

DECLARATION OF

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SEP 07, 1982 E.SAWYER, CLK&REC MESA CTY, CO

COVENANTS, CONDITIONS AND RESTRICTIONS

OF

BMW CONDOMINIUMS

THIS DECLARATION, made on the date hereinafter set forth by Thomas P. Beck, Dianna Walterscheid and Leonard J. Walterscheid, hereinafter referred to collectively as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Mesa, State of Colorado, which is more particularly described as:

Lot 4, Block 3, Bookcliff Terrace, County of Mesa, State of Colorado, also known as 566½ Garfield Drive, Grand Junction, Colorado.

WHEREAS, Declarant intends to provide for the condominium ownership of the property described under the Condominium Ownership Act of the State of Colorado, and to define the character, duration, rights, obligations and limitations of condominium ownership of BMW Condominiums, and for such purpose executes this Declaration of Covenants, Conditions and Restrictions of BMW Condominiums, hereafter referred to as the "Declaration".

NOW THEREFORE, Declarant hereby declares that all of the properties described above be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

RECITALS

Section 1. The Project. Declarant has prepared a plat of the real property together with a diagrammatic floor plan of the building and other improvements. Each unit, as herein defined, is numbered or lettered consecutively on such plans. The term "project" shall collectively mean the real property and all buildings and other improvements located on the real property. Declarant does not reserve the right to expand the project, and all improvements are complete as of the execution of this Declaration.

Section 2. Type of Ownership. A condominium unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado. This condominium ownership project will provide a means for ownership fee simple of individual air space units and for co-ownership with others, as tenants in common, of the common elements, as herein defined.

ARTICLE II

Definitions

Section 1. Association. "Association" shall mean and refer to BMW Condominium Association, Inc., its successors and assigns.

Section 2. Board. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. Building. "Building" means the existing buildings constructed on the real property subject to this Declaration.

Section 4. Common Area. "Common Area" means and includes the land described in the recorded Condominium Map relating to this property, which property shall be maintained by the Association for the common use and enjoyment of the owners. The common area shall include all land with improvements thereon necessary or convenient for the common use of all owners of the project, including the air above such land, all of which shall be owned as tenants in common by the owners of the separate units, each owner of a condominium unit having an undivided percentage or fractional interest in such general common areas as is provided hereinafter.

Section 5. Common Area - Dedication. Declarant, in recording the Condominium Map of BMW Condominiums in the records of the County of Mesa, State of Colorado, has designated certain areas of land intended for use by the homeowners in BMW Condominiums. The designated areas are not dedicated thereby for use by the general public, but are dedicated to the common use and enjoyment of the owners in BMW Condominiums, as more fully provided herein. The Condominium Map is hereby incorporated and made a part of this Declaration. This Declaration shall be incorporated in and become a part of the Condominium Map.

Section 6. Common Element. "Common Element" means all of the project except all units. The terms "Common Elements" and "Common Areas" as used herein are synonymous.

Section 7. Common Elements - General. "General Common Elements" means all common elements except all limited common elements.

Section 8. Common Elements - Limited. "Limited Common Elements" means that portion of the common elements reserved for the exclusive use of the individual owners of the respective units. The limited common elements so reserved shall be identified on the Condominium Map. Any balcony, patio, deck, crawl space or attic space which is assessable from, associated with or which adjoins a unit shall, without further reference thereto, be used in connection with such unit to the exclusion of the use thereof by the other owners of the general common elements, except by invitation. All of the owners of condominium units in this condominium project shall have a non-exclusive right in common with all of the other owners to use of sidewalks, pathways, roads and streets located on the properties. No reference thereto, whether such limited common elements are exclusive or non-exclusive need be made in any deed, instrument of conveyance or other instrument. The Declarant shall have the authority to assign exclusive use of parking areas to owners.

Section 9. Condominium Map. "Condominium Map" means a plat or survey, or any supplement or amendment thereto, of the properties, showing the items set forth below. The map

shall be filed for record prior to the conveyance of a condominium unit to a purchaser. The Condominium Map shall depict and show at least the following: the legal description of the land and a survey thereof; the location of the building; the floor and elevation plans; the location of the unit within the building, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements of the building designations, if applicable. The condominium map shall contain the certificate of a registered professional engineer, registered land surveyor or licensed architect certifying that the condominium map substantially depicts the location and horizontal and vertical measurements of the building, the units, the unit designations, the dimensions of the units, and the building designation, if any. Each supplement or any amendment shall set forth a like certificate when appropriate. In interpreting the condominium map, the existing physical boundaries of each separate unit as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the condominium map, from time to time, to conform the same according to the actual location of any of the constructed improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas. The condominium map and all supplements thereto shall be filed for record in the real estate records of the County Clerk and Recorder of Mesa County, Colorado.

Section 10. Condominium Unit. "Condominium Unit" means a unit together with an equal undivided interest in the common elements.

Section 11. Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a condominium unit or any part thereof is encumbered.

Section 12. Mortgagee. "Mortgagee" means any person named as the mortgagee or beneficiary under any mortgage under which the interest of any owner is encumbered.

Section 13. Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any condominium unit which is a part of the Properties, including installment land or other contract buyers and sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 14. Properties. "Properties" shall mean and refer to that certain real property described above, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 15. Unit. "Unit" refers to each unit as shown and numbered or lettered on the condominium map to be filed for record, together with all fixtures and improvements therein contained. Each unit shall consist of individual air space enclosures consisting of enclosed rooms of the structure with each enclosure bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof as shown on the said map. Notwithstanding such markings, the following are not part of a unit: bearing walls, floors and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, shafts, central heating, reservoirs, tanks, pumps, sewer lines, water lines and other services used by more than one unit, pipes, vents, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the unit. The interior surfaces of a perimeter window or door means the points at which such surfaces are located when such windows or doors are closed; the physical perimeter windows and doors themselves are part of the common elements, as herein defined.

ARTICLE III

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

Section 1. Estate of an Owner. The Project is hereby divided into four condominium units, each consisting of a separate fee simple interest in a Unit, and an equal undivided fee simple interest in the Common Elements. The undivided interest in the Common Elements are hereby declared to be appurtenant to the respective Units.

Section 2. Conveyance of a Unit. After the Condominium Map shall have been filed for record in Mesa County, Colorado, every contract for the sale of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit by the number shown on the Condominium Map with the appropriate reference to the Condominium Map and to this Declaration, as each shall appear on the records of the County Clerk and Recorder of Mesa County, Colorado in the following fashion:

Condominium Unit _____ as shown on the Condominium Map for BMW Condominiums appearing in the Records of County Clerk and Recorder of Mesa County, Colorado in Book _____ at Page _____, and as defined and described in that Declaration of Covenants, Conditions and Restrictions of BMW Condominiums appearing in such records in Book _____ at Page _____.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Elements, and to incorporate all the rights, incident to ownership of a Condominium Unit and all the limitations on such ownership as described in this Declaration.

Section 3. Right to Combine Units. Declarant reserves the right to (1) physically combine the space within one unit with the space within one or more adjoining units, (2) combine a part of or combination of parts of the space within one unit with part or parts of the space within one or more adjoining units, and (3) to divide into separate units the space of one unit. The aggregate or divided undivided interests in the general common elements resulting therefrom shall be reflected by an amended percentage interest in line with the modifications herein.

Section 4. Limited Common Elements. A portion of the common elements is set aside and reserved for the exclusive use, management, control, operation, maintenance, repair and improvement of and by the individual owners, including balconies, patios, sun rooms, if any, and space lying between units, as designated on the Condominium Map.

Section 5. Inseparability. No part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be separated from any other part thereof during the period of condominium ownership prescribed herein, so that each unit and the undivided interest in the common elements appurtenant to such unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium Unit or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Condominium Unit together with all appurtenant rights created by law or by this Declaration.

Section 6. Partition not Permitted. The common elements shall be owned in common by all the owners of Condominium Units, and no owner may bring any action for partition thereof.

Section 7. Owner's Rights to Common Elements. Subject to the limitations contained in this Declaration, each owner shall have the non-exclusive right to use and enjoy the common elements.

Section 8. Owner's Right with Respect to Interiors. Each owner shall have the exclusive right to paint, repaint, tile, carpet, drape, wax, paper or otherwise finish or refinish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors forming the boundaries of his unit.

Section 9. Easement for Access to Condominium Units. Each Condominium Unit shall have access from a public street, by use of the general common element lying between the structure and the said street.

Section 10. Easements for Encroachments. If any part of the common elements encroaches upon a unit or any unit or shall hereafter encroach upon the common elements, or upon an adjoining unit or units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the common elements or the units. If any part of the utilities such as gas or electric metering devices shall encroach upon the limited common elements or units, an easement for such encroachment and for the maintenance of the same shall and does exist. Encroachments referred to herein include, but are not limited to, encroachments caused by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the project or any part thereof.

Section 11. Easements of Access for Repair, Maintenance and Emergencies. Some of the common elements are or may be located within the units or may be conveniently accessible only through the units. The owners of other units shall have the irrevocable right, to be exercised by the Association, hereafter defined, as their agent, to have access to each unit and all common elements from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common elements or to another unit or units. The Association shall also have such right independent of any agency relationship. Damage to the interior or any part of a unit or units resulting from the maintenance, repair, emergency repair or replacement of any of the common elements or as a result of emergency repairs within another unit at the insistence of the Association or of owners shall be an expense of the Association; provided, however, that if such damage is the result of negligence of the owner of a unit, then such owner shall be financially responsible for all of such damage. Such damage shall be appraised, and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by owners pursuant hereto shall be collected by the Association by assessment pursuant to the article on assessments.

Section 12. Owner's Right to Ingress and Egress and Support. Each owner shall have a permanent easement of ingress and egress over, upon and across the common elements necessary for normal access to his unit and shall have the right to the horizontal and lateral support of his unit, and such rights shall be appurtenant to and pass with the title to each dwelling unit.

Section 13. Association's Right to Use of Common Element. The Association shall have a non-exclusive easement to make such use of the common elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration. The Association shall have the use of those areas marked on the Condominium Map for Association use.

Section 14. Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to Section 10 through Section 13, inclusive, above, even though no specific reference to such easements or to those sections appears in any such conveyance.

Section 15. Separate Assessment and Taxation Notice to Assessor. Declarant shall give written notice to the Assessor of Mesa County of the creation of condominium ownership in this property, as is provided by law, so that each unit and the undivided interest in the general common elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation.

ARTICLE IV

TERMINATION OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION

Subsequent to the completion of the improvements described on the Condominium Map, no labor performed nor materials furnished and incorporated in the unit with the consent or at the request of the unit owner, his agent, his contractor or subcontractor shall be the basis for filing of a lien against the unit or any other unit owner not expressly consenting to or requesting the same, or against the general common elements. Each owner shall indemnify and hold harmless each of the owners from and against all liability arising from the claim of any lien against the unit of any other owner or against the general common elements for construction performed or for labor, materials, services or other products incorporated in the owner's unit at such owner's request.

All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominium Units and not to the Condominium Project as a whole.

ARTICLE V

THE ASSOCIATION

Section 1. Membership. Every owner shall be entitled and required to be a member of BMW Condominium Association, Inc., a Colorado non-profit corporation, which corporation has been referred to as the "Association". If title to a condominium unit is held by more than one person, the membership related to the Condominium Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium Unit is held. An owner shall be entitled to one membership for each Condominium Unit owned by him. No person or entity other than an owner may be a member of the Association, and the memberships in the Association may not be transferred except in connection with the transfer of a Condominium Unit; provided, however, that the rights of membership may be assigned to a mortgagee as further security for a loan secured by a lien on a Condominium Unit.

Section 2. Voting Rights. The Association shall have one class of membership. Each membership shall be entitled to one vote.

Section 3. Board of Directors. The Declarant shall be entitled to elect a majority of the members of the Board of Directors until such time as seventy-five percent (75%) of the Condominium Units have been sold. Upon the sale by the Declarant of seventy-five percent (75%) of the Condominium Units, an election of a new Board of Directors shall be scheduled within 120 days.

Section 4. Transfer; Delegation. Except as otherwise expressly stated herein, any of the rights, interests, duties, functions and obligations of the Association set forth herein or reserved herein may be transferred, assigned, or delegated to any other person or entity; provided, however, that no such transfer, assignment or delegation shall relieve the Association of any of the obligations of any owners as set forth herein. Such delegations may be to a manager of the project, provided that any such delegation to a manager of the project shall be revocable by the Association.

Section 5. Amplification. The Association may exercise any and all other rights or privileges given to it by this Declaration by its Articles of Incorporation or By-Laws, or as may otherwise be given to it by law, as are reasonable or necessary to carry out its purposes as set forth herein and under the Articles of Incorporation or By-Laws. Notwithstanding any other provision which may be in this Declaration to the contrary, unless all of the first mortgagees and owners of the individual Condominium Units have given their prior written approval, the Association shall not be entitled or empowered to:

a. By act or omission, seek to abandon or terminate the Condominium Project;

b. Except as reserved to the Declarant under Section 3 or Article III, change the prorata interest or obligations of any individual Condominium Unit for the purpose of (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (2) determining the prorata share of ownership of each Condominium Unit in the common elements;

c. Partition or subdivide any Condominium Unit;

d. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements (the granting of easements for public utilities or other public purposes consistent with the intended use of the common elements by the Condominium Project shall not be deemed a transfer within the meaning of this clause);

e. Use hazard insurance proceeds for losses to the Properties (whether to units or to common elements) for other than the repair, replacement or reconstruction of the Properties.

ARTICLE VI

CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Common Elements. The Association shall, subject to the rights and obligations of the owners set forth

herein, be responsible for the exclusive management, control, operation, maintenance, repair, payment of taxes and special assessments upon, and improvements of the general common elements and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

The cost of such management, operation, maintenance, repair and improvement shall be borne as provided in this Declaration.

The Association shall have the right to grant easements for utility purposes over, upon, under or through any portion of the common elements, and is hereby irrevocably appointed as attorney in fact for each owner for such purpose. All utilities must be on separate lines. No easement serving another unit may be given on a unit which would rest in, on, under, or upon a unit except as originally shown on the plat.

Section 2. Miscellaneous Services. The Association may obtain and pay for all services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of its affairs or the enforcement of this Declaration. The Association may arrange to furnish domestic water, trash collection, sewer service, snow removal and other common services to each unit. The cost of such services shall be borne as provided in this Declaration.

Section 3. Personal Property for Common Use. The Association may acquire and hold for the use and benefit of owners and invitees tangible and intangible personal property and may dispose of the property by sale or otherwise, and the beneficial interest in any such interests shall not be transferable except with the transfer of a Condominium Unit. A transfer of a Condominium Unit shall transfer the ownership of the transferor's beneficial interest in such property without any reference thereto. Each owner of a unit and his invitees may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other owners of units. 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 4. Rules and Regulations. The Association may make and owners shall comply with rules and regulations governing the use of the units, common elements and personal property for common use, which rules and regulations shall be consistent with the rights and duties established in this Declaration.

Section 5. Rights. The Association may suspend any owner's voting rights in the Association during any period or periods during which such owner fails to comply with any obligation of such owner under this Declaration. The Association may also take judicial action against any owner to enforce compliance with such obligations or to obtain damages for non-compliance, all to the extent permitted by law. The Association may exercise any right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 6. Records. The Association shall be required to make available to the owners and holders or insurers of a first mortgage on any unit current copies of the Declaration, By-Laws, rules governing the Condominium Project, and any other book, records and financial statements of the Association. The Association is further required to make available to prospective purchasers current copies of the documents identified above upon request.

Section 7. Financial Statements. Upon written request from any federal agency or corporation holding or insuring a first mortgage, the Association shall be required to prepare and furnish within a reasonable time an audited financial statement of the Association for the immediately preceding fiscal year.

ARTICLE VII

ASSESSMENTS AND LIENS

Section 1. Agreement to Pay Assessment. Declarant, for each Condominium Unit owned by it within the project, hereby covenants, and each owner of any Condominium Unit by acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay the Association monthly assessments made by the Association for the purposes provided in this Declaration and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

Section 2. Amount of Monthly Assessments. The monthly assessments against all Condominium Units shall be based upon advance estimates by the Association to provide for the payment of all estimated expenses for a period of one year arising out of or connected with the maintenance and operation of the general common elements and furnishing services to the units. The estimated expenses may include management; insurance premiums; landscaping and care of ground; domestic water; snow removal; trash and garbage collection; sewer service; repairs; replacements and maintenance; wages for association employees; legal and accounting fees; any deficit remaining from a previous period; and any other expenses and liabilities which may be incurred by the Association for the benefit of the owners under or by reason of this Declaration. The Association shall also create a reasonable and adequate contingency reserve, surplus or sinking fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis, which amount shall not be less than ten percent (10%) of the regular assessment. The assessments for such reserve, surplus or sinking fund shall be paid in regular monthly installments as a part of the general assessments rather than by special assessments. The maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

Section 3. Apportionment of Monthly Expenses. Any monthly expenses assessed pursuant hereto shall be assessed to all owners equally.

Section 4. Notice of Monthly Assessments and Time for Payment Thereof. Monthly assessments shall be made on a calendar month basis. The Association shall give written notice to each owner as to the amount of the monthly assessment with respect to his Condominium Unit on or before the first day of each month. Such assessments shall be due and payable on or before the tenth of each month. Each monthly assessment shall

bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within ten days after such date. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the owner of any Condominium Unit for such assessment, but the date when payment shall become due in such a case shall be ten days after such notice shall have been given.

Section 5. Special Assessments. In addition to the monthly assessments authorized by this Article, the Association may levy a special assessment, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of any property subject to the jurisdiction of the Association, or for any other expense incurred or to be incurred as provided in this Declaration. This section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Article. Any special assessment shall be levied by the Association only upon the affirmative vote of not less than seventy-five percent (75%) of the members of the association. Any amounts assessed pursuant hereto against all owners shall be assessed to all owners equally; provided, however, if the assessment is solely to enforce the liability of one or more owners such as arising due to negligence under this Declaration, then the assessment need not be uniform. Notice in writing of the amount of such special assessments and the time payment shall be due shall be given not less than thirty days prior to the time payment is due. A special assessment shall bear interest at the rate of twelve percent per annum from the date it becomes due and payable if not paid within thirty days after such date.

Section 6. Lien for Assessments. All sums assessed to any Condominium Unit pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Condominium Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such condominium unit, except only for: (a) valid tax and special assessment liens on the Condominium Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first mortgage duly recorded in the Mesa County, Colorado real estate records including all unpaid obligatory advances to be made pursuant to such mortgage and all amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument.

To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by the Association and may be recorded in the office of the County Clerk and Recorder of Mesa County, Colorado. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Colorado. In any such foreclosure, the owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The owner shall also be required to pay to the Association any assessments against the Condominium Unit which shall become due during the period of foreclosure. The Association shall have the right and power

to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, encumber and otherwise deal with the same as the owner thereof.

A release of notice of lien shall be executed by the Association and recorded in the Mesa County, Colorado real estate records upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Condominium Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association may report to any encumbrancer of a Condominium Unit any unpaid assessments remaining unpaid for longer than sixty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

The lien of the Association assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado law. The acceptance of a deed to any Condominium Unit subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien.

Section 7. Personal Obligation of Owner. The amount of any assessment against any Condominium Unit shall be the personal obligation of the owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the common elements or by abandonment of his Condominium Unit.

Section 8. Statement of Account. Upon written request of any owner of any mortgagee, prospective mortgagee or prospective purchaser of a condominium unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Condominium Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or prepaid items, including, but not limited to, an owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statements. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty day period provided herein.

Section 9. Liability of Purchaser or Successor for Assessments. The personal obligation for delinquent assessments shall not pass to successors in title unless assumed by them, or required by applicable law. Any lien arising from unpaid charges and assessments shall not be affected by any sale or transfer of a Condominium Unit, except that a sale or transfer of a Condominium Unit pursuant to a foreclosure of a first mortgage shall extinguish any subordinate lien for delinquent assessments which became payable prior to such sale

or transfer. No sale or transfer pursuant to a foreclosure shall relieve the purchaser or transferee of a unit from liability for, nor the unit so sold or transferred from the lien of, any assessments thereafter becoming due.

ARTICLE VIII

MAINTENANCE AND LANDSCAPING

Section 1. Exterior Maintenance. In addition to maintenance of the Common Elements, the Association shall provide exterior maintenance upon each unit which is subject to assessment hereunder, including as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair of a lot or the improvements thereon is caused through the willful or negligent acts of its owner, or through the willful or negligent acts of the family guests or invitees of the owner of the lot needing such maintenance or repair, the costs of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

In the event an owner of any unit in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board, the Association, after approval by the Board, shall have the right, through its agent and employees, to enter upon said parcel and to repair, maintain, and restore the unit and the exterior of the building and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such unit is subject.

Section 2. Interior Maintenance and Maintenance of Limited Common Areas. Each owner shall keep the interior of his Condominium Unit, including, without limitation, interior walls, windows, glass, ceilings, floors, permanent fixtures, and appurtenances thereto, and Limited Common Elements appurtenant to such Condominium Unit, in a clean, sanitary and attractive condition, and a good state of repair free from the accumulation of trash or debris.

Section 3. Landscaping. Landscaping of the Common Elements shall be performed and maintained by the Association. No owner shall alter, change or modify the landscaping of the Common Elements without prior written consent of the Association.

ARTICLE IX

PROTECTIVE COVENANTS AND RESTRICTIONS

Section 1. Residential. Each unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a unit for residential purposes shall not be considered to be violation of this covenant.

Section 2. Architectural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specification showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and

approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association.

Section 3. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded Condominium Map of BMW Condominiums. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of the building and all improvements in it shall be maintained continuously by the Association, except for those improvements for which a public authority or utility company is responsible. All utilities must be on separate lines. No easement serving another lot may be given on a lot which would rest in, on, under; or upon a lot, except as originally shown on the plat.

Section 4. Blanket Easements. There is hereby created a blanket easement upon, across, over and under all of the Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the electrical and/or telephone company providing service to erect and maintain the necessary poles and other necessary equipment on said properties and to affix and maintain electrical and/or telephone wires, circuits and conduits, on, above; across and under the roofs and exterior walls of the building upon the Properties. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the streets and Properties in the performance of their duties. Further, an easement is hereby granted to the Association to enter in or to, across or over the Properties and any unit when reasonably necessary to perform the duties of maintenance and repair of the units or Condominium Project. Notwithstanding anything to the contrary in this paragraph contained, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as approved by the Declarant or the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement, Declarant or the Association may grant the same by a separate recordable instrument. Declarant or the Association shall have the right to grant such easements on said Properties without conflicting with the terms hereof or consent of the Condominium Unit owners being required. The easements provided for in this Article shall in no way affect or restrict any other recorded easement on said Properties.

Section 5. Electrical Easements. An easement for underground electrical service along and centered on the service conductor, is hereby granted and may be crossed by driveways and walkways. Such easements for the underground service shall be kept clear of all other improvements, including buildings, patios, or pavings, other than crossing walkways or driveways, and neither Declarant nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers, or other improvements of the owner located on the Properties covered by said easements.

Section 6. Use of Common Elements. There shall be no obstruction of the common elements, nor shall anything be stored on any part of the common elements without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from, the common elements except upon the prior written consent of the Association.

Section 7. Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any unit or in the common elements or any part thereof which would result in the cancellation of the insurance on the project or any part thereof or which would result in an increase in the rate of the insurance on the project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any unit or in the common elements or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of the common elements or any part thereof shall be committed by any owner or any invitee of any owner, and each owner shall indemnify and hold the Association and the other owners harmless against all loss resulting from any such damage or waste caused by him or his invitees. No noxious, destructive or offensive activity shall be carried on in any unit or in the common elements or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other owner or to any person at any time lawfully residing in any unit.

Section 8. Temporary Structures. No structures of a temporary character, camper, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on the Properties at any time as a residence, either temporarily or permanently. No boats, trailers, detached campers, trucks or commercial vehicles shall be parked or maintained on any site or on any street, except that a boat, trailer, detached camper, truck or commercial vehicle may be parked or maintained on a site provided by the Association.

Section 9. Signs. No sign of any kind shall be displayed to the public view on or near any unit except (a) one professional sign of not more than one square foot; (b) one sign of not more than five square feet advertising the property for sale or rent; or (c) signs used and erected by a builder to advertise the property during the period when construction and sales of new units occur.

Section 10. Oil and Mining Operations. No oil or gas drilling, development operations, refining or quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, minerals excavations or shafts be permitted upon or under any unit.

Section 11. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose, and provided further, that such dogs, cats or other household pets shall not exceed a reasonable number nor more than two of any one type of household pet.

Section 12. Garbage and Refuse Disposal. No part of the Properties shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 13. Sight, Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 24 feet from the

intersection of the street lines, or in case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. Weeds and other rough growth shall be kept off the properties.

Section 14. Radio and TV Antennas. Radio and TV aeriels and antennas shall not be exposed on the outside of the building but may be located in the attic area. Outside flood or spot lights located outside a unit shall be shaded or directed in such a manner as to avoid directly illuminating onto adjacent property or units.

Section 15. Automobiles. No automobile shall be parked upon the Properties or the Common Elements which is not currently licensed and which is not driveable. There shall be no extraordinary car repairs on the premises.

Section 16. Mailboxes. No mailboxes or paper boxes may be erected except as approved by the Board.

ARTICLE X

RIGHTS OF HOLDERS OF FIRST MORTGAGES

A holder, insurer or guarantor of a first mortgage, upon written request to the Association, will be entitled to timely written notice of:

a. Any imposed amendment of the Declaration or Condominium Map or other pertinent condominium documents affecting a change in (i) the boundaries of any unit or the exclusive easement rights appurtenant thereto, (ii) the interest in the general or limited common elements appurtenant to any unit or the liability for common expenses appurtenant thereto, (iii) the number of votes in the Association appurtenant to any unit, or (iv) the purposes to which any unit or the common elements are restricted;

b. Any proposed termination of the Condominium Project;

c. Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed;

d. Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgage of such holder, insurer or guarantor, or any other default by the unit owner of any obligation imposed by this Declaration, By-Laws, or rules of the Association, where such delinquency or default has continued for a period of sixty days; and

e. Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article XI.

INSURANCE

Section 1. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Colorado. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(a) Property Insurance. The Association shall obtain insurance on the improvements on the real property in such amounts as shall provide for full replacement thereof in the event of damage or destruction resulting from the perils against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the real property would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Liability Insurance. The Association shall purchase broad form comprehensive general liability coverage in such amounts and in such forms as it deems advisable. Coverage shall be written on an occurrence basis and may include, without limitation, liability for personal injury, water damage, contractual obligations, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project.

(c) Workmen's Compensation and Employer's Liability Insurance. The Association may purchase Workmen's Compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law as it deems necessary.

(d) Fidelity Insurance. The Association may purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(e) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the project, including any personal property of the Association located thereon.

Section 2. Owner's Responsibility. Insurance coverage on the furnishings and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual unit and for activities of the owner, not acting by the Association, with respect to the common elements shall be the responsibility of the respective owners.

Section 3. Form of Insurance. The property insurance obtained by the Association shall be carried in a form or forms naming the Association as the insured as trustee for the owners. Such policy or policies also shall provide that it or

they cannot be cancelled by either the insured or the insurance company until after ten days prior written notice is first given to each owner and to each holder of a first mortgage. Upon request, the Association shall furnish to each owner a true copy of such policy or a certificate identifying the interest of the owner. All policies of insurance shall provide that the insurance hereunder shall be invalidated or suspended only in respect to the interest of any particular owner guilty of breach of warranty, act, omission, negligence or non-compliance with any provision of such policy, including payment of the insurance premium applicable to that owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy as to the interest of all other insured owners not guilty of any such act or omission shall not be invalidated or suspended and shall remain in full force and effect.

Liability insurance shall name the Association as the insured, as trustee for the owners and for the Declarant, whether or not it is an owner, and shall protect each owner and the Declarant against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Condominium Project.

Section 4. Insurance Proceeds. The Association shall receive the proceeds of any property insurance payments received under policies obtained by it and maintained by it pursuant to this Article. The Association shall apportion the proceeds to the portions of the project which have been damaged and shall determine the amount of proceeds attributable to damage to the common elements. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed to each of the owners in accordance with their respective interests therein, with joint payments being made to the owner and the mortgagees where the Association has written notice of the existence of a mortgage. Each owner, the Declarant, and each mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Association pursuant hereto.

ARTICLE XII

CASUALTY DAMAGE OR DESTRUCTION

Section 1. Affects Title. Title to each Condominium Unit is hereby made subject to the terms and conditions hereof, which bind the Declarant and all subsequent owners, whether or not it be so expressed in the deed by which any owner acquired his Condominium Unit.

Section 2. Association as Agent. The Declarant and all of the owners irrevocably constitute and appoint the Association their true and lawful agent in their name, place and stead for the purpose of dealing with the improvements on the real property upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from any owner shall constitute appointment of the attorney-in-fact herein provided.

Section 3. General Authority of Association. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest

of a dwelling unit owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the project to substantially the same condition in which it existed prior to damage, with each unit and the common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance of the Association collected shall be available to the Association for the purpose of repair or reconstruction unless the owners representing an aggregate ownership interest of all of the units, and all first and second mortgages agree not to rebuild.

In the event any such first mortgage should fail to agree not to rebuild, the Association shall have the option to purchase such mortgage by payment in full of the amount secured thereby if the owners representing an aggregate ownership interest of all of the units are in agreement not to rebuild. The Association shall obtain the funds for such purpose by special assessments under the Article on Assessments of this Declaration.

Section 4. Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the project, the Association shall obtain reliable and complete estimates of the costs of repair or reconstruction of that part of the project damaged or destroyed.

Section 5. Repair and Reconstruction. As soon as practicable after receiving these estimates, the Association shall diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney-in-fact for the owners, and no consent or other action by any owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with the original plans or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any unit may not vary by more than five percent from the number of cubic feet and the number of square feet for such unit as originally constructed pursuant to such original plans and specifications, and the location of the building shall be substantially the same as prior to damage or destruction.

Section 6. Funds for Reconstruction. If the proceeds of any insurance collected are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Association, pursuant to the Article on Assessments hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such special assessment shall be allocated and collected as provided in that Article. Further levie may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

Section 7. Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the assessments provided for herein constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the owners in proportion to the contributions each owner made, or would have made had there been an assessment, pursuant to the Section on Funds for Reconstruction of this Declaration.

Section 8. Decision Not to Rebuild. If the owners of all of the units and all holders of first mortgages on condominium units agree not to rebuild, the project shall be sold and the proceeds distributed in the same manner herein provided in the event of sale of obsolete units, as set forth in Article XIII, Section 3.

ARTICLE XIII

OBSOLESCENCE

Section 1. Adoption of a Plan. The owners may adopt a written plan for the renewal and reconstruction of the project, which plan must have the unanimous approval of all owners and first mortgages of record at the time of the adoption of such plan. Such plan shall be recorded in the Mesa County, Colorado real estate records.

Section 2. Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the owners as special assessments against their respective Condominium Units. These special assessments shall be levied in advance pursuant to the Article on Assessments, hereof, and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction. In the event amounts collected pursuant to this Section are in excess of the amount necessary for renewal and reconstruction, the excess amount shall be returned to the owners by a distribution to each owner in an amount proportionate to the respective amount collected from each such owner.

Section 3. Sale of Obsolete Units. All owners may agree that the Condominium Units are obsolete and that the project should be sold. Such an agreement must have the unanimous approval of every first mortgagee of record at the time such agreement is made. In such instance the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the project shall be sold by the Association as attorney-in-fact for all of the owners free and clear of the provisions contained in this Declaration, the Condominium Map and the Articles of Incorporation and By-Laws of the Association, or any amendments or supplements thereto. The sale proceeds shall be apportioned among the owners equally, and such proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Association and shall be further identified by the Condominium Unit designation and the name of the owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to lienors in the order of the priority of their liens and the balance remaining to each respective owner.

In the event any first mortgagee should not agree to the sale of the project, the Association shall have the option to purchase the mortgage of such mortgagee by payment in full of the amount secured thereby if all the owners are in agreement to sell. The Association shall obtain the funds for such purpose by special assessments, pursuant to this Declaration.

ARTICLE XIV

CONDEMNATION

Section 1. Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership 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 of or in avoidance thereof, the following provisions shall apply.

Section 2. Proceeds. All compensation, damages, or other proceeds therefrom the sum of which is hereinafter called the "condemnation award", shall be payable to the Association.

Section 3. Complete Taking. In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The condemnation award shall be apportioned among the owners equally, provided 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 shares, the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable, determine the share of the condemnation award to which each owner is entitled. The Association shall distribute the condemnation award as soon as practicable thereafter to the parties in the shares so determined, such distribution to be made by checks payable jointly to the respective owners and their respective mortgagees.

Section 4. Partial Taking. In the event that less than the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the condemnation award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the owners as follows:

(a) The total amount allocated to taking of or injury to the common elements shall be apportioned among all owners in proportion to their percentage interests in common elements;

(b) The total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned;

(c) The respective amounts allocated to the taking of or injury to a particular unit or improvements an owner has made within his own unit shall be apportioned to the particular unit involved; and

(d) The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the association determines to be equitable in the circumstances.

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 to the extent it is relevant and applicable. Distribution

of apportioned proceeds shall be made by checks payable jointly to the respective owners and their respective mortgagees.

Section 5. Reorganization. In the event a partial taking results in the taking of a complete unit, the owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership interest in the common elements and percentage vote determined in accordance with the Declaration according to the same principals employed in this Declaration at its inception and shall submit such reallocation to the owners of the remaining units for amendment of this Declaration as provided in Article XVII hereof.

Section 6. Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XII hereof.

ARTICLE XV

OWNERS' MAINTENANCE RESPONSIBILITY

For purposes of maintenance, repair, alteration and remodeling, an owner shall be deemed to own the interior non-supporting walls, including plaster, gypsum dry wall, paneling, wall paper, paint, wall and floor tile and flooring but not including the sub-flooring making up the finished surfaces of the perimeter walls, ceiling and floors within the unit including unit doors and windows. The owner shall not be deemed to own lines, pipes, wires, conduits, or other such systems hereinafter referred to as "utilities", running through his unit which serve one or more other units except as a tenant in common with the other owners. Such utilities shall not be disturbed or relocated by an owner without the written consent and approval of the Board of Directors of the Association. Such right to repair, alter, and remodel is coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the utilities enter the unit shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament incident thereto. An owner shall also keep the limited common elements appurtenant to his unit in a clean and sanitary condition. All other maintenance or repairs to any limited common elements, except as caused or permitted by the owner's negligence, misuse or neglect thereof shall be a common expense of all of the common owners.

ARTICLE XVI

COMPLIANCE WITH PROVISIONS OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION AND BY-LAWS OF THE ASSOCIATION

Each owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and the decisions and resolutions of the Association. Failure to comply with any of the provisions described herein shall be grounds for an action to recover sums due, for damages or injunctive relief or both and for reimbursement of all attorney's fees incurred in connection thereto,

which action shall be maintainable by the managing agent for the Associations' Board in the name of the Association on behalf of the owners, or in proper case, by an aggrieved owner. The owners shall have reciprocal rights of action against the Association in the event if its failure to comply with the above documents.

ARTICLE XVII

REVOCATION OR AMENDMENT TO DECLARATION

Neither the Declaration nor the Condominium Map shall be revoked, nor any of the provisions amended, except by written instrument duly recorded and reflecting the consent of all of the owners and holders of first mortgages on Condominium Units. Notwithstanding the foregoing, or anything in this Declaration to the contrary, Declarant reserves the right to make modifications, additions or deletions in or to this Declaration as may be required by a mortgage lender or insurer. Such modifications, additions or deletions will not increase the cost of Condominium Units, nor will there be material physical modifications of the project or any changes which will decrease the financial obligations of the Declarant as a Condominium Unit owner.

ARTICLE XVIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Condominiums upon the Properties shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such owner to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6. Easement for Siding Encroachment. Each owner of a unit shall have an easement upon the adjoining lot having a common boundary line on which the party wall shall be located, such easement to be equal in width to any encroachment caused by exterior building siding.

ARTICLE XIX

PERIOD OF CONDOMINIUM OWNERSHIP

The condominium ownership created by this Declaration and the Condominium Map shall continue until this Declaration and any amendments thereto are revoked or terminated in the manner provided herein of this Declaration.

ARTICLE XX

MISCELLANEOUS

Section 1. Registration of Mailing Address - Notices.

Each owner shall register his mailing address with the Association and all notices, requests or demands intended to be served upon any owner, except for budget statements, notices of meetings and other routine notices, shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address. Unless otherwise provided herein, budget statements, notices of meetings and other routine notices may be sent by regular mail, postage prepaid, addressed in the name of the owner at such registered mailing address. All notices, requests or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Articles of Incorporation or By-Laws of the Association. All notices, requests or demands to be served on mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the mortgagee at such address as the mortgagee may have furnished to the Association in writing. Unless the mortgagee furnished the Association such address, the mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States Mail in the form provided for in this Section.

Section 2. Owner's Obligations Continue. All accrued obligations of the owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have conveyed said interest as provided herein, but the owner of a Condominium Unit shall have no obligation for expenses or other obligations accruing after he conveys such Condominium Unit.

Section 3. Transfer of Declarant's Rights. Any rights or interests reserved hereby to the Declarant may be transferred or assigned by the Declarant.

Section 4. Free Transferability. Ownership of the Condominium Units shall be freely transferable. Neither the Association nor any owner shall have a right of first refusal with respect to the purchase or sale of any Condominium Unit.

Section 5. Warranty. Declarant disclaims any intent to warranty or make representations except as is set forth in this Declaration.

Section 6. General Provisions.

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

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

(c) Assignment. Any and all rights or interests reserved herein to the Declarant may be transferred or assigned by the Declarant at will.

(d) Rule Against Perpetuities. If any of the terms, conditions, options, privileges, covenants or rights created by this Declaration shall be unlawful or void for violation of the rule against perpetuities or some analogous statutory or common law provisions imposing time limits, then such provision shall continue only for the period of the life of the Declarant herein or the last surviving of them and their now living descendants, or the survivors of them, plus twenty-one years.

(e) Taxes and Insurance. The first mortgagee of any Condominium Unit will be entitled to reimbursement from the Association for the payment of any taxes which are in default on the common elements or overdue hazard insurance premiums for which the mortgagee has paid. These payments will be made on a pro-rata basis as to what the first mortgagee paid.

(f) Professional Management. If the Association is placed in the hands of professional management, said agreement for professional management will not exceed a period of three years. Termination of said agreement may be made by either the Association or the professional management firm without cause or payment of a termination fee on a 90 day or less written notice. The foregoing restrictions shall also apply to any contract providing for the services of the developer, sponsor or builder.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this 18 day of July, 1982.

Thomas P. Beck
Thomas P. Beck


Dianna Walterscheid
Dianna Walterscheid

Leonard J. Walterscheid
Leonard J. Walterscheid

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

Subscribed and sworn to before me this 18th day of July, 1982 by Thomas P. Beck, Dianna Walterscheid and Leonard J. Walterscheid. Witness my hand and official seal.

Robert Cory Beck
Notary Public



My Commission Expires: 8/24/85
Notarial Address: 1273 South Ave
Coal Junction, Co.