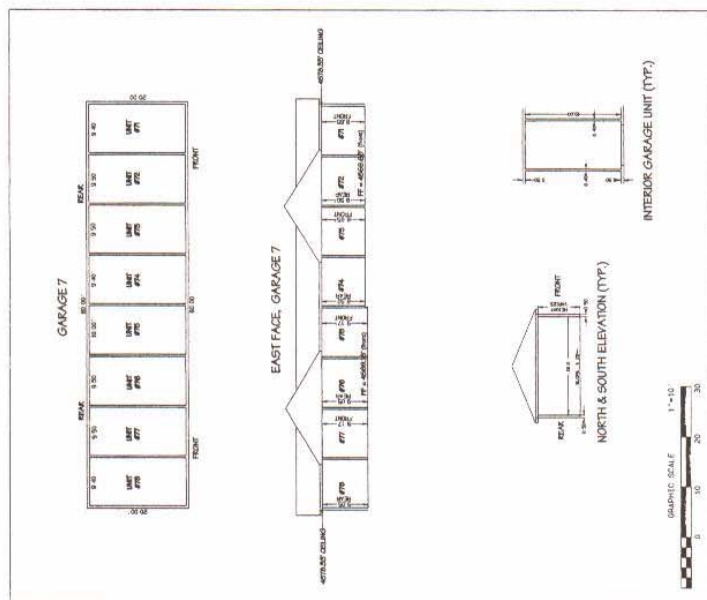
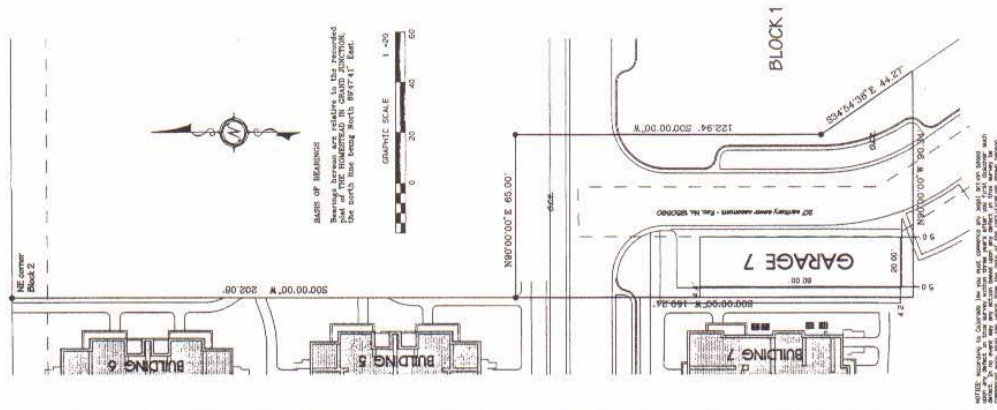


NOTE: THE BUILDINGS, GARAGES, POOL AND AIR CONDITIONER PADS SHOWN HEREON ARE BASED ON THE SURVEYED DATA AND THE EXISTING AND PROPOSED UTILITIES SHOWN HEREON ARE BASED UPON THE SITE PLAN AND MAY NOT ACCURATELY SHOW THE FINISHED PROJECT.

NOTE: THE AIR CONDITIONER PADS SHOWN HEREON ARE BASED ON THE EXISTING AND PROPOSED UTILITIES SHOWN HEREON. THE ASSIGNMENT OF LIMITED COMMON AREAS IS BASED UPON THE INTENT OF THE AIR CONDITIONING FACILITIES.

BENCHMARK: Elevation 4571.18 feet on northeasterly bonnet bolt of Fire Hydrant.

THE HOMESTEAD IN GRAND JUNCTION CONDOMINIUM MAP 1			
THOMPSON LANGFORD CORPORATION			
1000 W 12th Street, Suite 100	Grand Junction, CO 81505	Project No.	8779 348-5007
Drawn Aug 18, 2008	Checked by	Designed by	Jan 18, 2008
11 Murray Street, Suite 100, Grand Junction, CO 81505			Sheet 1 of 1



SUPPLIER'S STATEMENT

I, Kenneth Scott Thompson, a registered Professional Land Surveyor in the State of Colorado, do hereby state that the accompanying map titled "THE HOMETOWN IN THE GREAT FRONTIERS COMMUNITY MAP 4, a subdivision of a part of the City of Grand Junction, Colorado" has been prepared by me, that I used only the vertical and horizontal measurements of the Units and Buildings herein and that it was made from measurements upon and within existing structures, and with reference made to the plat of the subdivision of the City of Grand Junction, Colorado, and to the best of my knowledge and belief that the same is true and correct for all information and data appearing thereon. I am a duly licensed and registered Professional Land Surveyor in the State of Colorado and am duly qualified to make and certify the same.

NOTE: THE GARAGE BUILDING AND ITS LOCATION AS SHOWN HEREON IS BASED UPON SURVEYS OF THE SAME. THE STREET AND SIDEWALK FEATURES SHOWN HEREON ARE BASED UPON THE SITE PLAN AND MAY NOT ACCURATELY SHOW THE FORERD PROCT.

L. Scott Thompson
187000 R. Gifford
RECEIVED
JAN 19 1960
SCIENCE OF
LITERATURE
PROFESSIONAL

Received Scott Thompson, PLS 11/60 Date

Know all men by these presents

That I, the undersigned, in the event of that portion of Block 2 of THE HOMESTEAD IN GRAND JUNCTION, Colorado, which is hereinafter described, shall be recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1832890, described and shown on the within Condemnation Map of THE HOMESTEAD IN GRAND JUNCTION CONDOMINIUM, recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1832890, and being situated in the southwest quarter of Section 4, Township 1 North, Range 10 West, of the One Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Commencing at the northeast corner of said Block 2,
Thence along the east line of said Block 2 South 90°00'00" West, a distance of 202.08 feet
to the Point of Beginning,
Thence continuing along this line of said Block 2 South 90°00'00" East, a distance of 45.00 feet
to the Point of Beginning,
Thence South 24°53'30" West, a distance of 122.94 feet,
Thence South 24°53'30" East, a distance of 44.27 feet,
Thence separating and line North 90°00'00" West, a distance of 90.34 feet,
Thence South 90°00'00" East, a distance of 159.24 feet to the Point of Beginning.

Containing 2,248 acres, more or less

That said owners have caused the real property to be laid out and subdivided and called as THE NONMISTEAD IN GRASS JUNCTION CONDOMINIUM MAP 4, a subdivision of a part of the City of Grand Junction, Colorado, consisting of 1 individual condominium being units together, with appurtenant interests in the Common Elements, as defined and provided for in the Condominium Declaration for the Nonmistead in Grass Junction Condominium, recorded as Reception No. _____ of the County of Mesa, County, Colorado.

At Page _____ of the

That said owners do hereby dedicate and set apart the real property as shown and labeled as the HOMEZESTED IN GRAND JUNCTION CONDOMINIUM MAP 4, as follows:

All General Common Elements to the Condominium Association for access, egress, parking, transportation, storage, maintenance, repair, replacement, improvement, operation, control, and repair of the improvements, including but not limited to the buildings, appliances, equipment, and repair of underground utilities and appliances installed for the benefit of the owners of the units in THE HOMEZESTED IN GRAND JUNCTION.

[illegible]

I, Kenneth A. Barlund
 of the County of Jefferson, State of Mississippi,
 do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the records of the said County of Jefferson, State of Mississippi, to-wit:

The foregoing instrument was acknowledged before me by Kenneth A. Redfield, Manager
U.S. as Manager of LANDSOUTH PARTNERS, L.P. on _____ day
of _____, A.D. 2001.

I/We are my husband and official next of kin
 of the following person: Volodymyr
 Address: 10000 13th Avenue, NW, #106
 City: Bellevue, WA 98005
 State: WA Zip: 98005
 Signature: [Signature]
 Date: October 24, 2004
 Printed Name: Volodymyr
 Title: Relatives
 Relationship: Relatives
 Signature: [Signature]
 Date: October 24, 2004
 Printed Name: Volodymyr
 Title: Relatives
 Relationship: Relatives

COUNTY CLERK AND RECORDER'S CERTIFICATE

I, _____, County Clerk and Recorder, do hereby certify that this instrument was filed in the office of the

Clerk and Recorder of Mesa County, Colorado, at 3:19 o'clock P. M.
 this 20th day of December, 2001 and is duly recorded in Plat Book
 No. 3 Page 64 as Reception No. 203,996
 Drawer No. KK-23 Per 10⁰⁰

Monika Todd
Clerk and Recorder of Meck County

THE HOMESTEAD
IN GRAND JUNCTION
CONDOMINIUMS

CONDOMINIUM UNIT # 4
S 1/2 of the SE 1/4 of Section 4, Township 5 North, Range 1 West, the Blackland
THOMPSON-LANGFORD CORPORATION
629 26 1/2 ROAD - # B-210
Grand Junction CO 81505
(970) 243-6967

Date: Dec 19, 2021	Designed by	Checked on	Job No. 2021-070
B:\Survey\0215\tpi\condat\condat.ppt			Sheet 1 of 1

[illegible]

© 2000 Blackwell Science Ltd *Journal of Internal Medicine* 247: 399–406

5 1/2 of the SE 1/4 of S. 4, Township 10 South, Range 1 West, 104 West 104th

THOMPSON-LANGFORD CORPORATION
529 25 1/2 ROAD - B-210
Grand Junction CO 81506
(970) 243-6067
tfc@tfcwest.com

Dates	Run	3004	Designed by	Checked by	Job No.
April	26	2004	Jeffrey C. Woodard	Jeffrey C. Woodard	0804-02704

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown herein.

8 PAGE DOCUMENT

2200104 BK 3689 PG 26-33
07/01/2004 03:58 PM
Janice Ward CLK&REC Mesa Count
RecFee \$40.00 SurChg \$1.00
DocFee EXEMPT

EASEMENT DEED AND AGREEMENT

This EASEMENT DEED AND AGREEMENT ("Agreement") is made, effective as of June 25, 2004, by and between **HACIENDA PARTNERS, LLC and GRACE HOMES CONSTRUCTION, INC.**, of 786 Valley Court, Grand Junction, CO 81505 ("Grantor") and **HOMESTEAD IN GRAND JUNCTION HOMEOWNERS ASSOCIATION, INC.**, of 2461 F¼ Road, Unit 1022, Grand Junction, CO 81505 ("Grantee").

The parties agree as follows:

SECTION ONE
CONVEYANCE OF EASEMENT

Grantor, for and in consideration of good and valuable consideration, hereby grants and conveys to Grantee an easement as more particularly described on Exhibit "A" attached hereto subject to all current and subsequent real property taxes and assessments, restrictions and reservations of record over and across the property of Grantor as described in Exhibit "A."

The easement is and shall be perpetual and nonexclusive.

SECTION TWO
DESCRIPTION OF EASEMENT

An easement over and across the property of Grantor for the benefit of Grantee's property described as follows:

The Homestead in Grand Junction Condominium

Mesa County, Colorado.

for the use and benefit of Grantee, their employees, agents and contractors, or any of their successors in title. The easement is for the sole and exclusive purpose of ingress and egress and installation and maintenance of drainage facilities and discharge of surface drainage.

SECTION THREE
CONDITIONS

- (a) Grantor has responsibility for the repair and maintenance of the drainage facilities located in the easement;
- (b) Grantee shall promptly repair any damage it shall do to Grantor's real property;

(c) Grantee shall indemnify and hold Grantor harmless from and against any and all loss and damages that shall be caused by the exercise of the rights granted herein or by any wrongful or negligent act or omission of Grantee or of their agents in the course of their employment;

(d) Grantor reserves the right to use the easement for purposes that will not interfere with Grantee's full enjoyment of the rights granted by this instrument.

SECTION FOUR EASEMENT TO RUN WITH LAND

This grant of easement shall run with the land and shall be binding on and shall inure to the benefit of the parties to this agreement, their respective heirs, successors, or assigns.

SECTION FIVE NOTICES

Any notice provided for or concerning this agreement shall be in writing and be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each property owner as set forth in the records of the Mesa County Assessor.

SECTION SIX GOVERNING LAW

It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. The rule of strict construction does not apply to this instrument. This Easement Deed shall be given a reasonable construction in light of the intention of the parties to provide drainage facilities for the property of Grantee subject to the obligations of Grantee hereunder.

SECTION SEVEN ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

SECTION EIGHT MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, each party to the Agreement has caused it to be executed as of the date and year first above written.

"GRANTOR"

HACIENDA PARTNERS, LLC

By: Kenneth A. Barfield
Manager

GRACE HOMES CONSTRUCTION, INC.

By: Benny Lammert
President

"GRANTEE"

HOMESTEAD IN GRAND JUNCTION
HOMEOWNERS ASSOCIATION, INC.

By: Martha W. Temple
President

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 25th day of June, 2004, by Hacienda Partners, LLC, by Kenneth A. Barfield the Manager.

WITNESS my hand and official seal.
My commission expires:

[Signature]
Notary Public



The foregoing instrument was acknowledged before me this 25th day of June, 2004, by Grace Homes Construction, Inc., by Terry Lawrence, the President.

SUSAN J. OTTMAN
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 11/02/2006
County of Mesa

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 25th day of June, 2004, by Homestead in Grand Junction Homeowners Association, Inc. by Martin W. Sample, the President.

SUSAN J. OTTMAN
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 11/02/2005
County of Mesa

Notary Public

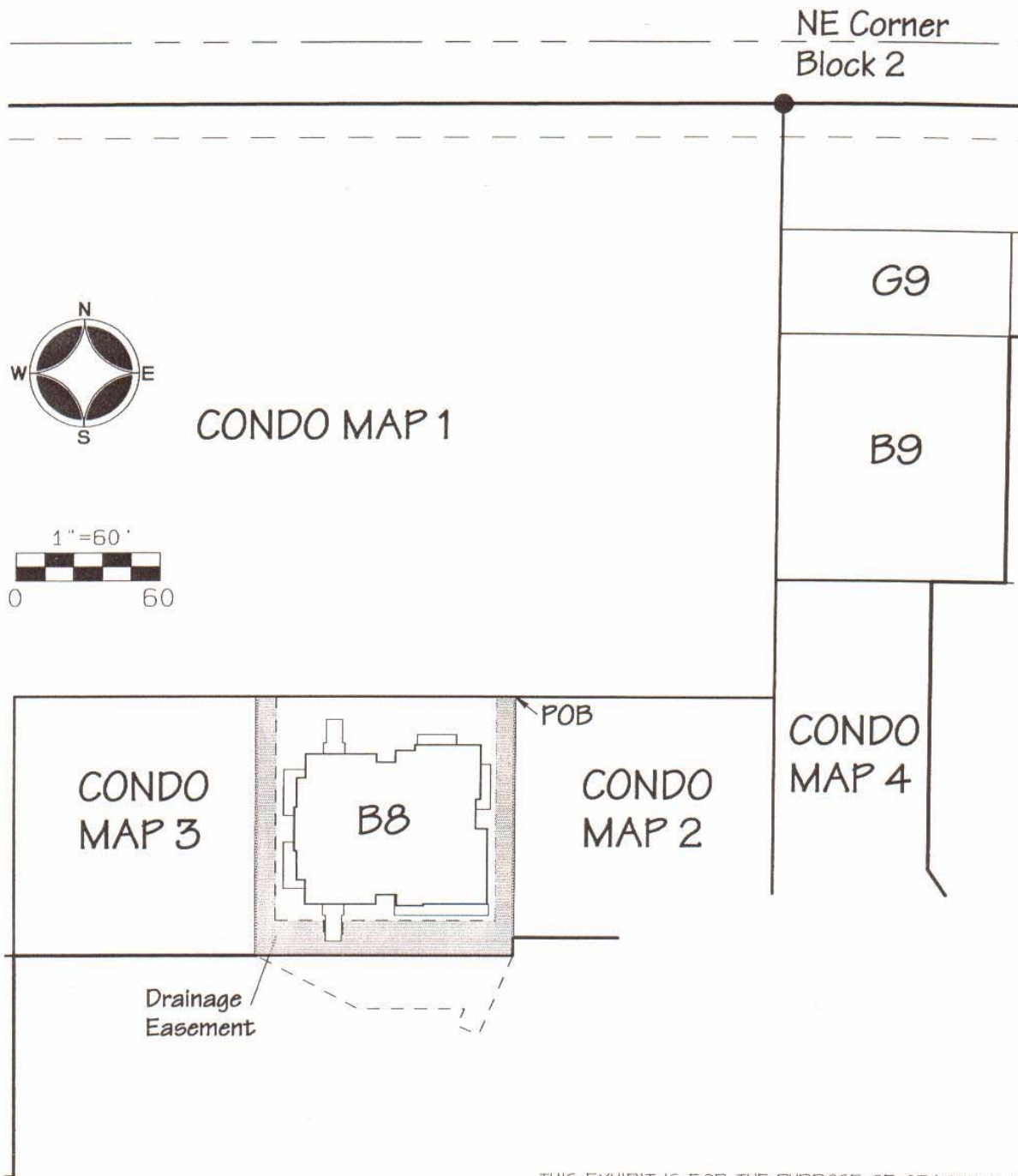
A parcel of land located in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, situated in Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the Mesa County Recorder's Office at Reception No. 1930890, said parcel being more particularly described as follows with all bearings herein relative to said recorded plat:

Commencing at the northeast corner of said Block 2;
Thence South, a distance of 252.27 feet;
Thence West, a distance of 108.73 feet to the Point of Beginning;
Thence South, a distance of 110.18 feet;
Thence North 90°00'00" West, a distance of 108.01 feet;
Thence North 0°00'00" East, a distance of 110.18 feet;
Thence North 90°00'00" East, a distance of 8.00 feet;
Thence South 0°00'00" West, a distance of 95.18 feet;
Thence North 90°00'00" East, a distance of 20.00 feet;
Thence South 0°00'00" West, a distance of 9.00 feet;
Thence North 90°00'00" East, a distance of 8.00 feet;
Thence North 0°00'00" East, a distance of 9.00 feet;
Thence North 90°00'00" East, a distance of 64.51 feet;
Thence North 0°00'00" East, a distance of 95.18 feet;
Thence North 90°00'00" East, a distance of 7.50 feet to the Point of Beginning.

This description was prepared by:
Kenneth Scott Thompson
Colorado P.L.S. 18480
529 25 1/2 Road, Suite 210
Grand Junction, Colorado

NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

EXHIBIT A - Page 2
Drainage Easement



THIS EXHIBIT IS FOR THE PURPOSE OF GRAPHICALLY REPRESENTING A WRITTEN DESCRIPTION - IT DOES NOT REPRESENT A MONUMENTED BOUNDARY SURVEY

THOMPSON-LANGFORD CORP.
 529 25 1/2 ROAD - B-210
 Grand Junction CO 81505

Homestead Partners

S:\Survey\0524 Sundance\Drain.pro

Date: Jun 16, 2004

Drawn: kst

Checked:

Job No. 0524-002

A parcel of land located in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, situated in Block 2 of THE HOMESTEAD IN GRAND JUNCTION, a plat recorded in the Mesa County Recorder's Office at Reception No. 1930890, said parcel being more particularly described as follows with all bearings herein relative to said recorded plat:

Commencing at the northeast corner of said Block 2;

Thence South, a distance of 252.27 feet;

Thence West, a distance of 108.73 feet;

Thence South, a distance of 110.18 feet to the Point of Beginning;

Thence South 22°54'36" West, a distance of 36.39 feet;

Thence North 67°05'24" West, a distance of 10.00 feet;

Thence North 22°54'36" East, a distance of 7.73 feet;

Thence North 90°00'00" West, a distance of 45.25 feet;

Thence North 62°02'35" West, a distance of 47.99 feet;

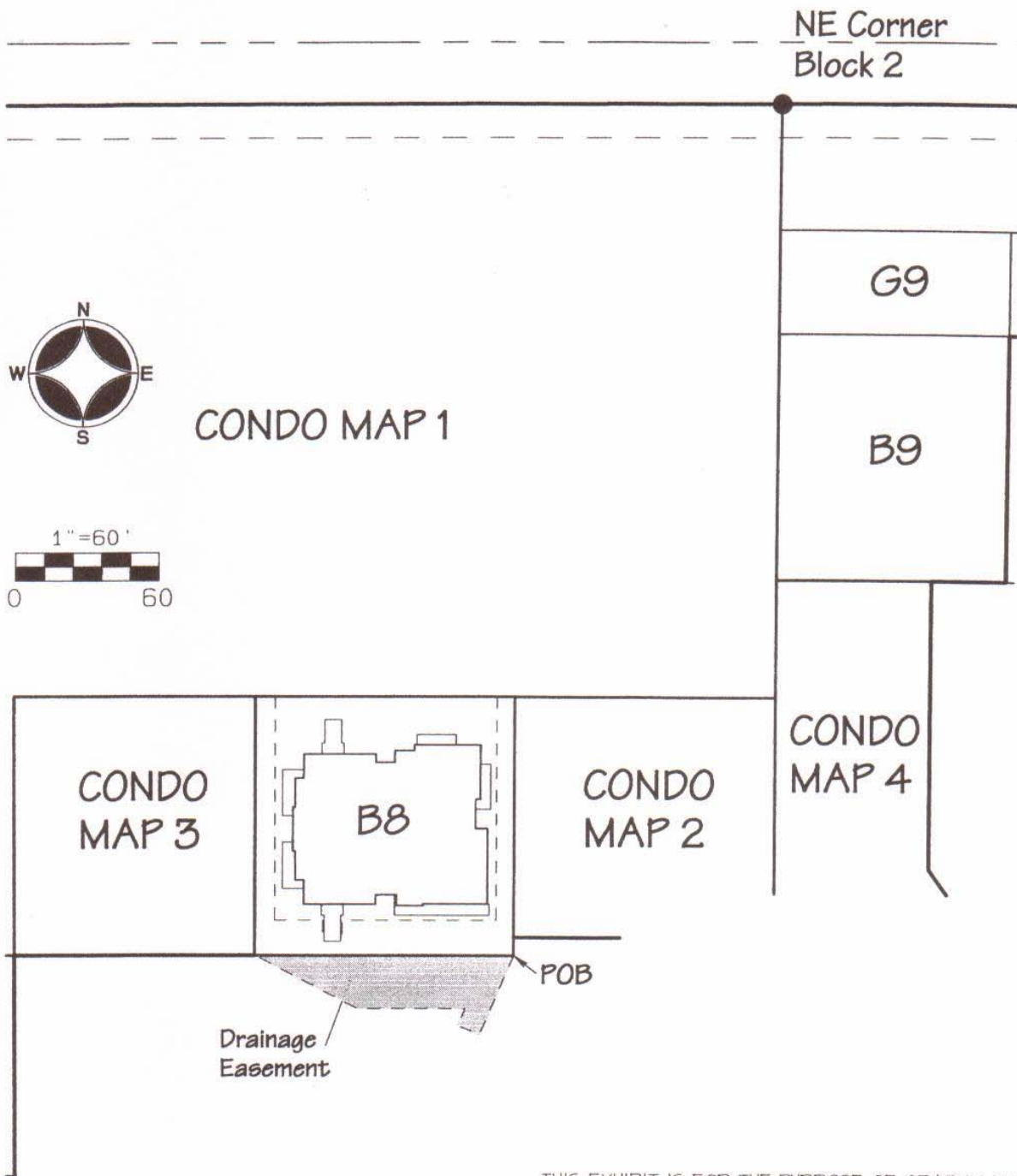
Thence North 90°00'00" East, a distance of 108.01 feet to the Point of Beginning.

This description was prepared by:
Kenneth Scott Thompson
Colorado P.L.S. 18480
529 25 1/2 Road, Suite 210
Grand Junction, Colorado

NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

EXHIBIT A - Page 4

Drainage Easement



THIS EXHIBIT IS FOR THE PURPOSE OF GRAPHICALLY REPRESENTING A WRITTEN DESCRIPTION - IT DOES NOT REPRESENT A MONUMENTED BOUNDARY SURVEY

THOMPSON-LANGFORD CORP.
529 25 1/2 ROAD - B-210
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Janice Ward CLK&REC Mesa County, CO
RecFee \$35.00 SurChg \$1.00

RECIPROCAL EASEMENT AGREEMENT AND DEED

This RECIPROCAL EASEMENT AGREEMENT AND DEED ("Agreement") is made and entered into effective June 21, 2005, by and between **THE HOMESTEAD IN GRAND JUNCTION HOMEOWNERS ASSOCIATION, INC.**, whose address is 2461 F¹/₄ Road, Unit 1022, Grand Junction, CO 81505 ("Homestead"), and **HACIENDA PARTNERS, LLC**, whose address is 607 28¹/₄ Road, Suite 117, Grand Junction, CO 81506 ("Hacienda").

RECITALS

A. Homestead is the owner of a private road serving the Homestead condominium development that connects on the east to property owned by Hacienda where the road becomes Thunder Mountain Drive.

B. Hacienda intends to develop its property for residential use and to continue the private road through its development connecting to City of Grand Junction public roads.

C. Both parties desire to provide for connectivity between their respective properties and allow the residents of each development, as well as emergency vehicle and personnel, use of the private road connecting their properties.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, for and in consideration of the mutual covenants and grants set forth herein the parties hereto agree and convey reciprocal easements as hereinafter set forth.

I. ROAD EASEMENT

1.1 Homestead hereby grants and conveys unto Hacienda, its successors and assigns, a non-exclusive easement upon, over and across that portion of the tract of land described in Exhibit "A" which is owned by Homestead, for use by Hacienda, its successors, assigns, agents, employees, tenants, guests and invitees, jointly with Homestead, for a private access road, installation of utilities and related purposes, subject to the terms, conditions and provisions hereinafter set forth; and Hacienda hereby grants and conveys unto Homestead, its successors and assigns, a non-exclusive easement upon, over and across that portion of the tract of land described in Exhibit "B" which is owned by Hacienda, for the use by Homestead, its successors, assigns, agents, employees, tenants, guests and invitees, jointly with Hacienda, for a private access road, installation of utilities and related purposes, subject to the terms, conditions and provisions hereinafter set forth. The easements granted herein are and shall be mutual and reciprocal and may be referred to hereinafter collectively as the "Road Easement."

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1.2 The term of the Road Easement shall be perpetual.

1.3 The costs of repair, maintenance, clearing, trash removal, snow plowing and other expenses of upkeep and preservation of the Road Easement shall be performed and paid by each party as to the portion of the Road Easement owned by each party. Routine repairs, paving, striping, clearing, trash removal and snow plowing will be conducted by each party from time to time as deemed necessary by each party in the exercise of its sole and absolute discretion. Neither party shall have any responsibility to the other under this Agreement for maintenance of utility easements, lines or facilities located within the Road Easement.

II. WARRANTIES

2.1 Each of the parties hereto hereby warrants the title to the easement(s) herein granted and conveyed by such party to the other party, and agrees to protect and defend the title of the grantee from and against all persons whomsoever.

2.2 The warranties set forth herein above shall be subject to all liens, encumbrances, restrictions, reservations, easements and rights of way of record on the date hereof.

III. ENFORCEMENT PROVISIONS

3.1 Both parties agree that neither will make use of the Road Easement in a manner inconsistent with the other's right of access to and use thereof. Except for residential parking within their respective developments, both parties agree not to park vehicles on the Road Easement or place or store any equipment or materials or place or construct any structures, whether temporary or permanent, on the Road Easement.

3.2 In the event of violation of the terms of this Agreement by one party, the other party may give written notice at the address set forth hereinabove and unless the violation shall be removed or corrected within 24 hours, the violating party shall pay liquidated damages to the complaining party in the amount of \$100.00 for each violation for which written notice is given. Injunctive relief shall also be available in the event of violations or threatened violations of this Agreement.

3.3 Each party agrees that, upon request of the other party, it will certify from time to time to any person designated that there are no breaches of this Agreement. If either party fails to respond to such a request within 20 days of the date of request, any existing breaches of this Agreement shall be deemed waived by the non-responding party.

3.4 This Agreement and the terms, conditions and provisions hereof may be enforced by any of the parties hereto and their successors and assigns; and in the event legal or administrative

suits or proceedings are brought against any party (whether a party to this instrument or not) for the purpose of such enforcement, the prevailing party or parties shall recover from the non-prevailing party or parties all costs associated therewith, including but not limited to reasonable attorneys fees.

IV. RESERVATIONS

Exclusive use of the Road Easement is not hereby granted. Each of the granting parties expressly reserves the right to use the Road Easement for the purposes herein set forth.

V. UTILITIES

Each of the parties hereto shall have the right to grant easements or licenses to any utility company or governmental agency to use the Road Easement for the purpose of providing utility services to their respective developments. However, the right to use the Road Easement for utilities is and shall be subordinate and inferior to the right of use of the Road Easement for road access. No utilities shall be placed, removed or relocated in or from the Road Easement without the prior written approval of the parties, their successors and assigns, which approval shall not be unreasonably withheld. It shall be deemed reasonable (but not required) to condition the granting of approval for utilities upon the proper underground placement thereof. Each grant of an easement or license to a utility company or governmental agency shall be void and of no force and effect unless and until the responsibility for maintenance of such utility easement or license, and all lines and facilities installed or constructed in reliance thereof, shall be accepted by such utility company or governmental agency, as evidenced by written instrument, duly recorded.

VI. SPECIAL USES

Under no circumstances shall road access be denied to or from any lands whatsoever over and across the Road Easement for emergency vehicle (police, fire, ambulance), school buses, maintenance equipment and governmental officials while on official business.

VII. SUBSEQUENT OWNERS

7.1 The easements granted herein are appurtenant to those lands of each of the parties hereto, and such easements may not be transferred, assigned, or conveyed apart or separately from such lands.

7.2 All provisions of this Agreement, including all benefits and burdens, shall run with the lands owned by the parties hereto and shall be binding upon and shall inure to the benefit of the heirs, assigns, successors and personal representatives of the parties hereto, subject to the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Reciprocal Easement Agreement as of the day and year first above set forth.

"HOMESTEAD"

THE HOMESTEAD IN GRAND JUNCTION
HOMEOWNERS ASSOCIATION, INC.

By: *[Signature]*
President

"HACIENDA"

HACIENDA PARTNERS, LLC

By: _____
Manager

STATE OF COLORADO)
) ss.
COUNTY OF MESA)



The foregoing instrument was acknowledged before me this 21st day of January, 2005, by The Homestead in Grand Junction Homeowners Association, Inc., by *Tammy Y. Hunt*, its President.

Witness my hand and official seal.
My commission expires:

Victoria N. Beece
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005, by Hacienda Partners, LLC, by _____, its Manager.

Witness my hand and official seal.
My commission expires:

Notary Public

IN WITNESS WHEREOF, the parties hereto have executed this Reciprocal Easement Agreement as of the day and year first above set forth.

"HOMESTEAD"

THE HOMESTEAD IN GRAND JUNCTION
HOMEOWNERS ASSOCIATION, INC.

By: _____
President

"HACIENDA"

HACIENDA PARTNERS, LLC

By: Kent A. Barfield
Manager

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005, by The Homestead in Grand Junction Homeowners Association, Inc., by _____, its President.

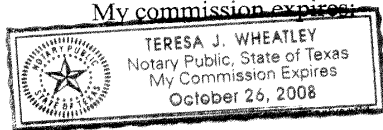
Witness my hand and official seal.
My commission expires:

Notary Public

STATE OF ^{Texas} ~~COLORADO~~)
) ss.
COUNTY OF ^{Texas} ~~MESA~~)

The foregoing instrument was acknowledged before me this 21st day of June, 2005, by Hacienda Partners, LLC, by Kenneth A. Barfield, its Manager.

Witness my hand and official seal.
My commission expires:



Teresa J. Wheatley
Notary Public

EXHIBIT "A"

A part of Block 2 of The Homestead in Grand Junction, a plat recorded in the office of the Mesa County Clerk and Recorder at Reception Number 1930890, and being situated in the southwest quarter of the southeast quarter of Section 4, Township 1 South, Range 1 West of the Ute Meridian, Grand Junction, Mesa County, Colorado, being more particularly described as follows:

Beginning at the northeast corner of said Block 2;
Thence along the east line of said Block 2 South 00°00'00" West, a distance of 202.08 feet;
Thence departing the east line of said Block 2 and continuing South 00°00'00" West a distance of 50.19 feet;
Thence North 90°00'00" West, a distance of 317.88 feet;
Thence South 00°00'00" East, a distance of 110.18 feet;
Thence North 90°00'00" West, a distance of 168.85 feet to a point of cusp on a 452.00 foot radius curve concave to the west;
Thence 132.06 feet northerly along the arc of said curve, through a central angle of 16°44'24", with a chord bearing North 05°23'22" East, a distance of 131.59 feet to a point of cusp on a curve, from which the radius point bears South 27°46'37" West;
Thence northwesterly and westerly a distance of 8.73 feet along the arc of said curve concave to the south, having a radius of 18.00 feet and a central angle of 27°46'37"
Thence radial to said curve, North 00°00'00" East, a distance of 32.00 feet;
Thence South 90°00'00" East, a distance of 50.55 feet;
Thence 72.79 feet along the arc of a 180.00 foot radius tangent curve to the right, through a central angle of 23°10'14", with a chord bearing South 78°24'53" East, a distance of 72.30 feet to a point of cusp;
Thence North 00°00'00" West, a distance of 210.60 feet to the north line of said Block 2;
Thence along said north line North 89°47'41" East, a distance of 361.39 feet to the Point of Beginning.

EXHIBIT "B"

Blocks 1 and 2 of The Homestead in Grand Junction