

Recorded at _____
Reception No. 311961 MAY 19 1981
MA. MAILORED ALSDORF, RECORDER

BOOK 572 PAGE 295

CONDOMINIUM DECLARATION

FOR

GLENWOOD SPRINGS RACQUET CLUB

THIS CONDOMINIUM DECLARATION, made this 13th day of May, 1981, by GLENWOOD SPRINGS RACQUET CLUB ASSOCIATES, a Colorado Limited Partnership (hereinafter referred to as the "Declarant").

W I T N E S S E T H:

WHEREAS, the Declarant is the owner in fee of property in Garfield County, Colorado, described as Lot 1, Glenwood Springs Racquet Club Planned Unit Development, City of Glenwood Springs, Colorado.

WHEREAS, the Declarant, or its successors or assigns, will construct multi-unit buildings on the above-described property, and other improvements, appurtenances and facilities thereto and thereon, and it desires hereby to provide for the condominium ownership of the same pursuant to the provisions of the Condominium Ownership Act of the State of Colorado; and

WHEREAS, the Declarant desires to subject and place upon the above-described property certain covenants, conditions, restrictions, easements, reservations, rights-of-way and other charges set forth herein for the purpose of protecting the value and desirability of said property and for the purpose of furthering a plan for the improvements, sales and condominium ownership of said property, and to the end that a harmonious and attractive development of said property may be accomplished and the health, comfort, safety, convenience and general welfare of the Declarant and its successors and assigns of interests in said property, or any portion thereof, may be promoted and safeguarded;

NOW, THEREFORE, in consideration of the premises, the provisions hereinafter contained, and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the Declarant hereby submits the above-described property, together with all recreational facilities and other improvements, appurtenances and facilities thereto and now or hereafter thereon to condominium ownership under the Condominium Ownership Act of the State of Colorado, as the same may be amended from time to time, and hereby imposes upon all of said property the following covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions, and the Declarant hereby declares that all of said property and any property or properties hereinafter annexed hereto shall hereafter be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the following:

ARTICLE I

DEFINITIONS

1.1 Declaration. "Declaration" shall mean and refer to this Condominium Declaration as it may be amended from time to time.

1.2 Declarant. "Declarant" shall mean and refer to Glenwood Springs Racquet Club Associates, a Colorado Limited Partnership, its succes-

7

BOM 572-236

sors or assigns, if such successors or assigns acquire one or more portions of the property from the Declarant for the purpose of constructing Condominium Buildings thereon.

1.3 Association. "Association" shall mean and refer to the Glenwood Springs Racquet Club Condominium Association, a Colorado corporation, its successors and assigns. The Association shall act by and through its Board of Managers and its elected officers.

1.4 Board. "Board" shall mean and refer to the Board of Managers of the Association.

1.5 Property. "Property" shall mean and refer to the property in Garfield County, Colorado described as Lot 1, Glenwood Springs Racquet Club Planned Unit Development, City of Glenwood Springs.

1.6 Individual Air Space Unit. "Individual Air Space Unit" shall mean and refer to the air space contained within the enclosed rooms occupying part of a floor or floors in a Condominium Building and bounded by the interior surfaces of the perimeter walls (or the adjoining walls, if two or more Individual Air Space Units adjoin each other), floors (or lower-most floors, if it is an Individual Air Space Unit containing more than one level), ceilings (or the upper-most ceilings, if it is an Individual Air Space Unit containing more than one level), windows and window frames, door and door frames of a Condominium Building and separately identified on the Condominium Map.

1.7 Condominium Unit. "Condominium Unit" shall mean and refer to the fee simple interest in and to an Individual Air Space Unit, together with all fixtures and improvements therein contained, and together with the undivided interest in the Common Elements as shown in Exhibit "A" attached hereto and incorporated herein by this reference. A "Condominium Unit" shall not include, however, any common elements located within a unit.

1.8 Condominium Building. "Condominium Building" shall mean and refer to any building (including all fixtures and improvements therein contained) located on the property, and within which, one or more Individual Air Space Units are located.

1.9 Common Elements. "Common Elements" shall mean and refer to the totality of:

1.9.1 The property; and

1.9.2 The condominium Buildings (including, but not by way of limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, chimneys, fireplaces, roofs, patios, balconies, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances and exists, and the mechanical installations of the Condominium Buildings consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, heating, refrigeration, central air conditioning and incinerating which exist for common uses, including the pipes, vents, ducts, flues, chutes, conduits, wires and other similar utility installations used in connection therewith), except for the Individual Air Space Units; and

1.9.3 The yards, sidewalks, walkways, paths, grass, shrubbery, trees, driveways, landscaping, gardens, and parking areas.

1.9.4 The tanks, motors, fans, compressors, ducts, and in general, all apparatus, installations and equipment of the Condominium Buildings existing for common use of the Owners; and

1.9.5 In general, all other parts of the project existing for the common uses of the Owners, and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

1.10 General Common Elements. "General Common Elements" shall mean and refer to all of the Common Elements, except for the Limited Common Elements.

1.11 Limited Common Elements. "Limited Common Elements" shall mean and refer to those parts of the Common Elements which are either limited to and reserved for the exclusive use of the Owner or Owners of a particular Condominium Unit or are limited to and reserved for the common use of the Owners of more than one, but fewer than all, of the Condominium Units as shown on the Condominium Map. Without limiting the foregoing, the Limited Common Elements shall include storage rooms and the Limited Common Elements shall also include the balcony or patio and the fireplace adjacent to an individual Air Space Unit and the utility, heating, air conditioning and hot water heating equipment contained within such Individual Air Space Unit. The balcony or patio and the fireplace which is accessible from, associated with, and which adjoins a particular Individual Air Space Unit and the utility, heating, air conditioning and hot water heating equipment associated therewith shall, without further reference thereto, be used in connection with such Individual Air Space Unit to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance or other instrument.

1.12 Owner. "Owner" shall mean and refer to any record owner (including Declarant and including a contract seller, but excluding a contract purchaser), whether a natural person or an entity, of a fee simple title interest to any Condominium Unit; but excluding, however, any record owner having an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest therein pursuant to a foreclosure or any proceedings in lieu thereof). When a person who is an Owner conveys or otherwise assigns of record his fee simple title interest to a Condominium Unit, then retroactive to the date of such conveyance or assignment, such person shall thereafter cease to be an Owner; provided, however, that the foregoing shall not in any way extinguish or otherwise void any unsatisfied obligation of such person which existed or arose at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing, any unsatisfied obligation to pay Association assessments.

1.13 Mortgage. "Mortgage" shall mean and refer to any mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of Garfield County, Colorado and by which a Condominium Unit or any part thereof is encumbered.

1.14 First Mortgage. "First Mortgage" shall mean and refer to the unpaid and outstanding purchase money mortgage or purchase money deed of trust having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.15 First Mortgagee. "First Mortgagee" shall mean and refer to the Mortgagee under a First Mortgage.

1.16 Project. "Project" shall mean and refer to the totality of all the Property, Condominium Buildings, Condominium Units and Common Elements.

1.17 Condominium Map. "Condominium Map" shall mean and refer to the Condominium Map for The Glenwood Springs Racquet Club Condominiums recorded in the records of the office of the Clerk and Recorder of Garfield County, Colorado. More than one Condominium Map or supplements thereto may be recorded; and, without limiting the generality of the foregoing, separate Condominium Maps may be recorded for each Condominium Building. If more than one Condominium map or supplements thereto is recorded, then the term "Condominium Map" shall collectively mean and refer to all of such condominium maps and supplements thereto.

ARTICLE II

DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP

2.1 Division Into Condominium Units. The Project is hereby divided into 12 separate Condominium Units.

2.2 Inseparability. 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. Each Condominium Unit and the undivided interest in the Common Elements appurtenant to the Individual Air Space Unit shall always be

sors or
of the
Building

1.1
Springs
success
Managers

1.4
Associat

1.5
Garfield
Planned

1.6
and refe
of a flc
surfaces
Individu
if it is
(or the
more tha
Condomin

1.7
fee simp
fixtures
interest
incorpor
however,

1.8
to any b
located
Units are

1.9
totality

1.9.

1.9.
the found
walls, ch
lobbies,
mechanics
ment and
hot and c
incinerat
flues, ch
in connec

1.9.
driveways

1.9.
apparatus
for commo

1.9.
common us
convenien

1.10
and refer

conveyed, transferred, devised, bequeathed, encumbered and 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 conveyance, transfer, gift, devise, bequest, encumbrance or other disposition, as the case may be, of the entire Condominium Unit, together with all appurtenant rights and interests created by law or by this Declaration.

2.3 Non-Partitionability. 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. By acceptance of his deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived his right to institute and/or maintain a partition action or any other cause of action designed to cause a division of the Common Elements and this Section 2.3 may be pleaded as a bar to the maintenance of such 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.

2.4 Owner's Rights and Duties with Respect to Interiors. Each Owner shall have the exclusive right and duty to paint, tile, wax, paper or otherwise decorate or redecorate the interior surfaces of the walls, floors, ceilings and doors forming the boundaries of his Individual Air Space Unit and all walls, floors, ceilings and doors within such boundaries.

ARTICLE III

CONDOMINIUM MAP

3.1 Condominium Map. The Declarant shall cause the Condominium Map to be filed in the records of the office of the Clerk and Recorder of Garfield County, Colorado prior to the conveyance of the first Condominium Unit.

ARTICLE IV

OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS

4.1 Rights of Ingress and Egress. Every Owner, his family members, his guests, and licensees shall have a right and easement of ingress and egress over, across and upon the General Common Elements for the purpose of getting to and from his Condominium Unit, and parking areas, and the public way for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to the Owner's Condominium Unit; provided, however, that such right and easement shall be subject to the following:

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

4.1.2 The right of the Association to charge reasonable admission and other fees for the use of any facility which is part of the Common Elements; and

4.1.3 The right of the Association to limit the number of guests or invitees of each Owner which may use the recreational or other facilities contained in the Common Elements; and

4.1.4 The right of the Association to assign specific parking areas or areas for the exclusive use of the owners of particular Condominium Units or of particular Condominium Buildings; provided, however, that each Condominium Unit will have the right to use at least one parking space for the purpose of automobile parking and each Owner of that Condominium Unit shall have the right to use such space; and

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

4.2 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 V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

5.1 Membership. Every Owner shall be a member of the Association and shall remain a member for the period of his ownership of a Condominium Unit; provided, however, in no event shall the total Association votes which are cast with respect to such Condominium Unit exceed the total number of votes therefor as provided under Section 5.2 hereof. The Association shall have only one class of membership. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condominium Unit.

5.2 Voting Rights. In this condominium development there shall be 12 Condominium Units. There shall be one representative membership vote in the Association for each Condominium Unit owned so that the total votes cast in relation to any question may not exceed 12 votes. When more than one person holds an interest in a Condominium Unit, they may appoint one of their co-Owners as proxy to cast the vote for that Condominium Unit. The vote for such Condominium Unit shall be cast as the Owners thereof agree, but in no event shall more than one vote per question be cast with respect to any one Condominium Unit. If the Owners of such Condominium Unit cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained. During the development and initial sales period, Declarant shall elect the members of the Board of Managers until Declarant has conveyed seventy five percent (75%) of the Condominium Units to the first purchasers or until the expiration of three (3) years from the date hereof, whichever shall first occur.

5.3 Owner's Address for Notices. Unless an Owner shall have notified the association by registered or certified mail of a different address, any notice required to be given, or otherwise given, by the Association under this Declaration to any Owner or any other written instrument to be given to any Owner may be mailed to such Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Condominium Unit shown upon the Association's records as being owned by such Owner. If more than one Owner owns a particular Condominium Unit, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

ARTICLE VI

THE ASSOCIATION

6.1 Management Duties and Duty to Establish Reserve Account. Subject to the rights of Owners as set forth in this Declaration, the Association shall be responsible for the exclusive management, control, maintenance, repair, replacement and improvement of the Common Elements (including facilities, furnishings and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order and repair; provided, however, that each Owner shall be responsible for keeping the Limited Common Elements designated for use in connection with his Condominium Unit in good, clean, sanitary and attractive condition. The Association shall be responsible for the maintenance and repair of exterior surfaces of the Condominium Buildings (including without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, and the maintenance and repair of roofs), and the maintenance and repair of the General Common Elements and the Limited Common Elements. The association shall maintain in a proper, first class manner all grass, trees, shrubbery, flowers and similar landscaping constituting part of the Common Elements. The Association shall establish and maintain, out of the monthly installments of the annual assessments, an adequate reserve account for replacement of the Common Elements. The foregoing specification of the duties of the Association shall not be construed to limit its duties with respect to other Common Elements, as set forth in the first sentence of this Section 6.1. The expenses, costs and fees of such management, operation, maintenance and repair by the Association shall be part of the Association assessment and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees.

6.2 Owner's Negligence. In the event that the need for maintenance repair or replacement of the Common Elements, or any portion thereof, 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 or invitees, then the expenses, costs, and fees incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner; and, if not repaid to the Association within seven (7) days after the Association shall have given notice to the Owner of the total amount, or any portions thereof from time to time, of such expenses, costs and fees, then the failure to so repay shall be a default by the Owner under the provisions of this Section 6.2 and such expenses, costs and fees shall automatically become a default assessment determined and levied against such Condominium Unit and the Association may proceed in accordance with Section 7.11 hereof.

6.3 Delegation of Management Duties. The Association may utilize professional management in performing its duties hereunder. Any management agreement entered into by the Association shall be in writing, but any such management agreements shall be of no greater term than one (1) year and shall be terminated by either party without cause on thirty (30) days written notice. In addition, the Association may employ independent contractors or such other employees or persons as it deems necessary to carry out the Association's functions hereunder, and may prescribe their duties.

6.4 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 transfer of a Condominium Unit shall transfer to the transferee 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.

6.5 Promulgation of Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Condominium Units and the Common Elements, which rules and regulations shall be substantially consistent with the rights and duties established in this Declaration. The Association or any aggrieved Owner may take judicial action against any Owner to enforce compliance with such rules and regulations and with the provisions of this Declaration and the Articles of Incorporation and By Laws of the Association to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

6.6 New Additions to Common Elements. Subject to the other provisions of this Declaration (specifically including Sections 7.2 and 7.7 hereof), the Association shall have the right to construct new additions to the General Common Elements. Ownership of, and the common expenses (including new recreational facilities, costs and fees, if any) for, such additions to the General Common Elements shall be apportioned among all Condominium Units in proportion to the respective undivided interest in the Common Elements appurtenant thereto as shown in Exhibit B attached hereto. The construction of new additions to the General Common Elements shall not affect an Owner by way of modification of his voting power in the Association.

6.7 Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall receive upon the initial sale of each Condominium Unit, an amount equal to two times the monthly installment of the annual assessment (i.e., an amount equal to one-sixth of the annual assessment applicable to the Condominium Unit). This payment to the Association for working capital funds shall apply only to the first sale by Declarant of each Condominium Unit and the payment shall be in addition to any monthly installments of the annual assessment which may be due at the time of such sale.

6.8 Implied Rights. The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the Articles of Incorporation,

or By Laws of the Association, or as may otherwise be given to it by law, and every other right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Notwithstanding any other provision which may be in this Declaration to the contrary, the Association shall not be empowered to do the following, unless it shall have obtained the prior written approval of all First Mortgagees:

6.8.1 By act or omission, seek to abandon or terminate condominium regime established hereby; or

6.8.2 Partition or subdivide any Condominium Unit; or

6.8.3 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements; or

6.8.4 Use hazard insurance proceeds for loss to improvements for other than the repair, replacement, or reconstruction of such improvements; or

6.8.5 Change the pro rata interest or obligation of any Condominium Unit, or of the Owners thereof, for the purpose of levying assessments or charges hereunder or for the purpose of allocating distributions of hazard insurance or condemnation awards hereunder.

6.9 Upon the request of any holder of a first deed of trust on a condominium unit subject to this Declaration, or the holder of any executory land sales contract where the Administrator of Veteran's Affairs is seller, whether owned by the Administrator of his assigns, which relates to a condominium unit subject to this Declaration, the Association shall give a written notification to such holder of the Deed of Trust or executory land sales contract of any default by the mortgagor or owner of such unit in the performance of such mortgagor's or owner's obligations under this Declaration which is not cured within thirty (30) days.

ARTICLE VII

ASSESSMENTS

7.1 Covenant of Personal Obligation of Assessments. Every Owner, by acceptance of the deed or other instrument of transfer of his Condominium Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree, jointly and severally, with every other Owner and with the Association, and hereby does so covenant and agree, to pay to the Association the (a) annual assessments, (b) special assessments, and (c) default assessments applicable to his Condominium Unit; such assessments to be established and collected as hereinafter provided. No Owner may waive or otherwise escape personal liability for the payment of the assessments provided for herein by non-use of the Common Elements or the facilities contained therein or by abandonment or leasing of his Condominium Unit. In addition to the foregoing, every Owner shall have the obligation to pay the estimated prorated amount for hazard insurance premiums applicable to his Condominium Unit, real property ad valorem taxes and special assessments imposed by Colorado governmental subdivisions applicable to his Condominium Unit, as well as all charges for water, sewer, telephone, television, electricity, gas or other utilities applicable to his Condominium Unit.

7.2 Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety, convenience and general welfare of the Owners, including, the improvement and maintenance of the Property and of the services and facilities located thereon. Proper uses of the assessments levied by the Association shall include, but are not limited to, the expenditure of funds for taxes, fees, expenses, charges, levies, premiums, expenditures or other costs of the Association for: (a) repairing, replacing and maintaining the Common Elements; (b) installing, maintaining and repairing roads and underground utilities upon, across, over and under any part of the Project; (c) installing, constructing, maintaining and repairing lighting, walkways; (d) furnishing garbage and trash pickup and water and sewer service to the Project; (3) providing horticultural services to the Project such as mowing grass, caring for the grounds, the sprinkling system,

walks and pathways, and landscaping the trees, shrubs and grass; (f) obtaining and maintaining insurance in accordance with the provisions of Article VIII hereof; (g) painting, repairing, replacing, and maintaining roofs, gutters, downspouts, exterior building surfaces and other portions of the Common Elements; (h) establishing and maintaining reserves for repairs, maintenance, taxes, capital improvements and other purposes; (i) carrying out all other powers, rights, and duties of the Association and (j) generally for any other purposes and uses that the Association shall determine to be necessary to meet the primary purposes of the Association. In the event that, pursuant to Section 7.2(c), any of the assessments levied by the Association shall be used for constructing any such improvements as set forth therein and if the total amount of assessments used for such construction shall exceed \$5,000 (i.e. the total amount of such assessments for all the Condominium Units as an aggregate, and not \$5,000 per Condominium Unit), then the use of assessments for such construction shall require the approval of all of the Owners of at least seventy-five percent (75%) of the Condominium Units; provided, however, that the foregoing amount of \$5,000 shall be subject to being increased to a higher amount as more fully set forth in Section 7.17. The use of assessments, pursuant to Section 7.2(c) hereof, for installing or constructing any Common Elements shall not apply to the installation or construction of any Common Elements which are to be installed or constructed by Declarant as a part of its development of the Project.

7.3 Assessment Years. The first assessment year for the levying of the Association's annual assessments shall commence upon the recording of this Declaration in the office of the Clerk and Recorder of Garfield County, Colorado and shall continue thereafter until the following 31st of December. Subsequent annual assessment years shall thereafter commence on the first day of January and continue until the following 31st day of December.

7.4 Amount of Total Annual Assessments. The annual assessment for each Condominium Unit for the first assessment year shall be the amount of \$22.18 multiplied by the number of months in such first assessment year, plus the estimated prorated amount for hazard insurance premiums and general property taxes appurtenant to each Condominium Unit. Commencing with the second assessment year and thereafter, the total annual assessments against all Condominium Units shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year, which estimates may include, among other things, (a) expenses of management; (b) taxes and special assessments (until the Condominium Units are separately assessed as provided in Section 9.4 hereof); (c) premiums for all insurance which the Association is required or permitted to maintain as provided in Article VIII hereof; (d) common lighting, heating, and other utility charges, water charges, trash collection and sewer service charges; (e) repairs and maintenance; (f) wages for Association employees; (g) legal and accounting fees; (h) any deficit remaining from a previous assessment year; (i) the creation of reasonable contingency reserves, surpluses and sinking funds and (j) any other costs, expenses and fees, which may be incurred or may be reasonably expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

7.5 Apportionment of Annual Assessments. The Association's total annual assessment for an assessment year shall be apportioned against all Condominium Units at the rate of one/twelfth (1/12th) per Condominium Unit. The Owner of each Condominium Unit shall be personally liable for each such assessment which is assessed against his Condominium Unit, and in case of multiple owners of a Condominium unit, each such Owner shall be jointly and severally liable, personally, for each such assessment. The total annual assessment shall be apportioned among all Condominium Units as hereinabove provided in this Section 7.5 and shall not be apportioned between General Common Elements and Limited Common Elements.

7.6 Determination of the Amount of Annual Assessments. The Board shall determine, levy and assess the Association's annual assessments, which determination, levying and assessing may be made by the Board either with or without the vote of the members of the Association. If the Board shall desire to

determine, levy and assess an annual assessment per Condominium Unit for a particular assessment year which shall be in excess of the amount of the annual assessment per Condominium Unit for the assessment year immediately preceding the particular assessment year, then the Board may do so and shall give written notice thereof to all Owners at least thirty (30) days in advance of the commencement date of the particular assessment year and notifying the Owners of such increased annual assessment. If the Board shall not determine, levy and assess the annual assessment for a particular assessment year in accordance with the foregoing sentence, then it will be presumed that the annual assessment per Condominium Unit for that particular assessment year will be the same as the annual assessment per Condominium Unit for the assessment year immediately preceding that particular assessment year.

7.7 Special Assessments. In addition to the annual assessments authorized above, the Association may at any time and from time to time determine, levy and assess in any assessment year, which determination levying and assessing may be made by the Board with or without the vote of the members of the Association a special assessment applicable to that particular assessment year (and for any such longer period as the Board may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolishing, replacement or maintenance of the Project or of any facilities located thereon, specifically including any fixtures and personal property related thereto. Any amounts determined, levied and assessed pursuant hereto shall be assessed to the Condominium Units in proportion to the respective undivided interest in the Common Elements appurtenant thereto as shown in Exhibit B attached hereto. All the owners of a particular Condominium Unit shall be jointly and severally liable to the Association for the payment of all assessments against his particular Condominium Unit. Notice in writing of the amount of such special assessment per Condominium Unit and of the time for payment thereof shall be given to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. In the event that any of the special assessments levied by the Association pursuant to this Section 7.7 shall be used for the construction of the Project or of any facilities located thereon and if the total amount of special assessments levied for such construction shall exceed \$5,000 (i.e. the total amount of such special assessments for all Condominium Units as an aggregate, and NOT \$5,000 per Condominium Unit), then the use of special assessments for such construction shall require the approval of all of the Owners of at least seventy five percent (75%) of the Condominium Units; provided, however, that the foregoing amount of \$5,000 shall be subject to being increased to a higher amount as more fully set forth in Section 7.17. The use of assessments, pursuant to this Section 7.7, for constructing any Common Elements shall not apply to the construction of any Common Elements which are to be constructed by Declarant as a part of its development of the Project.

7.8 Due Dates for Assessment Payments. Unless otherwise determined by the Association, the annual assessments, and any special assessments which are to be paid in monthly installments shall be paid monthly in advance and shall be due and payable to the Association at its office, without notice (except for the notices required by Sections 7.6 and 7.7 hereof), on the first day of each month. If any such monthly installment shall not be paid within fifteen (15) days after it shall have become due and payable, then the Board may assess a "late charge" thereon in an amount not exceeding \$10.00 to cover the extra expenses involved in handling such delinquent assessment installment. An Owner's monthly assessments shall be prorated if the ownership of a Condominium Unit commences or terminates on a day other than the first day or last day, respectively of a month. If the First Mortgagee on any Condominium Unit requires that the Owners thereof make monthly payments into escrow with the First Mortgagee for the estimated hazard insurance premiums and/or general property taxes applicable to such Condominium Unit, then such Owners may make such monthly payments into such escrow reserves, rather than making payment of the same to the Association.

7.9 Exemptions. A Condominium Unit owned by the Declarant shall be exempt from the payment of all annual and special assessments (including monthly installments thereof) until such time as the Condominium Unit is completed, as evidenced by the issuance of a Certificate of Occupancy by the City of Glenwood Springs, and either: (a) conveyed by the Declarant to the first Owners thereof,

or (b) leased by the Declarant for the first time. If the amount of the assessments levied by the Association and the payments to the Association account received by the Association, as set forth in Section 6.1 hereof, are not sufficient in amount to allow the Association to comply with the provisions of Section 6.1 hereof, then Declarant shall be responsible for the payment of such additional amount or amounts as may be necessary to allow the Association to comply with Section 6.1.

7.10 Lien for Assessments. The annual and special assessments (or any monthly installments thereof) provided for in this Article VII and any default assessments arising under the provisions of Section 4.3., 6.2, 10.2, or 11.4 hereof (together with any and all interest, costs, late charges, and reasonable attorney's fees which may arise under the provisions of Section 7.11 hereof), shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Condominium Unit to which such assessments apply. To evidence such lien upon a specific Condominium Unit, the Association may prepare a written lien notice setting forth the description of the Condominium Unit, the amount of assessments thereof which are unpaid as of the date of such lien notice, the name of the Owner or Owners thereof and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board or by an officer of the Association, and shall be recorded in the office of the Clerk and Recorder of Garfield County, Colorado. Any such lien notice shall not constitute a condition precedent to delay the attachment of the lien but such lien is a perpetual lien upon the Condominium Unit and attaches without notice at the beginning of the first day of any period for which any assessment is levied or assessed.

7.11 Effect of Nonpayment of Assessments. If any annual or special assessment (or any monthly installment thereof) is not fully paid within thirty (30) days after the same becomes due and payable, or if in default assessments shall arise under the provisions of Section 4.3., 6.2, 10.2, or 11.4 hereof, then in any of such events and as often as the same may happen, interest shall accrue at the rate of twelve percent (12%) per annum from the due date on the amount thereof which was not paid within such thirty (30) day period, or on the amount of the assessment in default, whichever shall be applicable, and the Association may thereafter bring an action at law or in equity, or both, against any owner personally obligated to pay the same and may also proceed to foreclose its lien against the particular Condominium Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages in and through the courts. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments (or any monthly installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. In the event that any such assessment (or monthly installment thereof) is not fully paid when due and the Association shall commence such an action (or shall counterclaim or crossclaim for such relief in any action) against any Owner personally obligated to pay the same or shall proceed to foreclose its lien against the particular Condominium Unit, then all unpaid monthly installments of annual and special assessments and all default assessments (including any such installments or assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 7.8 hereof, any accrued interest under this Section 7.11, the Association's costs, expenses and reasonable attorney's fees incurred for preparing and recording any lien notice and the Association's costs of suit, expenses and proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of the particular Condominium Unit in satisfaction of the Association's lien. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments (or monthly installments thereof) which are not fully paid when due or for any subsequent default assessments. The Association shall have the power and right to bid in or purchase any Condominium Unit at foreclosure or other legal sale and to acquire and hold, subject to mortgage, vote the Association votes appurtenant to ownership thereof, and otherwise deal with the same.

7.12 Successor's Liability for Assessments. Notwithstanding the personal obligation of each Owner of a Condominium Unit to pay all assessments thereon and notwithstanding the Association's perpetual lien upon a Condominium Unit for such assessments, all successors in interest to the fee simple title of a Condominium Unit shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid assessments, interest, late charges, costs, expenses, and attorney's fees against such Condominium Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor; provided, however, that a successor in interest to the fee simple title of a Condominium Unit shall be entitled to rely upon the existence and status, or absence thereof, of unpaid assessments, interest, late charges, costs, expenses and attorney's fees as shown upon any certificate issued by the Association to such named successor in interest pursuant to the provisions of Section 7.14 hereof. The foregoing liability of successors in interest for all unpaid assessments, interest, late charges, costs, expenses and attorney's fees against his Condominium Unit shall not apply to any First Mortgagee or First Mortgagee's nominee who shall, in good faith and not for the primary purpose of circumventing this Section 7.12, acquire the Condominium Unit through a deed in lieu of foreclosure proceedings.

7.13 Subordination of Association's Lien for Assessments. The Association's perpetual lien on a Condominium Unit for assessments shall be superior to the homestead exemption provided by Section 38-41-201, C.R.S. 1973, as amended, and to all other liens and encumbrances except: (a) real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental subdivision and any valid lien for unpaid services of the City of Glenwood Springs, and (b) the lien of any First Mortgage or the lien of any executory land sales contract wherein the Administrator of Veterans Affairs is seller, whether owned by the said Administrator or his assigns, and whether recorded or not, encumbering any Condominium Unit, including any and all advances made by the First Mortgagee or executory land sales contract seller and notwithstanding that any of such advances may have been made subsequent to the date of the attachment of the Association liens. With respect to the foregoing subpart (b) of this Section 7.13, any First Mortgagee who comes into possession of a Condominium Unit by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Condominium Unit free of any claims for unpaid Association assessments, interest, late charges, costs, expenses and attorney's fees against the Condominium Unit which accrue prior to the time such First Mortgagee or purchaser comes into possession of the Condominium Unit. All other persons obtaining a lien or encumbrance on any Condominium Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Associations' future liens for assessments, interest, late charges, costs, expenses and attorney's fees, as provided in this Article VII, whether or not such consent be specifically set forth in the instrument creating any such lien or encumbrance. Sale or other transfer of any Condominium Unit shall not affect the Association's lien for assessments, interest, late charges, costs, expenses, and attorney's fees due and owing at the time of such sale or other transfer and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof.

7.14 Certificate of Status of Assessments. Upon request in writing by any person and payment of a reasonable charge therefor, the Association shall furnish within ten days after such request is received, a certificate setting forth (a) the amount of any unpaid assessments, interest, late charges, costs, expenses and attorney's fees then existing against a particular Condominium Unit, (b) the amount of the current monthly installments of the annual assessment and the date that the next monthly installment is due and payable, (c) the date of the payment of any installments of any special assessment then existing against the Condominium Unit and (d) any other information deemed proper by the Association. Upon the issuance of such a Certificate, signed by a member of the Board or by an officer of the Association, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely thereon in good faith.

7.15 Mortgagees May Pay Assessments and Cure Defaults. If any assessment, or monthly installments thereof, on any Condominium Unit shall not be paid by the Owner thereof within 30 days after the same is due, or if a default by any Owner of any provision of this Declaration shall not be cured within 30 days after the written notice thereof is given to such Owner, then the Association shall thereafter send a notice thereof to any First Mortgagee thereof and may, (but shall not be required to) send a notice thereof to any other Mortgagee thereof. Any mortgagee may (but shall not be required to) pay such assessment or monthly installments thereof, together with any other amounts secured by the Association's lien created by this Article VII, and may (but shall not be required to) cure any such default.

7.16 Liens. Except for annual, special and default assessment liens as provided in this Declaration, mechanics' liens, tax liens, liens for unpaid services of the City of Glenwood Springs, and judgment liens arising by operation of the law and liens arising under Mortgages, there shall be no other liens obtainable against the Common Elements or any interest therein of any Condominium Unit.

7.17 Consumer Price Index. The amount of \$5,000 as set forth in Sections 7.2 and 7.7, which provides the maximum amount of annual or special assessments which may be used each year for the purpose of constructing facilities in the Project without obtaining the approval of all of the Owners of at least 75 percent (75%) of the Condominium Units, shall be increased annually by reference to the Consumer Price Index, All Urban Consumers, All Items, Denver, (1967 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (hereinafter referred to as the "C.P.I."). The intent of Sections 7.2 and 7.7 is that the maximum annual limitation applies only to the construction of facilities within the Project and is not intended to apply to the use of annual or special assessments for the purpose of maintaining or repairing facilities. The amount of \$5,000, as set forth in Sections 7.2 and 7.7 shall be increased for the most recent available month, and dividing that product by the C.P.I. for the latest available month prior to the month in which this Declaration is recorded in the records of the office of the Clerk and Recorder of Garfield County, Colorado.

ARTICLE VIII

INSURANCE AND FIDELITY BONDS

8.1 Duty to obtain and Maintain Insurance. The Association shall obtain and maintain in full force and effect at all times the insurance coverage set forth in Sections 8.2, 8.3, 8.4, 8.6, and 8.7 hereof, which insurance coverage shall be provided by companies duly authorized to do business in the State of Colorado.

8.2 Hazard Insurance. The Association shall obtain from an insurance carrier hazard insurance on the Project in the form of a "master" or "blanket" policy of property insurance in an amount equal to the full replacement value (i.e. 100 percent of the current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage) of the Project which shall include all building service equipment and the like and any fixtures or equipment within a Condominium Unit which are normally financed under a First Mortgage. Such master or blanket policy shall include an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent and, if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent. The policy contract and forms for such master or blanket policy shall not provide that contributions or assessments may be made against any First Mortgagee or become a lien on any Condominium Unit superior to the lien of the First Mortgagee. In addition, such master or blanket policy shall afford protection against at least the following:

8.2.1 Loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windsorm and water damage; and

8.2.2 Such other risks as shall customarily be covered with respect to projects similar in construction, location and use to this Project.

3.2.3 Prior to obtaining any policy of fire insurance or renewal thereof, the Association shall obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraisal shall reasonably estimate the full replacement value of the entire condominium improvements without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a co-insurance clause for less than ninety percent (90%) of the full replacement cost. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement costs, and each mortgagee shall be furnished with a copy thereof within thirty (30) days after receipt of such written appraisals. Such amounts of insurance shall be contemporized annually in accordance with the currently determined maximum replacement value.

8.3 Liability Insurance. The Association shall obtain a comprehensive policy of public liability insurance covering all of the Common Elements and commercial spaces, if any, in the Project. Such comprehensive policy of public liability insurance shall include a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurance company from denying the claim of any Owner because of the negligent acts of the Association or any other Owner, with such limits as may be considered acceptable by the Association (but not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence). Such comprehensive policy of public liability insurance shall also include protection against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and if applicable elevator collision, garagekeeper's liability, host liquor liability and such other risks as shall customarily be covered with respect to projects similar in construction, location and use to this Project.

8.4 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the part of its officers, managers, trustees, and employees and on the part of all others who handle or are responsible for handling the funds of the Association. Such fidelity coverage or fidelity bonds shall meet the following requirements:

8.4.1 They shall name the Association as an obligee;

8.4.2 They shall be written in an amount equal to at least 150 percent of the estimated annual operating expenses of the Project, including reserves; and

8.4.3 They shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

8.4.4 They shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to the Association.

8.5 Provisions Common to Hazard Insurance, Liability Insurance and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of Section 8.2, 8.3, and if applicable, 8.4 hereof shall be subject to the following provisions and limitations:

8.5.1 The named insured under any such policies shall be the Association, as a trustee for the Owners, or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee (each of which is sometimes referred to in this Section 8.5 as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under such policies; and

8.5.2 In no event shall the insurance coverage obtained and maintained pursuant to such Sections be brought into contributions with insurance purchased by the Owners or their Mortgagees; and

8.5.3 The policies shall provide that coverage shall not be prejudiced by (a) any act or neglect of the Owners when such act or neglect is not within the control of the Association, or (b) by failure of the Association to comply with any warranty or condition with regard to any portion of the Project over which the Association has no control; and

8.5.4 The policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to any and all insured named therein; and

8.5.5 The policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association and any Owner, and/or their respective agents, employees, or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

8.5.6 All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, or any requirement of the law.

8.6 Officers' and Managers' Personal Liability Insurance. To the extent obtainable, appropriate officers' and managers' personal liability insurance shall be obtained by the Association to protect the officers and managers from personal liability in relation to their duties and responsibilities in acting as such officers and managers in behalf of the Association.

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

8.8 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Association's responsibilities and duties.

8.9 Insurance Premiums. Insurance Premiums for the above provided insurance shall be a common expense to be paid by monthly assessments levied by the Association. Subject to the provisions of Section 7.8 hereof, such payments shall be held in a separate trust account of the Association and used solely for the payment of the premiums for insurance hereinabove provided for as such premiums become due.

8.10 Insurance Obtained by Owners. It shall be the responsibility of the Owners, and at their expense, to make arrangements in regard to title insurance on their Condominium Unit, for hazard insurance on their personal property and furnishings, and for public liability insurance covering their Individual Air Space Unit and, in addition, the Owner may obtain such other and additional insurance coverage on and in relation to his Condominium Unit as he in his sole determination shall conclude to be desirable; provided, however, that none of such insurance coverages obtained by an Owner shall affect any insurance coverage obtained by the Association nor cause the diminution or termination thereof. Any insurance obtained by an Owner shall waive the particular insurance company's right of subrogation against the Association and other Owners.

ARTICLE IX

CONVEYANCES AND TAXATION OF CONDOMINIUM UNITS

9.1 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 filing for record of the Condominium Map and this Declaration in the office of the Clerk and Recorder of Garfield County, Colorado, may legally describe such Condominium Unit in the manner set forth in Section 9.2 hereof and may indicate that the Condominium Map and this Declaration are to be recorded.

9.2 Contracts to Convey and Conveyances Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Condominium Map and this Declaration, contracts to convey, instruments of conveyance of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit as follows:

Condominium Unit _____ in Condominium Building _____,
Glenwood Springs Racquet Club, Garfield County, Colorado,
according to the Condominium Map for Glenwood Springs Racquet
Club, recorded _____, 19_____,
in Book _____ at Page _____ in the records of the
office of the Clerk and Recorder of Garfield County, Colorado, and
as defined and described in the Condominium Declaration for Glenwood
Springs Racquet Club recorded on _____, 19_____,
in Book _____ at Page _____ in said records.

9.3 Deemed to Describe an Undivided Interest in Common Elements. Every instrument of conveyance, mortgage, deed of trust, or other instrument affecting the title to a Condominium Unit which legally describes said Condominium Unit in the manner set forth in Section 9.2 hereof shall be construed to describe the Individual Air Space Unit, together with the undivided interest in the Common Elements appurtenant thereto, together with all fixtures and improvements therein contained (unless any thereof 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, subject to any other provisions which may be set forth in such instrument.

9.4 Taxation. Each Condominium Unit shall be assessed separately for all taxes, assessments and other charges of the State of Colorado or of any political subdivision or of any special improvement district or of any other taxing or assessing authority in accordance with the Condominium Ownership Act of the State of Colorado. For the purpose of such assessments, the valuation of the Common Elements shall be apportioned among the Condominium Units in proportion to the undivided interest in Common Elements appurtenant thereto. The Association shall furnish to the Tax Assessor of Garfield County, Colorado, and to all other appropriate persons and authorities all necessary information with respect to such appointment. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

ARTICLE X

MECHANIC'S LIENS

10.1 Mechanic's Liens. 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 thereof or his agent or his 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 claims of any mechanic's lien against the Condominium Unit or against the Common Elements, or any part thereof, of any other Owner for labor performed or for materials furnished in work on the first Owner's Condominium Unit.

10.2 Enforcement by the Association. 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 indemnity provided by the provisions of Section 10.1 hereof by collecting from the Owner of the Condominium Unit on which the labor was performed or materials furnished the amount necessary to discharge any such mechanic's lien, including all costs and reasonable attorney's fees incidental thereto, and obtain a discharge 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, or any portions thereof from time to time, of the amount to be indemnified, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 10.2 and such amount to be indemnified shall automatically become a default assessment determined and levied against such Condominium Unit and the Association may proceed in accordance with Section 7.11 hereof.

ARTICLE XI

USE RESTRICTIONS

11.1 Compliance with Zoning and Existing Restrictions and Agreements. In addition to the within Declaration and the Articles of Incorporation and bylaws of the Association, the Project and the use thereof shall be subject to and governed by all applicable ordinances and rules and regulations of the City of Glenwood Springs, Colorado; Annexation Agreement recorded as Reception No. 298204 in Book 536 at Page 457 and Amendment thereto recorded as Reception No. 298204 in Book 536 at Page 455; All of the above recording information is the same as it appears in the office of the Clerk and Recorder of Garfield County, Colorado.

11.2 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 it may be amended from time to time.

11.3 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 without the prior written approval of the Association. Nothing shall be altered on, constructed in or removed from the Common Elements without the prior written approval of the Association.

11.4 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 the Project, or any part thereof, or increase 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 approval of the Association. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, 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 or any part thereof 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 resulting from any such damage or waste caused by him, the members of his family, or his guests, invitees or contract purchasers. 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 in the same manner as provided in Section 10.2 hereof with respect to an Owner's indemnity against mechanic's liens.

11.5 Alterations to Units. Except for those improvements erected or installed by Declarant, no exterior additions, alterations or decorating to the buildings, nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, heights, materials, location and approximate cost of the same shall have been submitted to and approved in writing by the Board of Managers of the Association, or by a representative designated by it, as to the conformity and harmony of external design and location with existing structures on the property. An owner shall not make structural modifications or alterations to his unit or installations located therein without previously notifying

the Association in writing through the Managing Agent, or if no managing agent is employed, then through the President or the Board of Managers. The Association shall have the obligation to answer within thirty (30) days after receipt of such notice, and failure to do so within that period of time shall mean that there is no objection to the proposed modification or alteration. It is understood that the herein restriction is for the mutual benefit of all Unit Owners, to protect the structural elements and/or improvements that may affect the Common Elements. No owner shall have the right to alter the General Common Elements.

11.6 Maintenance of Interiors. Each Owner shall keep the interior of his Condominium Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and in a good state of repair.

11.7 Rules and Regulations. No Owner shall violate the rules, and regulations, as adopted from time to time by the Association, for the use of the Condominium Units and the Common Elements.

11.8 Antennas. Without prior written approval of the Association, no exterior television, radio, or other communication antennas or aerials of any type shall be placed, allowed or maintained upon any portion of the Project.

11.9 Commercial Vehicles. No commercial vehicles and no trucks shall be parked on any road within the Project except while temporarily engaged in transport to or from a Condominium Unit. For the purposes of this Section 11.9, a 3/4-ton or smaller vehicle, commonly known as a pick-up truck, shall not be deemed to be a commercial vehicle or truck.

11.10 Unused Vehicles. No unused vehicles shall be stored or parked upon any part of the Project, including any residential street, alley or way of access within the Project. In the event that the Association shall determine that a vehicle is an unused vehicle, then a written notice describing the unused vehicle will be personally delivered to the owner thereof (if such owner can be reasonably ascertained or will be conspicuously placed upon the unused vehicle (if the owner thereof cannot be reasonably ascertained), and if the unused vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the unused vehicle at the sole expense of the owner thereof. For the purposes of this Section 11.10, an "unused vehicle" is any automobile, truck, motorcycle, motor bike, boat, trailer, camper, house trailer or other similar vehicle which has not been driven under its own propulsion or has not been moved for a period of one week or longer.

11.11 Declarant's Use. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible and proper for the Declarant and Declarant's employees, agents, independent contractors, successors and assigns involved in the construction of Condominium Buildings or Condominium Units or in the development of the Project, to perform such activities and to maintain upon such portions of the Project as Declarant deems necessary such facilities as in the sole opinion of the Declarant may be reasonably required, convenient, necessary or incidental to the construction and sale of Condominium Units and to the development of the Project, specifically including without limiting the generality of the foregoing, maintaining business offices, storage areas, construction yards and equipment, signs, model units and sales offices; provided, however, that neither the Declarant, the Declarant's employees, agents, independent contractors, successors or assigns nor any of them shall perform any activity or maintain any facility on any portion of the Project in such a way as to unreasonably interfere with or disturb any purchaser or Owner of a Condominium Unit, or to unreasonably interfere with the use, enjoyment or access of such Owner, his family members, his guests or invitees of and to his Condominium Unit, his parking areas, any recreational facility existing upon the Common Elements and to a public way.

11.12 Leasing of Condominium Units. The Owner of a Condominium Unit shall have the right to lease his Condominium Unit under the following conditions: (a) no owner may lease less than his entire Condominium Unit, (b) all leases shall be in writing, (c) all leases shall provide that the terms of the lease,

and lessee's occupancy of the Condominium Unit, shall be subject in all respects to the provisions of this Declaration and to the provisions of the Articles of Incorporation and Bylaws of the Association and that any failure by the lessee to comply therewith shall be a default under the lease and (d) except for a First Mortgagee in possession of a Condominium Unit following a default in the First Mortgage or in connection with foreclosure proceedings or any deed or other arrangement in lieu of foreclosure proceedings by such a First Mortgagee, no Owner may lease his Condominium Unit for transient or hotel purposes.

ARTICLE XII

EASEMENTS

12.1 Recorded Easements. The property, and all portions thereof, shall be subject to the easements as shown on any recorded plat affecting the property, or any portion thereof, as shown on the recorded Condominium Map and as set forth in the documents enumerated in Paragraph 11.1 above.

12.2 Easements for Encroachments. The Project, and all portions thereof, shall be subject to an easement for encroachments created by construction and overhangs as designed or constructed by the Declarant and for settling, shifting, and movement of any portion of the Project. A valid easement for said encroachments and for the maintenance thereof shall exist. In the event that a Condominium Building or Condominium Unit is partially or totally destroyed, and then rebuilt, the Owners of the Condominium Units so rebuilt hereby agree that minor encroachments of the rebuilt Condominium Building or Individual Air Space Units upon the Common Elements, shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Project. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any Condominium Building or 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.

12.3 Utility Easements. There is hereby created a general easement upon, across, over, in and under all the Property in favor of all entities furnishing utility services to the Project for ingress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, electrical and master television antenna system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical and telephone services to erect and maintain the necessary poles and other necessary equipment on the Property and to affix and maintain electrical and telephone wires, conduits, and circuits on, above, and across and under the roofs and exterior walls of the Condominium Buildings and the Other Buildings. Notwithstanding anything to the contrary contained in this Section 12.3, no water, sewer, gas, telephone, electrical, or antenna lines, systems or facilities may be installed or relocated on the Property except as initially approved by Declarant during the development of the Project, or thereafter as approved by the Association. Should any utility company furnishing a service covered by the general easement herein created request a specific easement by separate recordable document, Declarant shall have, and is hereby given, the right and authority to grant such easement upon, across, over or under any part or all of the Property without conflicting with the terms hereof; provided, however, that such power shall cease and terminate at the end of the construction and sales period. The easement provided for in this Section 12.3 shall in no way affect, void, extinguish or modify any other recorded easement on the Property.

12.4 Underground Electrical Service Easement. In addition to the easements created in Section 12.3 hereof, the City of Glenwood Springs shall have and is hereby granted a two(2) foot wide easement along and centered on the underground electric power service conductors to the designated point of service on the Condominium Buildings and Other Buildings. The foregoing easement for the underground electrical service may be crossed by streets, driveways and walkways. Such easement for the underground electrical service shall be kept clear of all other improvements, including buildings, patios, or other pavings (other than crossing walkways, streets, or driveways).

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

12.6 Maintenance Easement. An easement is hereby granted to the Association its officers, agents, employees and assigns upon, across, over in and under the Common Elements and a right 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, including the right to construct and maintain on the Common Elements maintenance and storage facilities for use by the Association.

12.7 Drainage Easement. An easement is hereby granted to the City of Glenwood Springs and to the Association, its officers, agents, employees, successors and assigns, to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

12.8 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 shall have the irrevocable right, to be exercised by the Association as their 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 located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Individual Air Space Unit. The Association shall also have such right independent of any agency relationship. Subject to the provisions of Section 6.2 hereof, 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 repairs within another Individual Air Space Unit at the instance of the Association or of Owners shall be an expense of all the Owners.

12.9 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Elements and the Property and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the complete construction of the Project; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Condominium Unit Owner, his family members, guests or invitees to or of his Condominium Unit or any recreational facility completed upon the General Elements.

12.10 Easements Deemed Created. All conveyances of condominium units hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article XII, even though no specific reference to such easements or to this Article XII appears in the instrument for such conveyance.

ARTICLE XIII

ASSOCIATIONS AS ATTORNEY-IN-FACT

13.1 Appointment. Each and every Owner hereby irrevocably constitutes and appoints the Association as his, its and their true and lawful attorney-in-fact in his, its and their name, place and stead for the purpose of dealing with the Project upon its damage, destruction or obsolescence as hereinafter provided in Articles XIV and XV. Acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact as herein provided.

13.2 General Authority. As attorney-in-fact, the Association shall have full and complete 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 or appropriate to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XIV

DAMAGE OR DESTRUCTION

14.1 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Project, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Project so damaged or destroyed. "Repair and Reconstruction" as used in this Article XIV shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed 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.

14.2 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the 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 in connection therewith.

14.3 Funds for Repair and Reconstruction. Subject to the provisions of Sections 3.2 and 8.5 hereof, the proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant Section 7.7 hereof, levy, assess and collect in advance from all Owners a special assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

14.4 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the special assessments provided for in Section 14.3 hereof, constitute a fund for the payment of the costs of repair and reconstruction after casualty. 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 pursuant to the special assessments the Association made under Section 14.3 hereof.

14.5 Decision Not to Rebuild. If: (a) all the Owners of two-thirds or more of the Condominium Units, and (b) all the First Mortgagees on all Condominium Units agree not to repair and reconstruct, as provided in this Article XIV, then the Project shall be sold and the sales proceeds and any insurance proceeds distributed in the same manner as hereinafter provided in Article XV for the sale of obsolete Condominium Units.

14.6 Notice of Loss to First Mortgagees. Provided that a First Mortgagee has, in writing, requested the following information with respect to a Condominium Unit upon which the First Mortgagee holds the First Mortgage and has furnished the Association with the address to which the First Mortgagee wants the information sent, then in the event that there shall be any damage or destruction to, or loss of taking of: (a) such Condominium Unit which shall be in excess of \$1,000.00 notice of such damage, loss or taking shall be given by the Association to such First Mortgagee, and (b) the Common Elements which shall be in excess of \$10,000, then notice of such damage, loss or taking shall be given by the Association to such First Mortgagee.

ARTICLE XV

OBSELESENCE

15.1 Adoption of Plan. All the Owners of the Condominium Units may agree that the Project is obsolete and adopt a written plan for the renewal and re-construction thereof, which plan must have the unanimous approval of all First Mortgagees on all Condominium Units at the time of the adoption of such plan. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the office of the Clerk and Recorder of Garfield County, Colorado.

15.2 Sale of Obsolete Units. All the Owners of the Condominium Units may agree that the Condominium Units are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of all the First Mortgagees on all Condominium Units at the time such agreement is made. In such instance the Association shall forthwith record in the office of the Clerk and Recorder of Garfield County, Colorado, 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 Bylaws of the Association. Unless otherwise agreed in writing by all the Owners and First Mortgagees, the sale proceeds (and any insurance proceeds under Section 14.5) shall be apportioned among the Owners in proportion to each Owner's undivided interest in the Common Elements and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such account, without contribution from one account to another, as follows: (a) for payment of real property and ad valorem taxes, special assessments liens duly imposed by a governmental subdivision and customary expenses of sale; (b) for payment of the balance of the lien of any First Mortgage; (c) for payment of unpaid Association assessments, interest, costs, late charges, expenses and attorney's fees; (d) for payment of junior mortgages in the order of and to the extent of their priority; and (3) the balance remaining, if any, shall be paid to the Owner of the Condominium Unit.

ARTICLE XVI

CONDEMNATION

16.1 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 thereof or in avoidance thereof, then all compensation, damages or other proceeds therefrom, the sum of which is hereinafter referred to as the provisions of this Article XVI shall apply.

16.2 Complete Taking. In the event that the entire Project is taken or condemned or sold or otherwise disposed of in lieu thereof or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners on the basis of each Owners undivided interest in the Common Elements; 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 is entitled and such shares shall be paid into separate accounts and disbursed as soon as practical for the same purposes and in the same order as is provided in Section 15.2(a) through 15.2(e) hereof.

16.3 Partial Taking. In the event that less than the entire Project is taken or condemned or sold or otherwise disposed of in lieu thereof, 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 under the following provisions. 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: (a) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among Owners on the basis of each Owner's undivided interest in the Common Elements; (b) the total amount allocated to severance damages shall be apportioned to the Owners of those Condominium Units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Condominium Unit or to improvements an Owner has made within his own Condominium Unit shall be apportioned to the Owner of that particular Condominium 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 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 the apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective First Mortgagees.

16.4 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, the Association shall reallocate the ownership, voting rights and assessment ratios determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of the remaining Individual Air Space Units for the amendment of this Declaration.

16.5 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article XIV hereof.

16.6 Notice of Condemnation to First Mortgagees. Provided that an Owner or First Mortgagee has, in writing, requested the following information and has furnished the Association with the address to which the Owner or First Mortgagee wants the information sent, then 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, timely written notice of such condemnation shall be given by the Association to each such Owner or First Mortgagee.

ARTICLE XVII

BURDENS AND BENEFITS OF DECLARATION

17.1 Covenants Running with Property. The benefits, burdens and other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

17.2 Binding Upon and Inure to Successors. The benefits, burdens and other provisions contained in this Declaration shall be binding upon and inure to the benefit of, the Declarant, the Association and all Owners and upon and to their respective, heirs, executors, administrators, personal representatives, successors and assigns. Any right or any interest reserved or contained in this Declaration to or for the benefit of the Declarant may be transferred or assigned by the Declarant, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association, or other entity.

ARTICLE XVIII

AMENDMENT OF DECLARATION

18.1 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, at any time and from time to time, by an

instrument (which instrument may be executed in identical counterparts, in which event all of such counterparts shall be taken as one and the same instrument of amendment) approved as follows:

18.1.1 If Declarant has not conveyed all Condominium Units to the first private Condominium Unit Owners thereof, then any amendment to or termination of this Declaration will require the prior written approval of the Declarant, all other Owners and all First Mortgagees.

18.1.2 Following the sale by Declarant of all Condominium Units to the first private Condominium Unit Owners thereof, then any amendment to or termination of this Declaration will require the prior written approval of the private Condominium Unit Owners owning not less than 75 percent of the sold Condominium Units and of the First Mortgagees owning First Mortgages on not less than 75 percent of the mortgaged Condominium Units; provided, however, that any such action (a) terminating this Declaration in full or terminating the condominium regime established hereby or (b) changing the undivided interests in the Common Elements as shown in Exhibit B attached hereto shall require the prior written approval of all First Mortgagees.

18.2 Right to Amend Planned Unit Development and Plat. The Development Plan of the Planned Unit Development of which the Property is a part, the preliminary or final plat and other related documents which are on record in the office of the Clerk and Recorder of Garfield County, Colorado, or other applicable governmental agency (hereinafter referred to as the "Plan"), has the effect and only the effect described by the Statutes of the State of Colorado, and the rules and regulations of the City of Glenwood Springs, Colorado. The plan and related documents constitute part of the public controls imposed by said City upon developers, owners, residents and users of the Planned Unit Development and do not create, and are not intended to create, any private property or contract rights in the Owners and residents of the Planned Unit Development, except as such rights may be created expressly by separate contracts, deeds and other documents, including this Declaration. A Planned Unit Development confers maximum benefits upon the residents when all of its elements are planned and developed in appropriate relationship to each other. The Plan on file in the office of the said Clerk and Recorder and with the said City describes a plan of development which Declarant believes will provide maximum benefit to the residents, Owners and the public. During an extended development program, however, various factors can intervene which may hinder the effectiveness of the Plan and may threaten the benefits to be derived by the residents, Owners and the public unless the Plan can be modified as prescribed by applicable law. Accordingly, this Declaration is not intended to nor does it grant or create any private property or contract rights in the said Plan for the Planned Unit Development and such Plans continue to remain subject to modification by state and statute and the City of Glenwood Springs in accordance with the procedures set forth in statutory ordinances, rules, and regulations of the State of Colorado and the City of Glenwood Springs.

Provided, however, in the event it is necessary to obtain the consent of the owners of property contained in the Planned Unit Development and Plat of which the condominium project is a part, said consent must be obtained from the Association and the holders of all first deeds of trust or mortgages encumbering condominium units in the condominium project and/or holders of executory land sales contracts wherein the Administrator of Veterans Affairs is the seller, whether owned by said Administrator or his assigns, and said consent cannot be exercised by Declarant alone.

18.3 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the office of the Clerk and Recorder of Garfield County, Colorado, and must contain evidence of approval thereof showing the acknowledged and notarized signatures of all the necessary approving parties.

ARTICLE XIX

MISCELLANEOUS

19.1 Period of Condominium Ownership. The condominium ownership created by this Declaration and the Condominium Map shall continue until this Declaration

is terminated in the manner provided in Article XVIII hereof.

19.2 Supplement to Condominium Ownership Act. The provisions of this Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado, as it may be amended from time to time, and to all other provisions of law.

19.3 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in this Declaration shall be by any proceedings at law or in equity against any person or persons violating or attempting to violate such provisions to enjoin or restrain such violation or attempted violation or to recover damages.

19.4 Non-Waiver. Failure by the Declarant, the Association or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

19.5 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

19.6 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

19.7 Captions. The captions to the Articles and Sections are inserted herein only as a matter of convenience and for reference and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration nor the intent of any provision hereof.

19.8 Conflicts in Legal Documents. In case of conflicts between the provisions of this Declaration and the Articles of Incorporation of the Association and the Bylaws of the Association, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the Bylaws of the Association, the Articles of Incorporation shall control.

IN WITNESS WHEREOF, Glenwood Springs Racquet Club Associates has caused its partnership name to be hereunto subscribed the day and year first above-written.

GLENWOOD SPRINGS RACQUET CLUB,
a Colorado Limited Partnership

By: Royal A. Smith, General Partner

CITY OF GLENWOOD SPRINGS)
STATE OF COLORADO) SS:
COUNTY OF GARFIELD)

The above and foregoing Condominium Declaration was executed by Royal A. Smith as General Partner of Glenwood Springs Racquet Club, a Colorado Limited Partnership.

Witness by hand and official seal.

My commission expires: 2/24/75

Robert S. Clemens
Notary Public

EXHIBIT A AND B TO
CONDOMINIUM DECLARATION FOR
GLENWOOD SPRINGS RACQUET CLUB

<u>Unit No.</u>	<u>Percentage of Undivided Ownership of Common Elements</u>
A-1	8.33%
A-2	8.33%
A-3	8.33%
A-4	8.33%
^	
B-1	8.33%
B-2	8.33%
B-3	8.33%
B-4	8.33%
/	
C-1	8.33%
C-2	8.33%
C-3	8.33%
C-4	8.33%