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THE CONDOMINIUM DECLARATION

OF

THE NOMAD CONDOMINIUMS

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THE

CONDOMINIUM DECLARATION

OF

THE NOMAD CONDOMINIUMS

73.7

PREAMBLE

THIS DECLARATION is made on the date hereinafter set forth, by WONDERLAND CUSTOM BUILDERS, INC., a Colorado corporation ("Declarant").

WHEREAS, Declarant is the owner of certain real property located in Boulder, Colorado, as more particularly described on Exhibit A attached hereto; and

WHEREAS, the Declarant intends to construct a condominium community on said real property together with other improvements thereon; and

WHEREAS, Declarant will convey said real property, subject to the protective covenants, restrictions, reservations and obligations as hereinafter set forth.

NOW THEREFORE, Declarant hereby submits the said real property, together with all easements, rights, and appurtenances thereto and improvements thereon to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101 et seq., as it may be amended from time to time. In the event the said Act is repealed, the Act as it exists on the date this Declaration is recorded shall remain applicable.

Declarant hereby declares that all of the said real property shall be held or sold and conveyed subject to the following covenants, conditions and obligations, all of which are declared and agreed to be for the protection of the value of the said real property, and for the benefit of any persons having any right, title or interest in the said real property and which shall be deemed to run with the land and shall be a burden and a benefit to any persons acquiring such interest, their grantees, heirs, legal representatives, successors and assigns.

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ARTICLE ONE: DEFINITIONS

As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

1.1 ACT means the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101, et seq. as it may be amended from time to time.

1.2 AGENCIES means and collectively refers to the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD/FHA), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.

1.3 ALLOCATED INTERESTS means the Percentage Ownership Interest in the Common Elements, the Common Expense Assessment Liability and the Votes in the Association which are allocated to each of the Units in the Condominium Community. The formulas used to establish the Allocated Interests are as follows:

(a) Votes. Each Unit in the Condominium Community has one vote.

(b) Interest in the Common Elements. The undivided Percentage Ownership Interest in the Common Elements appurtenant to a particular Condominium Apartment has been allocated on the basis of the proportion which the approximate total square footage area of each Apartment including its Garage Space and Basement Space, not to include its Decks ("Square Footage"), bears to the approximate total Square Footage area of all Apartments within the Condominium Community, as more fully set forth on attached Exhibit B.

(c) Common Expense Assessment Liability. The Common Expense Assessment Liability is composed of the following four elements, with items of expense assigned to each element as set forth on the attached Exhibit C.

(i) Per Unit Charges. Per Unit Charges are assessed against each Unit as a fraction, the number of which is one, and the denominator of which is eleven.

(ii) "Equivalent Person" Charges. Equivalent Person Charges are assessed against each Unit as a fraction, the numerator of which is the number of "Equivalent Persons" residing in an Apartment and the denominator of which is the total number of "Equivalent Persons" residing within the Condominium Community. An "Equivalent Person" shall be determined annually as of January 1st of each year and is defined as any person residing in the Condominium Community who is over nine years of age on that date. A person under nine years of age on that date shall equate to a .5 "Equivalent Person".

(iii) Insurance Charges. Insurance charges are assessed against each Unit as a fraction, the numerator of which is the total approximate "Square Footage" area of each Apartment, and the denominator of which shall be the total approximate "Square Footage" area of all of the Condominium Apartments within the Condominium Community.

(iv) Exterior Maintenance Charges. Exterior Maintenance Charges are assessed against each Unit as a fraction, the numerator of which is the approximate total "Square Footage" area of each Apartment, and the denominator of which shall be the approximate total "Square Footage" area of all of the Condominium Apartments within the Condominium Community.

The "Square Footage" area of each Apartment is allocated by the Declarant and is based upon dimensions which are approximate and the calculation has been rounded.

1.4 ARTICLES means the Articles of Incorporation of the Association.

1.5 ASSESSMENTS means the (a) Common Expense Assessment, (b) Special Assessment, (c) Individual Assessment, and (d) Fines levied pursuant to this Declaration.

1.6 ASSESSMENT LIEN means the statutory lien on a Unit for any Assessment levied against that Unit together with all Costs of Enforcement as herein defined. All Costs of Enforcement are enforceable as Assessments.

If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due.

1.7 ASSOCIATION means THE NOMAD CONDOMINIUM ASSOCIATION, a Colorado Corporation, not for profit, its successors and assigns, the Articles of Incorporation and Bylaws, along with this Declaration, shall govern the administration of the Condominium Community, the Members of which shall be all of the Owners of the Units within the Condominium Community.

1.8 BOARD OF DIRECTORS or BOARD means the Board of Directors of the Association duly elected pursuant to the Bylaws of the Association or appointed by the Declarant as therein provided. The Board of Directors is the governing body of the Association and shall act on behalf of the Association.

The term Board of Directors as used herein is synonymous with the term Executive Board as the latter term is used in the Act.

1.9 BUILDING means any building located in the Condominium Community and within which one or more Condominium Apartments are located.

1.10 BYLAWS means the Bylaws which are adopted by the Board of Directors for the regulation and management of the Association.

1.11 CITY means Boulder, Colorado.

1.12 COMMON ELEMENTS means all of the Condominium Community as herein defined, except the portions thereof which constitute Condominium Apartments and also means any facilities, improvements and/or fixtures which may be within a Condominium Apartment which are or may be necessary or convenient to the support, existence, use, maintenance, repair or safety of a Building or any other Condominium Apartment therein and includes those Common Elements which are assigned to the exclusive use of one or more, but not all, of the Owners (Limited Common Elements).

Without limiting the generality of the foregoing, the following shall constitute Common Elements:

(a) all of the real property, landscaping, driveways, easements and some parking spaces as designated on the Map; and

(b) all foundations, columns, beams and supports of the Building; and

(c) the exterior walls of the Building, the bearing and utility walls within the Building, the main and bearing subflooring and the roofs of the Building; and

(d) all utility, service and maintenance rooms, fixtures, apparatus, installations and central facilities for power, light, gas, telephone, television, hot water, cold water, heating, incineration, or similar utility, service or maintenance purposes, including furnaces, apparatus, installations, facilities, all of which serve more than one Apartment and are not located within an Apartment, and

(e) in general, all other parts of the Condominium Community necessary in common use or convenient to its existence, maintenance and safety.

Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which the interest is allocated is also transferred.

1.13 COMMON EXPENSE ASSESSMENTS means the funds required to be paid by each Owner in payment of such Owner's Common Expense Liability as more fully defined in Paragraph 5.2 hereof.

1.14 COMMON EXPENSE ASSESSMENT LIABILITY means the liability for the Common Expense Assessment allocated to each Lot which is determined in accordance with that Lot's Allocated Interests as set forth in Paragraph 1.3 hereof.

1.15 COMMON EXPENSES means expenditures made by or liabilities incurred by or on behalf of the Association, together with allocations to reserves.

1.16 CONDOMINIUM APARTMENT or APARTMENT (Individual Air Space Unit) means the individual air space of such Condominium Apartment which is contained in an enclosed room or rooms occupying all or part of a floor or floors in the Building not including, however, any of the Common Elements located within such air space. Each Condominium Apartment is shown on the Map and is identified thereon with a number.

1.17 CONDOMINIUM COMMUNITY means such real property and the improvements located thereon as more fully described on Exhibit A attached hereto.

1.18 CONDOMINIUM UNIT or UNIT means the fee simple interest and title in and to an individual air space which is contained within the unfinished perimeter walls, floors and ceilings and/or roofs of each Unit, together with the appurtenant undivided interests in and to the Common Elements and Limited Common Elements, and all improvements and fixtures contained therein.

1.19 COSTS OF ENFORCEMENT means all fees, late charges, interest, expenses, including receiver's fees, and reasonable attorneys' fees and costs incurred by the Association (a) in connection with the collection of the Assessments and Fines, or (b) in connection with the enforcement of the terms, conditions and obligations of the Project Documents.

1.20 COUNTY means Boulder County, Colorado.

1.21 DECLARANT means WONDERLAND CUSTOM BUILDERS, INC., a Colorado corporation, or its successors and assigns.

1.22 DECLARATION means this Declaration and Map and any supplements and amendments thereto recorded in the Office of County Clerk and Recorder.

1.23 DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS means the rights as defined by §§ 38-33.3-103(14) and 38-33.3-103(29) of the Act reserved by the Declarant under ARTICLE TEN hereof.

1.24 ELIGIBLE MORTGAGEE means a holder, insurer or guarantor of a First Security Interest who has delivered a written request to the Association containing its name, address, legal description, requesting that the Association notify it of any proposed action requiring the consent of the specified percentage of Eligible Mortgagees.

1.25 FIRST MORTGAGEE means any Person which owns, holds, insures or is a governmental guarantor of a Security Interest, which is a First Security Interest encumbering a Unit within the Condominium Community. A First Mortgagee shall also include the holder of executory land sales contracts wherein the Administrator of Veterans Affairs (Veterans Administration) is the Seller, whether such contract is recorded or not.

1.26 FIRST SECURITY INTEREST means a Security Interest that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.27 GUEST means (a) any person who resides with an Owner within the Condominium Community; (b) a guest or invitee of an Owner; (c) an occupant or tenant of a Unit within the Condominium Community, and any members of his or her household, invitee or cohabitant of any such person; or (d) a contract purchaser.

1.28 LIMITED COMMON ELEMENTS means those parts of the Common Elements which are limited to and reserved for the exclusive use of the Owner of a particular Condominium Unit as herein defined and as designated on the Map.

1.29 MANAGING AGENT means the person or entity who the Board of Directors may engage to administer and manage the expenses of the Association.

1.30 MAP means THE CONDOMINIUM MAP OF THE NOMAD CONDOMINIUMS which is an engineering survey (and any supplements and amendments thereto) of the Condominium Project depicting and locating thereon the location of the Building, the Units with their identification numbers, the Common Elements and Limited Common Elements, the floors and elevations, and all of the land and improvements thereon, which Map is incorporated herein and made a part of this Declaration by reference.

Declarant hereby reserves unto the Board of Directors of the Association the right, without consent of any Owner or First Mortgagee, to amend the Map to (a) insure that the language and all particulars used on the Map and contained in the Declaration are identical, (b) establish, vacate and relocate utility easements, access easements, and parking spaces, (c) establish certain Common Elements as Limited Common Elements, (d) reflect the subdivision or combination of any Unit as provided hereunder, and (e) satisfy any requirements of the Act.

Declarant hereby reserves unto itself the right, without the consent of any Owner or First Mortgagee, to amend the Map and any supplement thereto to reflect the subdivision or combination of any Unit so long as such amendment is made prior to the expiration of the Declarant's Rights as set forth in Paragraph 10.3 hereof.

In all other cases, the Map may be amended in accordance with Paragraph 13.2 hereof. The Map and any supplements thereto are hereby incorporated herein by reference as if set forth in their entirety.

1.31 MEMBER means each Owner, as set forth in Paragraph 1.33 hereof.

1.32 NOTICE AND HEARING means a written notice and an opportunity for a hearing before the Board of Directors in the manner provided in the Bylaws.

1.33 OWNER means the owner of record of the fee simple title to any Unit which is subject to this Declaration.

1.34 PERIOD OF DECLARANT CONTROL means that period of time defined in Paragraph 4.7 hereof.

1.35 PERSON means a natural person, a corporation, a partnership, an association, a trustee, a limited liability company, a joint venture, or any other entity recognized as being capable of owning real property under Colorado law.

1.36 PROJECT DOCUMENTS means this Declaration, the Map, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations, if any.

1.37 RULES means the Rules and Regulations adopted by the Board of Directors for the regulation and management of the Condominium Community as amended from time to time.

1.38 SECURITY INTEREST means an interest in real estate or personal property created by contract which secures payment of an obligation. The term includes a lien created by a deed of trust, mortgage, contract for deed, land sales contract, or UCC-1.

1.39 SPECIAL ASSESSMENT is as defined in Paragraph 5.4(d) hereof.

1.40 TURNOVER DATE means the date the Period of Declarant Control terminates as more fully set forth in Paragraph 4.7 hereof.

1.41 UNITS THAT MAY BE CREATED means eleven Units, which shall be the maximum number of Units that may be subject to this Declaration.

1.42 VA AND/OR FHA APPROVAL means that the Condominium Community has been approved by the Veterans Administration and/or the Federal Housing Administration so that such agencies will insure or guarantee loans made upon the Units within the Condominium Community.

ARTICLE TWO: NATURE AND INCIDENTS OF THE CONDOMINIUM COMMUNITY

2.1 The Condominium Community. The name of the Condominium Community is THE NOMAD CONDOMINIUMS. It is a Condominium Community.

73.14

2.2 Initial Number of Units. The number of Units within the Condominium Community is eleven.

2.3 Division into Units, Estates of an Owner. The Condominium Community is hereby divided into eleven Units, each consisting of a separate fee simple estate in a particular Condominium Apartment, and an appurtenant undivided fee simple interest in the Common Elements.

The undivided interest in the Common Elements appurtenant to a particular Condominium Unit is determined in accordance with that Unit's Allocated Interest as set forth in Paragraph 1.3 hereof and is as set forth on Exhibit B attached hereto.

2.4 Title. A Unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado.

2.5 Description of a Condominium Unit. Every contract for the sale of a Unit written prior to the filing for record of the Map and this Declaration may legally describe a Unit by its identifying Unit number designation followed by the words "THE NOMAD CONDOMINIUMS" with further reference to the Map thereof to be filed for record and the Declaration to be recorded. Upon recordation of the Map and the Declaration in the Office of the County Clerk and Recorder such description shall be conclusively presumed to relate to the therein described Units.

Every deed, lease, mortgage, trust deed, will or other instrument may legally describe a Unit by its identifying number followed by the words "THE NOMAD CONDOMINIUMS".

A sufficient description of a Condominium Unit shall be as follows:

> CONDOMINIUM UNIT NO. ___, THE NOMAD CONDOMINIUMS, according to THE CONDOMINIUM MAP OF THE NOMAD CONDOMINIUMS, recorded as Reception No. _____, and as defined by THE CONDOMINIUM DECLARATION OF THE NOMAD CONDOMINIUMS, recorded as Reception No. _____, in the Office of the County Clerk and Recorder, Boulder County, Colorado.

Every description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Apartment, but also the Common Elements and the right to the use of the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a nonexclusive easement for ingress and egress throughout the Condominium Community and for the exclusive use of the Limited Common

Elements; and all other easements, covenants, conditions and restrictions created in this Declaration.

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

The undivided interest in the Common Elements appurtenant to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description and the instrument conveying or encumbering said Unit may only refer to the title to that Unit. The reference to the Map and Declaration in any instrument shall be deemed to include any Supplements or Amendments to the Map or Declaration without specific reference thereto.

2.6 Apartment Boundaries. The interior unfinished surfaces of the perimeter walls, lowermost floors and uppermost ceilings shall mark the perimeter boundaries of a Condominium Apartment as shown on the Condominium Map, and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Condominium Apartments, and all other portions of the walls, floors, or ceilings are part of the Common Elements.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any fixtures lies partially within and partially outside the designated boundaries of a Condominium Apartment, any portion thereof serving only that Apartment is a Limited Common Element allocated solely to that Apartment, and any portion thereof serving more than one Apartment or any portion of the Common Elements is a part of the Common Elements.

Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, and all exterior doors and windows or other fixtures designed to serve a single Condominium Apartment, but located outside the Apartment's boundaries, are Limited Common Elements allocated exclusively to that Apartment.

Subject to the above, the airspaces, interior partitions and other fixtures and improvements located within the boundaries of a Condominium Apartment are a part of the Apartment.

2.7 Physical Boundaries. The existing physical boundaries of any Condominium Apartment or Common Elements shall be conclusively presumed to be the boundaries.

2.8 Inseparability of a Unit. An Owner's undivided interest in the Common Elements shall not be separated from the Condominium Unit to which it is appurtenant and shall be deemed to be conveyed or encumbered with the Condominium Unit even though the interest is not expressly mentioned or described in a deed or other instrument.

2.9 No Partition. The Common Elements shall remain undivided, and no owner or any other person shall bring any action for partition or division of the Common Elements. Similarly, no action shall be brought for the physical partition or subdivision of a Condominium Apartment or

a Unit between or among the Owners thereof, provided, however, an action of partition of a Unit shall be permitted by a sale and the division of the sale proceeds.

2.10 Limited Common Elements. The Limited Common Elements shall be identified on the Map. Any balcony, garage space, door, window, entry way, deck, patio or private yard which are accessible from, associated with and which adjoins a Condominium Apartment identified as Limited Common Elements on the Map shall without further reference thereto, be used in connection with such Condominium Apartment to the exclusion of the use thereof by the other Owners except by invitation. 79.16

A Limited Common Element may be reallocated between and among Units upon compliance with the procedures set forth in § 38-33.3-208 of the Act.

2.11 Compliance with Provisions of Declaration, Articles and Bylaws of the Association. Each Owner shall comply strictly with, and shall cause each of his or her Guests to comply strictly with, all of the provisions of this Declaration and the Articles and Bylaws of the Association, and the decisions, rules, regulations and resolutions of the Board of Directors adopted pursuant thereto, as the same may be lawfully amended from time to time.

Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorneys' fees, maintainable by the Board of Directors in the name of the Association on behalf of the Owners, or, in a proper case, by any aggrieved Owner.

2.12 Separate Taxation. Each Unit shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building nor the Common Elements shall be deemed to be a parcel. The lien for taxes assessed to any Unit shall be confined to that Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

2.13 Mechanic's Liens Against the Condominium Units. Upon the completion of the Condominium Community by the Declarant and payment of all of the costs thereof, then, no mechanic's lien shall arise or be effective against the Condominium Community.

Mechanic's liens can only arise or be created against each Condominium Unit in the same manner and under the same conditions as mechanic's liens can arise or be created upon any other parcel of real property subject to individual ownership.

No labor performed or materials furnished, with the consent or at the request of an Owner or his or her agent, shall be the basis for the filing of a mechanic's lien pursuant to law against the Unit of another Owner not expressly consenting to or requesting the same, except that express consent shall be deemed to be given by the Owner of any Unit to the Board in the case of emergency repairs.

Labor performed or materials furnished for the Common Elements, if duly authorized by the Board of Directors in accordance with the Declaration or Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner, and shall be the basis for the filing of a mechanic's lien pursuant to law against each of the Units within the Condominium Community.

In the event a mechanic's lien is effected against two or more Units, the Owners of each of the separate Units may remove their Condominium Unit and the percentage of undivided interests in the Common Elements appurtenant to said Condominium Unit from the mechanic's lien by payment of the fractional or proportional amount attributable to each of the Units affected.

Individual payment shall be determined in accordance with the Percentage Ownership Interest in the Common Elements as set forth in Paragraph 1.3 hereof. Upon payment, discharge or other satisfaction, such Unit shall promptly be released from such lien. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his or her rights against any Unit not so released.

Each Owner shall indemnify and hold each of the other Owners harmless from and against liability or loss arising from the claim of any mechanic's lien against the Unit of the Owner, or any part thereof, for labor performed or for materials furnished in the course of work performed on such Owner's Unit.

At the written request of any Owner, the Board shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such mechanic's lien and all costs incidental thereto, including reasonable attorneys' fees by an Individual Assessment against such Owner in accordance with Paragraph 5.4(b) hereof.

2.14 Garage Spaces. All Garage Spaces contained within the Condominium Community shall be a part of the Limited Common Elements. Each Garage Space shall be limited to and reserved for the exclusive use of the owners of a particular Condominium Unit as initially designated by the Declarant and upon such designation said Garage Space will be appurtenant to that Unit.

Any contract, deed, lease, deed of trust or other instrument used to convey, lease, assign, encumber or otherwise affect the right to use an appurtenant Garage Space shall describe the Garage Space by adding to the appropriate description, as set forth in Paragraph 2.5 hereof, the additional language "together with the exclusive appurtenant right to use Garage Space No. _____".

Each Owner shall maintain the interior of his or her Garage Space in a clean, safe and attractive condition and shall keep the same free from litter and debris. The Board of Directors shall have the authority to establish reasonable rules and regulations regarding the sightliness and cleanliness of the Garage Space and the use thereof by its Owner.

No gasoline, gasohol, distillate, diesel, kerosene, naphtha or similar volatile combustible or explosive materials shall be stored in any Garage Space except in the fuel tanks of vehicles or equipment parked therein or one container of outdoor grill fuel starter of no more than two liter capacity.

It was the intent of the Declarant in designing the overall parking plan for the Condominium Community that Garage Spaces be used in such a manner so that vehicles could be parked within such spaces. Therefore, any use of a Garage Space that does not allow a vehicle to be parked within such space is expressly prohibited. The Board of Directors is granted the authority to enforce the provisions of this Paragraph by the levy of Fines against the Owner in accordance with Paragraph 5.4(c) hereof.

Owners are encouraged to keep garage doors closed except when in use.

2.15 Parking Spaces. Certain Parking Spaces as designated on the Map shall be a part of the Common Elements; provided, however, that the Board shall maintain control thereof and shall have the right to assign and reassign Parking Spaces to Owners within the Condominium Community. Some of these Parking Spaces shall be designated for the use of the handicapped, and some Parking Spaces shall be designated for use by Guests visiting the Condominium Community. These Parking Spaces are not appurtenant to a Unit purchased.

Certain Parking Spaces as designated on the Map shall be a part of the Limited Common Elements. Such Parking Spaces shall be limited to and reserved for the exclusive use of the owners of a particular Condominium Unit as initially designated by the Declarant and upon such designation said Parking Space will be appurtenant to that Unit.

Any contract, deed, lease, assignment, mortgage, deed of trust or other instrument used to convey, lease, assign, encumber or otherwise affect the right to use an appurtenant Parking Space shall describe the Parking Space by adding to the appropriate description, as set forth in Paragraph 2.5 hereof, the additional language "together with the exclusive appurtenant right to use Parking Space No. ____".

2.16 Restrictions on Sale of a Condominium Unit. The right of an Owner to sell, transfer or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

2.17 Restrictions on Mortgaging Units. There are no restrictions on the right of an Owner to mortgage or otherwise encumber his or her Unit. There is no requirement for the use of a specific lending institution or particular type lender.

ARTICLE THREE: VARIOUS RIGHTS AND EASEMENTS

3.1 Owner's Rights in the Common Elements. Every Owner and such Owner's Guests shall have the nonexclusive right to use and enjoy the Common Elements which shall be appurtenant to and shall pass with the title of the Unit to such Owner, subject to the Development Rights and Special Declarant Rights of the Declarant reserved herein and the following rights of the Board of Directors:

(a) To borrow money to improve the Common Elements and to mortgage said Common Elements as security for any such loan; provided, however, that the Association may not subject any portion of the Common Elements to a security interest unless such is approved by Owners to which at least eighty percent of the votes in the Association are allocated, including eighty percent of the votes allocated to Units not owned by the Declarant as more fully set forth in § 38-33.3-312 of the Act.

(b) To convey or dedicate all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners entitled to cast at least eighty percent of the votes in the Association, including eighty percent of the votes allocated to Units not owned by the Declarant as more fully set forth in § 38-33.3-312 of the Act.

The granting of permits, licenses and easements shall not be deemed a conveyance or encumbrance within the meaning of this Article as more fully set forth in § 38-33.3-312 of the Act.

(c) To promulgate and adopt Rules and Regulations with which each Owner and their Guests shall strictly comply.

(d) To suspend the voting rights of a Member for any period during which any Assessment remains unpaid and, for a period not to exceed sixty days, for any infraction of the Declaration, Bylaws or Rules and Regulations.

(e) To take such steps as are reasonably necessary to protect the Common Elements against foreclosure.

(f) To enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of the Common Elements by Owners and Guests for any purpose the Board may deem to be useful, beneficial or otherwise appropriate.

(g) To close or limit the use of the Common Elements temporarily while maintaining, repairing and making replacements in the Common Elements, or permanently if approved by Members to which at least eighty percent of the votes in the Association are allocated, including eighty percent of the votes allocated to Units not owned by the Declarant as more fully set forth in § 38-33.3-312 of the Act.

(h) To make such use of the Common Elements as may be necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration.

(i) The rights granted to the Board of Directors in Paragraph 4.13 hereof.

3.2 Owner's Rights in the Limited Common Elements. Each Owner and such Owner's Guests shall have an exclusive right to use and enjoy the Limited Common Elements appurtenant to the Unit owned by such Owner.

3.3 Delegation of Use. Any Owner may delegate his or her right of enjoyment to the Common Elements and Limited Common Elements and facilities to their Guests subject to Rules and Regulations of the Association.

3.4 Owner's Easement for Access. Each Owner shall have a nonexclusive easement for access between his or her Condominium Apartment and the roads and streets within and adjacent to the Condominium Community. There shall be no restrictions upon any Owner's right of ingress and egress to or from such Owner's Apartment.

3.5 Owner's Easement for Support and Utilities. Each Owner shall have a non-exclusive easement in and over the Common Elements within the Condominium Project including the Common Elements within the Condominium Apartment of another Owner, for horizontal and lateral support of the Condominium Apartment which is part of his or her Unit, and for utility service to the Condominium Apartment, including water, sewer, gas, electricity, telephone and cable television service.

3.6 Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Condominium Apartment, an easement for the existence of such encroachment and for the maintenance of the same shall and does exist. If any part of a Condominium Apartment, to include the air conditioner compressor, encroaches or shall hereafter encroach upon the Common Elements, or upon another Condominium Apartment, the Owner of that Condominium Apartment shall and does have an easement for the existence of such encroachment and for the maintenance of same. The easement shall extend for whatever period of time the encroachment exists.

Such easements for encroachments shall not be considered to be encumbrances either on the Common Elements or on a Condominium Apartment. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Condominium Community or any part thereof or by any other movement of any portion of the improvements located upon the Condominium Community.

3.7 Easements in Condominium Apartments for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within a Condominium Apartment. All Owners shall permit a right of entry to the Board of Directors or any other person authorized by the Board of Directors, whether the Owner is present or not, for access through each Condominium Apartment to all Common Elements, from time to time, as may be necessary for the routine maintenance, repair, or replacement for any of the Common Elements located thereon or accessible therefrom or for making emergency repairs necessary to prevent damage to the Common Elements or to another Condominium Apartment.

For routine maintenance and non-emergency repairs, entry shall be made only on a regular business day during regular business hours, after service of at least one day's notice in writing to the Owner. In case of emergency, entry shall be made at any time provided that a reasonable effort according to the circumstances is made to give notice of entry.

The Board of Directors or its agents is granted the authority to use such reasonable force as is necessary to gain entry into the Apartment in the event of an emergency, if no other means of entry are available in view of the circumstances. The Association shall bear the full responsibility and expense of all damages incurred to the Apartment and/or Common Elements because of such forcible entry.

All damage to the interior or any part of a Condominium Apartment resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, at the instance of the Association, shall be paid for as part of the Common Expense Assessment by all of the Owners. No diminution or abatement for Common Expense Assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be substantially the same as the condition in which they existed prior to damage.

Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs of such repairing such damage. In the event the Owner fails within a reasonable time upon proper notice to pay the cost of the damages incurred, the Board of Directors may pay for said damages and charge the Owner responsible as an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

3.8 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Condominium Community, to enter upon all driveways located in the Condominium Community, in the performance of their duties.

3.9 Utility Easements. The Board of Directors has the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium Community.

3.10 Owner's Easement for Access. Each Owner shall have a nonexclusive easement for access between his or her Apartment and the streets within and without the Condominium Community. There shall be no restrictions upon any Owner's right of ingress and egress to or from such Owner's Apartment. Such easement shall extend for whatever period of time the need for access shall exist.

3.11 Recording Data Regarding Easements. Pursuant to § 38-33.3-205(l)(m) of the Act, the recording data for recorded easements and licenses appurtenant thereto, or included in the Condominium Community or to which any portion of the Condominium Community is or may become subject to are identified on Exhibit D attached hereto.

3.12 Easements Deemed Appurtenant. The easements, uses and rights herein created for an Owner shall be perpetual and appurtenant to the Units owned by such Owner. All conveyances or any other instruments affecting title to a Unit shall be deemed to grant and reserve the easements, uses and rights as provided for herein, as though set forth in said document in full, even though no specific reference to such easements, uses or rights appear in such conveyance.

3.13 Shared Facilities With Nomad Players, Inc. The Association is a party with the Nomad Players, Inc., a Colorado corporation ("Nomad") to an agreement known as a "Joint Use and Easement Agreement" dated 10/23, 1997, and recorded as Reception No. 1741366 in the Boulder County, Colorado records, a copy of which is attached hereto as Exhibit G.

Nomad owns a building which is a Theater adjacent to the Condominium Community. The Association is building a "Common House" located on property owned by Nomad at the Association's expense. The parties intend to jointly use both the Common House and the Theater, and also jointly use certain parking facilities. The agreement also sets forth the terms of the shared repair and maintenance responsibilities.

ARTICLE FOUR: THE ASSOCIATION

4.1 Name. The name of the Association is THE NOMAD CONDOMINIUM ASSOCIATION.

4.2 Purposes and Powers. The Association, through its Board of Directors, shall manage, operate, care for, insure, maintain, repair and reconstruct all of the Common Elements and keep the same in a safe, attractive and desirable condition for the use and enjoyment of all of the Owners and such Owner's Guests. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designations and management. The Association shall have all the power necessary or desirable to effectuate such purposes.

The Board of Directors shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Association.

4.3 Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate authority to a Managing Agent for the Association as more fully provided for in the Bylaws, provided no such delegation shall relieve the Board of final responsibility.

4.4 Articles and Bylaws. The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws of the Association. In the event either the Articles or Bylaws conflict with the Declaration, the Declaration shall control. In the event the Articles conflict with the Bylaws, the Articles shall control.

4.5 Membership. There shall be one class of membership. Members of the Association shall be every record owner of a Unit subject to this Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds interest in any Unit, all such persons shall be Members.

The Membership of the Association at all times shall consist exclusively of all Unit Owners or, following termination of the Condominium Community, of all former Unit Owners entitled to distributions of the proceeds under § 38-33.3-218 of the Act, or their heirs, personal representatives, successors or assigns.

4.6 Voting Rights. The Association shall have one class of voting membership. Owners shall be entitled to one vote for each Unit owned.

The vote for such Unit, the ownership of which is held by more than one Owner, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Unit is made prior to the completion of the vote, in which case the vote for such Unit shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint Owners of a Unit be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost.

4.7 Declarant Control of the Association. Subject to provisions of Paragraph 4.8 hereof, there is a "Period of Declarant Control" during which Period the Declarant may appoint and remove any officer of the Association or any member of the Board of Directors. The Period of Declarant Control is a length of time expiring seven years after the filing of the Articles of Incorporation of the Association; provided, however, that the Period of Declarant Control shall terminate no later than (a) sixty days after conveyance of seventy-five percent of the Units That May Be Created to owners other than the Declarant; or (b) two years after the last conveyance of a Unit by the Declarant in the ordinary course of business; or (c) two years after any right to add new Units to the Declaration was last exercised. 73-24

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control. In that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

4.8 Election by Owners. Not later than sixty days after conveyance of twenty-five percent of the Units That May Be Created to Owners other than the Declarant, at least one member and not less than twenty-five percent of the members of the Board of Directors must be elected by Owners other than the Declarant.

Not later than sixty days after conveyance of fifty percent of the Units That May Be Created to Owners other than the Declarant, not less than thirty-three and one third percent of the members of the Board of Directors must be elected by Owners other than the Declarant.

Not later than the termination of any Period of Declarant Control as set forth in Paragraph 4.7 hereof, the Owners shall elect a Board of Directors consisting of three members, at least a majority of whom shall be Owners other than the Declarant. The Board shall elect the officers. The Owners elected to the Board shall take office upon election.

4.9 Delivery of Documents by Declarant. Within sixty days after the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver without expense to the Board all property of the Owners and of the Association relating to the Condominium Community held by or controlled by the Declarant, including, without limitation, the following items:

(a) The original or a certified copy of the recorded Declaration, as amended, the Association's Article of Incorporation, together with a Certificate of Good Standing, Bylaws, minute books, other books and records, and any Rules and Regulations which may have been promulgated;

(b) An accounting for Association funds and financial statements from the date the Association received funds and ending on the date the Period of Declarant Control ends in accordance with § 38-33.3-303(9)(b) of the Act;

(c) The Association funds or control thereof;

(d) All of the tangible personal property that has been represented by the Declarant to be the property of the Association and has been used exclusively in the operation and enjoyment of the Common Elements, a copy of any plans and specifications in Declarant's possession used in the construction of improvements in the Condominium Community, and inventories of these properties;

(e) All insurance policies then in force in which the Owners, the Association, or its directors and officers are named as insured persons;

(f) Any other permits in Declarant's possession issued by governmental bodies applicable to the Condominium Community and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

(g) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are assignable and still effective;

(h) A roster of Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(i) Employment contracts in which the Association is a contracting party; and

(j) Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

4.10 Budget.

(a) In accordance with § 38-33.3-303 of the Act, the Board of Directors shall cause to be prepared, at least sixty days prior to the commencement of each calendar year, a Budget for such calendar year. Within thirty days after the adoption of any Budget by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen days nor more than sixty days after delivery of the summary.

Unless at that meeting Owners to which at least sixty-seven percent of the votes in the Association are allocated reject the Budget, the Budget shall be deemed ratified whether or not a quorum is present. In the event the Budget is rejected, the Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget adopted by the Board of Directors.

(b) If the Board of Directors deems it necessary or advisable to amend a Budget that has been ratified by the Owners pursuant to Paragraph 4.10(a) above, the Board may adopt a proposed amendment to the Budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment.

The date of such meeting shall not be less than fourteen days, nor more than sixty days, after the delivery of the summary of the proposed amendment.

Unless at that meeting Owners to which at least sixty-seven percent of the votes in the Association are allocated reject the amended Budget, the amended Budget shall be deemed ratified whether or not a quorum is present.

4.11 Association Agreements. Any agreement for professional management of the Condominium Community or any contract providing for services of the Declarant, may not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty days' written notice.

The Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Period of Declarant Control unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after such transfer from Declarant Control upon not more than thirty days' notice to the other party thereto.

4.12 Indemnification. Each Officer, Director and committee member of the Association shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon him or her in any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of him or her being or having been an Officer, Director or committee member of the Association, or any settlements thereof, whether or not he or she is an Officer, Director or committee member of the Association at the time such expenses are incurred, to the full extent permitted by Colorado law.

4.13 Certain Rights and Obligations of the Association.

(a) Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an Attorney-in-Fact to deal with the Condominium Community upon its damage, destruction, condemnation and obsolescence.

The Board of Directors is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of such Owner in the Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Condominium Community upon its destruction, condemnation or obsolescence as hereinafter provided.

The acceptance by any person of any interest in any Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as provided above and hereinafter. The Board of Directors shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the Condominium Community and to perform all of the duties required of it.

(b) Contracts, Easements and Other Agreements. The Board of Directors shall have the right to enter into, grant, perform, enforce, cancel and vacate: contracts, easements, licenses, leases, agreements, and/or rights-of-way, for the use by Owners, their Guests, and other persons, concerning the Common Elements.

Any of such contracts, licenses, leases, agreements, easements and/or rights-of-way, shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors, without the necessity of the consent thereto, or joinder therein by the Owners or First Mortgagees.

(c) Other Association Functions. The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Members on a self-supporting, Special Assessment or Common Expense Assessment basis.

(d) Implied Rights. The Board of Directors shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

4.14 Certain Rights and Obligations of the Declarant. So long as there are unsold Units within the Condominium Community owned by the Declarant, the Declarant shall enjoy the same rights and assumes the same duties as they relate to each individual unsold Unit.

ARTICLE FIVE: ASSESSMENTS

5.1 Obligation. Each Owner, including Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees and shall be personally obligated to pay to the Association (a) Common Expense Assessments, (b) Special Assessments, (c) Fines, (d) Individual Assessments, and (e) Costs of Enforcement, which shall be a continuing lien upon the Unit against which each such Assessment is levied.

The obligation for such payments by each Owner to the Association is an independent personal covenant with all amounts due, from time to time, payable in full when due without notice or demand and without setoff or deduction. All Owners of each Unit shall be jointly and personally liable to the Association for the payment of all Assessments and Costs of Enforcement attributable to their Unit.

The personal obligation for delinquent assessment shall not pass to such Owner's successors in title unless expressly assumed by them.

No Owner may waive or otherwise escape liability for the Common Expense Assessment provided for herein by the non-use of the Common Elements or the abandonment of his or her Unit.

The omission or failure of the Board of Directors to levy the Common Expense Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

5.2 Purpose of the Assessments. The Common Expense Assessment shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Condominium Community and the Members of the Association. Such purposes shall include but not be limited to the improvement, repair, maintenance, reconstruction and insuring of the Common Elements, and any other purpose reasonable, necessary or incidental to such purposes.

Such Assessment shall include the establishment and maintenance of a reserve fund for the improvement, maintenance, reconstruction, and repair of the Common Elements on a periodic basis, provided, however, that such assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital improvements.

5.3 Date of Commencement of the Common Expense Assessment. The Common Expense Assessment shall commence as to all Units on the first day of the month following the effective date of the first budget of the Association.

Until the commencement of the collection of the Common Expense Assessments, the Declarant shall pay all of the expenses incurred and paid for by the Association.

5.4 Levy of Assessments.

(a) Common Expense Assessments. Common Expense Assessments shall be levied on all Units based upon a budget of the Association's cash requirements. The Common Expense

Assessment Liability shall be allocated among the Units in accordance with that Unit's Common Expense Assessment Liability as set forth in Paragraph 1.3 hereof.

(b) Individual Assessments. The Board of Directors shall have the right to individually levy any Owner or Owners amounts as provided for by this Declaration, to include but not be limited to, charges levied under Paragraphs 2.13, 3.7, 6.3, 6.5, 6.10, 7.2, 7.6, 8.3 and 9.3 thereof.

No Individual Assessment shall be levied until the Owner or Owners to be charged have been given a Notice and Hearing as provided for in the Bylaws of the Association. Individual Assessments shall be collected as part of the Cost of Enforcement.

Individual Assessments may be levied at any time as required and are exempt from any voting requirements by the membership required for other assessments called for under the Declaration.

(c) Fines. The Board of Directors of the Association shall have the right to levy a Fine against an Owner or Owners for each violation of this Declaration, the Bylaws, the Articles and the Rules and Regulations of the Association. No such Fine shall be levied until the Owner or Owners to be charged have been given a Notice and Hearing as provided for in the Bylaws of the Association.

Fines may be levied in a reasonable amount as determined from time to time by the Board of Directors in its discretion and uniformly applied. Fines shall be collected as part of the Costs of Enforcement. Fines may be levied at any time as required and are exempt from any voting requirements by the membership required for other assessments called for under the Declaration.

(d) Special Assessments. In addition to the other Assessments authorized herein, the Board of Directors, subject to the limitations set forth below, may levy a Special Assessment for the purpose of defraying, in whole or in part, any unexpected expense to include but not be limited to, the cost of any construction, reconstruction, improvement, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property relating thereto, or for the funding of any operating deficit incurred by the Association provided that any such assessment shall have the approval of Owners to whom at least seventy-five percent of the votes in the Association are allocated, who are voting in person or by proxy at a meeting duly called for this purpose.

Any such Special Assessment shall be levied against each Unit in accordance with that Unit's Common Expense Assessment Liability determined in accordance with Paragraph 1.3 hereof. Notwithstanding the foregoing, Special Assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital improvements.

Written notice of any meeting called for the purpose of making a Special Assessment shall be sent to all Owners not less than fourteen days nor more than sixty days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies to whom at least sixty percent of the votes in the Association are allocated shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required

quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

If the Condominium Community has been approved by the Federal Housing Administration and/or Veterans Administration, then until the termination of the Period of Declarant Control in accordance with Paragraph 4.7 hereof, all Special Assessments for capital improvements in addition to the approval of the Owners as required above will require the written consent of the Veterans Administration and/or the Federal Housing Administration.

5.5 Due Date. Fines and Individual Assessments shall be due and payable as established by the Board of Directors, payable at least quarterly.

Common Expense Assessments shall be levied on an annual basis and shall be due and payable in monthly installments, provided that the first Assessment levied shall be adjusted to reflect the time remaining in the first Association's fiscal year. Any Owner purchasing a Unit between annual due dates shall pay a prorated share.

Special Assessments shall be due and payable as established by the Board but may be payable on an installment basis as determined by the Board.

Written notice of all Assessments shall be sent to each Owner subject thereto specifying the type of Assessment, the amount and the date such Assessment is due.

5.6 Remedies for Nonpayment of Assessments. If any Assessment (to include Costs of Enforcement) is not fully paid within fifteen days after the same becomes due and payable, then:

(a) interest shall accrue at the default rate set by the Board of Directors on any amount of the Assessment in default accruing from the due date until date of payment, and the Board may assess a monthly Late Fee in a reasonable amount in the Board's discretion;

(b) the Board may accelerate and declare immediately due and payable all unpaid installments of the Assessment payable for the balance of the fiscal year during which such default occurred;

(c) the Board may bring an action at law against any Owner personally obligated to pay the Assessment and obtain a judgment for the amounts due; and

(d) the Board may proceed to foreclose its lien against the Unit pursuant to the power of sale granted to the Association by this Declaration in the manner and form provided by Colorado law for foreclosure of real estate mortgages.

An action at law or in equity by the Association against an Owner to recover a judgment for unpaid Assessments may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments.

5.7 Assessment Lien. The Association is hereby granted an Assessment Lien against each Unit for any Assessment levied by the Board of Directors and for Costs of Enforcement when the Unit Owner fails to pay as required by the Declaration. All Costs of Enforcement incurred pursuant to this Declaration are enforceable as Assessments. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due.

The Association's lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following:

(a) real property ad valorem taxes and special assessment liens duly imposed by Colorado governmental or political subdivision or special taxing districts, or any other liens made superior by statute; and

(b) the lien of any loan evidenced by a first deed of trust or mortgage, including a mortgage and any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not, except to the extent the Act grants priority for Assessments to the Association.

The Act does not affect the priority of mechanic's or materialmen's liens.

Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for Assessments under this Article is required. However, the Board of Directors may prepare, and record in the Office of the County Clerk and Recorder, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Unit, and a description of the Unit. If a lien is filed, the cost thereof shall be considered a Cost of Enforcement.

Sale or transfer of any Unit shall not affect the lien for said Assessments except that sale or transfer of any Unit pursuant to foreclosure of any first deed of trust or mortgage, or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall only extinguish the Assessment Lien only to the extent provided by Colorado law. No such sale or deed in lieu of foreclosure shall relieve any Owner from continuing personal liability for any Assessment thereafter becoming due, nor from the lien thereof.

Any First Mortgagee who acquires title to a Unit by virtue of foreclosing a first deed of trust or mortgage or by virtue of a deed in lieu of foreclosure will take the Unit free of any claims for unpaid Assessments and Costs of Enforcement against that Unit which have accrued prior to the time such First Mortgagee acquires title to the Lot, except to the extent the Act grants lien priority for Assessments of the Association.

In any action by the Association to collect Assessments and Costs of Enforcement or to foreclose a lien for unpaid Assessments, the court may appoint a receiver for the Owner to collect

all sums alleged to be due from the Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Common Expense Assessments and Costs of Enforcement. The rights of the Association shall be expressly subordinate to the rights of any First Mortgagee of a Unit under any assignment of rents given in connection with a first deed of trust or mortgage. 19.32

The Assessment Lien hereby given shall also be a lien upon all of the rents and profits of the encumbered Unit; provided, however, the lien shall be subject and subordinate to the rights of any First Mortgagee of a Unit under any assignment of rents given in connection with a first deed of trust or mortgage. Without prejudice to any other right or remedy, the Association may exercise its lien rights to rents and profits by delivering a Notice of Exercise to the occupant or any payor of rents and profits, and thereafter shall be entitled to collect all such rents and profits to the extent of any delinquency.

The Association's lien on a Unit for Assessments and Costs of Enforcement shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Unit subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment lien.

5.8 Assignment of Assessments. The Board of Directors shall have the unrestricted right to assign its right to receive Common Expense Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved in writing by Owners to which at least eighty percent of the votes in the Association are allocated, including eighty percent of the votes allocated to Units not owned by the Declarant.

5.9 Surplus Funds. Any surplus funds of the Association remaining at the close of the Association's fiscal year after payment of the Common Expenses and funding the Reserve Fund shall be retained by the Association as unallocated reserves and need not be credited to the Owners to reduce their future Common Expense Assessment Liability.

5.10 Working Capital Fund. At the closing of the initial sale of a Unit to an Owner other than the Declarant, a one time non-refundable contribution shall be made by such Owner to the Working Capital Fund of the Association in the amount of $200. Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Unit and shall, until used by the Association, be maintained in a segregated account with other such working capital funds for the use and benefit of the Association to cover the costs of the initial period of the Association's operation, including, without limitation, to meet unforeseen expenditures or to purchase additional equipment, property or services.

Such contribution to the Working Capital Fund shall not relieve an Owner from making regular payments of Assessments as the same become due. Upon the later sale or transfer of his or her Unit, an Owner shall be entitled to a credit from his or her transferee, but shall NOT BE

ENTITLED to a credit from the Association for the aforesaid contribution to the Working Capital Fund.

The Declarant is prohibited from using the Working Capital Fund to defray any of its expenses, reserve contributions or construction costs, or to make up any budget deficits while it has control of the Association.

73.33

5.11 Certificate of Assessment Status. The Association shall furnish to an Owner or such Owner's First Mortgagee upon written request by certified mail, first class postage prepaid, return receipt requested, to the Association's Registered Agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit.

The statement shall be furnished within fourteen business days after receipt of the request and is binding upon the Association, the Board of Directors, and every Owner. If no statement is furnished to the Owner or First Mortgagee, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a priority lien upon the Unit for unpaid Assessments which were due as of the date of the request.

5.12 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration. The Declarant is exempt from the requirements of this Paragraph 5.12.

ARTICLE SIX: RESTRICTIVE COVENANTS AND OBLIGATIONS

6.1 Use and Occupancy of the Condominium Apartments. Each Owner shall be entitled to the exclusive ownership and possession of his or her Condominium Apartment. Subject to the Development and Special Declarant Rights reserved by the Declarant in ARTICLE TEN hereof and the exemptions for the Declarant set forth in Paragraph 6.14 hereof, no Condominium Apartment within the Condominium Community shall be used for any purpose other than single-family residential purposes as generally defined or for a home occupation so long as (a) such occupation is allowed by the local Zoning Codes, (b) employs no outside employees, and (c) requires no signage or parking. 73-34

The strict application of the limitations and restrictions herein contained in any specific case may be modified or waived in whole or in part by the Board of Directors if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

6.2 Use of the Common Elements. Each Owner and his or her Guests may use the appurtenant Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Board of Directors may adopt Rules and Regulations governing the use of the Common Elements, but such Rules and Regulations shall be uniform and nondiscriminatory. Each Owner, by the acceptance of his or her deed or other instrument of conveyance or assignment and such Owner's Guests occupying the Apartment agree to be bound by any such adopted Rules and Regulations.

There shall be no obstruction of the Common Elements, nor shall anything be stored on any part of the Common Elements without the prior written consent of the Board of Directors. Nothing shall be altered, constructed on, or removed from the Common Elements except upon the prior written consent of the Board of Directors of the Association.

6.3 Pets Within the Condominium Community. Dogs, cats or other customary household pets may be allowed in Condominium Apartments so long they are not raised, bred or maintained for any commercial purpose, and are not kept in such number or in such manner as to create a nuisance or inconvenience to any residents of the Condominium Community. Pets are not allowed in the Common House.

The Board of Directors shall have the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance, or that an Owner is otherwise in violation of the provisions of this Paragraph. The Directors shall take such action or actions as it deems reasonably necessary to correct the violation to include after Notice and Hearing, directing permanent removal of the pet or pets from the Condominium Community.

Household pets shall not be allowed to run at large within the Condominium Community, but shall at all times be under the control of such pet's Owner and such pets shall not be allowed to litter the Common Elements. Dogs shall be on a leash while on the Common Elements. Dog runs must be approved by the Board of Directors.

Reimbursement for damages caused by such pets and costs incurred by the Association, to include attorneys' fees and costs, in the removal of a pet or pets from the Condominium Community or incurred by the Association in cleanup after such pets may be levied against such pet's Owner as an Individual Assessment in accordance with Paragraph 5.4(b) hereof. 73 35

6.4 Nuisances. No noxious or offensive activity shall be carried on within the Condominium Community, nor shall anything be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood or detract from its value as an attractive residential community. Habitually barking, howling or yelping dogs shall be deemed a nuisance.

6.5 Vehicular Parking, Storage and Maintenance. No house trailer, camping trailer, horse trailer, camper, camper shells, boat trailer, hauling trailer, boat or boat accessories, truck larger than one ton, recreational vehicle or equipment, mobile home, or commercial vehicle may be parked or stored anywhere within the Condominium Community so they are visible from neighboring Units or from the street for a period of more than three days except in emergencies or as a temporary expedience. This applies to vehicles referred to above even if they are licensed by the State of Colorado or any other jurisdiction as "passenger vehicles". No emergency or temporary parking or storage shall continue for more than seventy-two hours.

No abandoned, unlicensed, wrecked or inoperable vehicles of any kind shall be stored or parked within the Condominium Community except in emergencies. Any "abandoned or inoperable vehicle" shall be defined as any of the vehicles listed above or any other kind of passenger vehicle which has not been driven under its own propulsion for a period of one week or longer, or which does not have installed within it an operable propulsion system; provided however, that any vehicle belonging to any Owner which is otherwise permitted will not be deemed to be abandoned while the Owner is ill or out of town. The Board of Directors shall have the right to remove and store a vehicle in violation of this Paragraph, the expenses of which shall be levied against the Owner of the vehicle as an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

Preventive vehicle maintenance only shall be allowed within the Condominium Community.

Owners are encouraged to keep their garage doors closed except when in use.

6.6 No Unsightliness. No activity shall be conducted on any part of the Condominium Community which is or might be unsafe, unsightly, unhealthy or hazardous to any person. Without limiting the generality of the foregoing, nothing shall be kept or stored on or in the Common Elements, including areas which are Limited Common Elements; and nothing shall be

placed on or in windows or doors of Condominium Apartments, which would or might create unsightly appearance.

Decks, patios and balconies shall not be used for storage. No activity shall be conducted on any part of the Condominium Community which is or might be unsafe or hazardous to any person. All rubbish, trash or garbage shall be regularly removed from the Condominium Community and shall not be allowed to accumulate thereon. 79-36

6.7 Prohibition of Certain Activities. Nothing shall be done or kept in any Apartment or in the Common Elements or any part thereof which would result in the cancellation of the insurance on the Condominium Community or increase the rate of the insurance on the Condominium Community over what the Association, but for such activity, would pay, without the prior written consent of the Board of Directors.

Nothing shall be done or kept in any Apartment or in the Common Elements which would be in violation of any statute, ordinance, regulations, or other validly imposed requirement of any governmental body. No noxious, destructive or offensive activity shall be carried on in any Apartment or in the Common Elements, nor shall anything be done therein which may be or may become an annoyance or nuisance to others. No sound or vibration shall be emitted on any part of the Condominium Community which is unreasonably loud or annoying.

6.8 Antennas and Other Exterior Equipment. No exterior equipment or fixtures, including, but not limited to, the following shall be permitted without the written consent of the Board of Directors: radio, television, or other types of antennas and satellite dishes; air conditioning units, swamp coolers, or other ventilating equipment; and, any type or kind of wiring, ducts, or pipes.

6.9 Restrictions on Signs. No signs or advertising of any nature shall be erected or maintained on any part of the Condominium Community without prior written consent of the Board of Directors. The Board shall permit the placing of (a) at least one sign of reasonable size and dignified form to identify the Condominium Community and the Units therein, and (b) one sign of dignified form may be placed inside an Owner's Apartment for purposes of advertising the Unit being for rent, sale or lease.

6.10 Owner Caused Damages. If, due to the act or neglect of an Owner or such Owner's Guests, loss or damage shall be caused to the Common Elements, such Owner shall be liable and responsible for the payment of same. The amount of such loss or damage, together with costs of collection and reasonable attorneys' fees and costs, if necessary, may be collected by the Board of Directors from such Owner as an Individual Assessment against such Owner in accordance with Paragraph 5.4(b) hereof.

6.11 Waiver of Summary Abatement. The Declarant and the Association waives the right to use summary abatement or similar means to enforce the restrictions herein contained. Judicial proceedings must be instituted before any items of construction can be altered or demolished.

6.12 Exemptions for the Declarant. For so long as the Declarant owns a Unit within the Condominium Community, the Declarant shall be exempt from the provisions of this ARTICLE SIX to the extent that it impedes the Declarant's development, construction, marketing, sales or leasing activities.

The Association, acting through its Board of Directors, shall have the standing and power to enforce all of the above Restrictive Covenants and Obligations.

ARTICLE SEVEN: INSURANCE/CONDEMNATION

7.1 Authority to Purchase/General Requirements. Except as provided below, all insurance policies relating to the Condominium Community shall be purchased by the Board of Directors. The Board of Directors shall promptly furnish to each Owner and/or such Owner's First Mortgagee requesting same, written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Association. 29.38

THE OWNER OF AN OWNER-OCCUPIED CONDOMINIUM UNIT SHALL PURCHASE A CONDOMINIUM UNIT OWNER'S POLICY (HO-6) OR ITS EQUIVALENT FOR ALL OF SUCH OWNER'S PERSONAL PROPERTY, HOUSEHOLD GOODS AND FURNITURE LOCATED WITHIN SUCH OWNER'S CONDOMINIUM UNIT, TOGETHER WITH PERSONAL LIABILITY COVERAGE TO COVER ACTS OR OCCURRENCES WITHIN SUCH OWNER'S CONDOMINIUM UNIT. THE OWNER OF A NON-OWNER-OCCUPIED CONDOMINIUM UNIT MUST PURCHASE A CONDOMINIUM OWNER'S RENTAL LIABILITY POLICY OR ITS EQUIVALENT.

THE ASSOCIATION WILL NOT PROVIDE SUCH COVERAGES IN ITS MASTER POLICIES.

The Board of Directors shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the Association, Owner or First Mortgagee, or (b) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders or members; or (c) the policy includes any limited clauses (other than insurance conditions) which could prevent Owners or First Mortgagees from collecting insurance proceeds.

Each such policy shall provide that:

(a) The insurer to the extent possible waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the Managing Agent or the Owners, and their respective agents, employees, Guests and, in the case of the Owners, the members of their households.

(b) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Owner or his or her Guests or of any Member, officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board cure the defect and such defect is not cured within forty-five days after such demand;

(c) Such policy, including any fidelity insurance of the Association referred to in Paragraph 7.4 hereof may not be cancelled, substantially modified or not renewed (including cancellation for nonpayment of premium) without at least thirty days' prior written

notice to the Board of Directors and each Owner and First Mortgagee to whom a certificate of insurance has been issued, at their last known address;

(d) Such policy must provide that no assessment may be made against a First Mortgagee and that any assessment made against others shall not become a lien on a Unit superior to the lien of a First Mortgagee except as provided for in the Act;

19.39

(e) The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as an Owner, if such coverage is available;

All policies of insurance shall be written by reputable companies duly authorized and licensed to do business in the State of Colorado with an A.M. Best's rating of "A" or better.

All insurance policies shall contain the standard mortgagee clause or equivalent endorsement (without contribution) in which it appropriately names the First Mortgagee in the policy its beneficiary.

7.2 Condominium Insurance. The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of condominium insurance with sprinkler leakage (if applicable) and debris removal, insuring all the Common Elements and Limited Common Elements located within the Condominium Community.

Such insurance shall also include, among other things, all fixtures, installations or additions comprising a part of the individual Condominium Units within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the Condominium Unit initially installed or replacements thereof made in accordance with the original plans and specifications, or installed by or at the expense of the Owner. All references herein to a "BLANKET" type policy of property insurance, are intended to denote "SINGLE ENTITY" insurance coverage.

Such insurance shall at all times represent one hundred percent of the current replacement cost based on the most recent appraisal of the Common Elements, Limited Common Elements and the attached fixtures, installations and additions comprising a part of the Condominium Apartments. The current replacement cost shall not include values for land, foundation, excavation and other items normally excluded therefrom and shall be without deduction for depreciation and with no provision for co-insurance. If available, the Master Policy shall be endorsed with a "Guaranteed Replacement Cost Endorsement".

The Board of Directors shall review at least annually all of its insurance policies in order to insure that the coverages contained in the policies are sufficient. The Board of Directors shall consistent with good business practices, and at reasonable intervals obtain a written appraisal for

insurance purposes, showing that the insurance represents one hundred percent of the current replacement cost as defined above.

Such policies shall also provide:

(a) The following endorsements or their equivalent: No Control Endorsement, Contingent Liability from Operation of Building Laws or Codes Endorsement, Cost of Demolition Endorsement, Increased Cost of Construction Endorsement Agreed Amount Endorsement, and Inflation Guard Endorsement, if available.

13.40

(b) That any "no other insurance" clause expressly exclude individual Owners' policies from its operation so that the property insurance policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their First Mortgagees, unless otherwise required by law.

A certificate, together with proof of payment of premiums, shall be delivered by the insurer to any Owner or First Mortgagee requesting the same, at least thirty days prior to expiration of the then current policy.

The insurance shall be carried naming the Association as the owner and beneficiary thereof for the use and benefit of the individual Owners and shall provide a standard noncontributory mortgage clause in favor of each First Mortgagee. Any loss covered by the policies carried under this Article shall be adjusted exclusively by the Board of Directors and provide that all claims are to be settled on a replacement cost basis.

The Association shall hold any insurance proceeds received in trust for the Association, the Owners and for the holders of their Security Interests as their interests may appear. Subject to the provisions of ARTICLE EIGHT hereof, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements. Owners and holders of Security Interests are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements have been repaired and fully restored or the Condominium Community is terminated. No Owner or any other party shall be entitled to priority over First Mortgagees with respect to any distribution of the insurance proceeds.

Title to each Unit within the Condominium Community is declared and expressly made subject to the terms and conditions hereto, and acceptance by the grantee of a deed or other instrument of conveyance from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners constitute and appoint the Board of

Directors their true and lawful attorney in their name, place and stead for the purpose of dealing with the Condominium Community upon its damage or destruction as is hereinafter provided.

As attorney-in-fact, the Board of Directors of the Association shall have full and complete authorization, power and right to make, execute and deliver any contract or any other instrument with respect to the interest of any Owner which is necessary and appropriate to exercise the powers herein granted. 29-41

The deductible, if any, on such insurance policy shall be as the Directors determine to be consistent with good business practice and which shall be consistent with the requirements of the First Mortgagees, not to exceed, however, Five Thousand Dollars or one percent of the face amount of the policy whichever is less. Any loss falling within the deductible portion of a policy shall be paid by the Association. Funds to cover the deductible amounts shall be included in the Association's Reserve Funds and be so designated.

The Board shall have the authority to levy, after Notice and Hearing, against Owners causing such loss for the reimbursement of all deductibles paid by the Association as an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

7.3 Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including eviction, libel, slander, false arrest and invasion of privacy) and property damage insurance covering all of the Common Elements and Limited Common Elements.

Such coverage under this policy shall include, without limitation, the legal liability of the insureds for property damage, bodily injuries and deaths of persons that result from the operation, maintenance or use of the Common Elements and Limited Common Elements and the legal liability arising out of lawsuits relating to employment contracts in which the Association is a party.

Such insurance shall be issued on a comprehensive liability basis. Additional coverages may be required to include protection against such other risks as are customarily covered with respect to the Condominium Community similar in construction, location and use, including, but not limited to, Host Liquor Liability coverage with respect to events sponsored by the Association, Worker's Compensation and Employer's Liability Insurance, Comprehensive Automobile Liability Insurance, Severability of Interest Endorsement.

IN THE EVENT THE ASSOCIATION HOSTS A FUNCTION AND CHARGES FOR FOOD OR DRINK AND LIQUOR IS SERVED, THERE WILL BE NO HOST LIQUOR LIABILITY COVERAGE FOR THE ASSOCIATION. IF MONEY IS CHARGED, A LIQUOR LIABILITY POLICY WOULD BE NEEDED TO GIVE COVERAGE TO THE ASSOCIATION.

The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury, including deaths

of persons and property damage arising out of a single occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

7.4 Fidelity Insurance. The Association shall obtain and maintain, to the extent reasonably available, fidelity insurance coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. The insurance shall name the Association as insured, and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. 73.42

The fidelity insurance policy should cover the maximum funds (including Reserve Funds) that will be in the custody of the Association or its management agent at any time while the policy is in force; provided however, in any event the aggregate amount of such insurance shall be (a) not less than Fifty Thousand Dollars, or (b) not less than a sum equal to three months' aggregate Assessments on all Units, plus Reserve Funds, whichever is greater.

The policy must include a provision that calls for ten days' written notice to the Association before the policy can be cancelled or substantially modified for any reason. The same notice must also be given to each servicer that services a Fannie Mae-owned or securitized mortgage in the Condominium Community.

A management agent that handles funds for the Association should be covered by its own fidelity insurance policy which must provide the same coverage required of the Association.

7.5 Additional Insurance.

(a) If the area where the Condominium Community is located has been identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area, flood insurance for the Condominium Community shall be maintained providing coverage equivalent to that provided under the National Flood Insurance Program in an amount of one hundred percent of the Condominium Community's current replacement cost or the maximum amount available.

The Association must also maintain coverage for all Common Elements and Limited Common Elements for one hundred percent of their replacement cost as defined above. A separate Association endorsement is required if not already a part of the policy.

Deductibles may not exceed the lower of Five Thousand Dollars or one percent of the face amount of the coverage. Funds for such deductibles must be included in the Association's Reserve and be so designated.

If the Condominium Community at the time of the recording of this Declaration are not identified as a Special Flood Hazard Area but become reclassified at a later date as such and the Board of Directors shall obtain flood insurance for the Condominium Community in accordance with the above. Conversely, flood insurance may be discontinued if the Condominium Community is removed from the Flood Plain.

(b) Adequate Directors and Officers liability insurance, if available, and if deemed consistent with good business practices, for errors and omissions on all Directors and Officers to be written in an amount which the Board of Directors deems adequate;

(c) Worker's Compensation and Employer's Liability Insurance and all other similar insurance with respect to employees of the Association in the amount and in the forms now or hereafter acquired by law; 73.43

(d) Such other insurance of a similar or dissimilar nature, as the Board of Directors shall deem appropriate with respect to the Condominium Community;

(e) If it is determined by a First Mortgagee that the existing coverages do not adequately protect the Condominium Community, the Board of Directors shall obtain such additional coverages.

7.6 Payment of Insurance Premiums. Insurance premiums for insurance carried by the Association shall be paid for by the Association as a Common Expense.

In the event there are not sufficient funds generated from the Common Expense Assessment to cover the cost of the insurance provided for above, then the deficiency shall be chargeable to each Owner by an Individual Assessment in accordance with Paragraph 5.4(b) hereof and such assessment shall be exempt from any special voting requirements of the Membership. Such assessment shall be prorated among Owners in accordance with the Owners' Common Expense Liability set forth in Paragraph 1.3 hereof.

7.7 Separate Insurance. No Owner shall be entitled to exercise his or her right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any insurance policy maintained by the Board or to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner. All such policies shall contain waivers of subrogation. No Owner shall obtain separate insurance policies except as provided in this Paragraph.

7.8 Damage to Property. Any portion of the Condominium Community that is damaged or destroyed for which insurance carried by the Association is in effect that is damaged or destroyed, shall be repaired or reconstructed by the Association in accordance with ARTICLE EIGHT hereof.

7.9 Condemnation. The Board of Directors, as their attorney-in-fact, shall represent the Owners in any condemnation proceedings or in any negotiations, settlement and agreements with the condemning authorities for the acquisition of any part of the Condominium Community.

All compensation, damage or other proceeds therefrom (Condemnation Award) shall be payable to the Association as attorney-in-fact to be held in trust for the use and benefit of the Owners and holders of their Security Interests as their interests may appear. No Owner or any other party shall be entitled to priority over First Mortgagees with respect to any distribution of the Condemnation Award.

Upon the condemnation of an entire Unit or Units, all of the allocated interests of that Unit or Units shall be reallocated as if that Unit did not exist and the Board of Directors shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations without the necessity of the consent thereto or joinder therein by the Owners or First Mortgagees.

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ARTICLE EIGHT: REPAIR AND RECONSTRUCTION UPON DAMAGE OR DESTRUCTION

8.1 Duty to Repair and Reconstruct. Any portion of the Condominium Community which is covered by insurance carried by the Association that is damaged or destroyed must be repaired or reconstructed promptly by the Board of Directors unless: 79.45

(a) the Condominium Community is terminated;

(b) repair or reconstruction would be illegal under any federal, state or local statute governing health or safety; or

(c) Owners of Units to which at least sixty-seven percent of the votes in the Association are allocated, including every Owner of a Unit or appurtenant Limited Common Element that will not be rebuilt, vote not to rebuild.

In the event the Condominium Community is not repaired or reconstructed in accordance with the above, the Condominium Community shall be sold and the proceeds distributed pursuant to the procedures provided for in the Act for the termination of a Condominium Community.

8.2 Plans/Cost. The Condominium Community shall be repaired and restored in accordance with either (a) the original plans and specifications or (b) other plans and specifications which have been approved by the Board of Directors and by Owners of Units to which at least sixty-seven percent of the votes in the Association are allocated.

8.3 Repair and Reconstruction by the Association. In the event of damage or destruction to any portion of the Condominium Community which is covered by insurance carried by the Association, the insurance proceeds shall be applied by the Association to such reconstruction and repair.

If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damage, the Board of Directors shall levy an Individual Assessment in the aggregate amount of such insufficiency pursuant to Paragraph 5.4(b) hereof, and shall proceed to make such repairs or reconstruction. The amount of each Owner's Individual Assessment shall be such Owner's Common Expense Liability shall be determined in accordance with Paragraph 1.3 hereof.

If all of the damage covered by the Association's insurance is not repaired or reconstructed, the insurance proceeds attributable to the damage shall be used to restore the damaged portion of the Condominium Community to a condition compatible with the remainder of the Condominium Community and the remainder of the proceeds shall be distributed to each Owner and to their holders of Security Interests, as their interests may appear, in accordance which each Owner's Percentage Interest in the Common Elements as set forth in Paragraph 1.3 hereof.

If the Owners vote not to rebuild a Unit, all of the Allocated Interests of that Unit shall be reallocated as if that Unit did not exist, and the Board of Directors shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations without the necessity of the consent thereto or joinder therein by the Owners or First Mortgagees.

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8.4 Repair and Reconstruction by an Owner. If an individual Apartment is damaged or destroyed by fire or other casualty, the Owner shall, within a reasonable time thereafter, not to exceed 120 days after the damage or destruction, commence and diligently pursue repair and reconstruction of the Apartment, using available personal insurance proceeds and personal funds of such Owner, unless the Condominium Community is terminated, in which case the insurance proceeds shall be distributed to the Owner of the Unit and to the holders of such Owner's Security Interest as their interest may appear.

ARTICLE NINE: MAINTENANCE, REPAIR AND RECONSTRUCTION

9.1 By the Association. The Association shall be responsible for the maintenance, repair and reconstruction of all of the Common Elements and the Limited Common Elements in accordance with this ARTICLE NINE.

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9.2 By the Owner.

(a) Each Owner shall keep his or her Apartment and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and neat condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance and condition of his or her Apartment.

(b) The Owner of any Unit to which a Limited Common Element is appurtenant shall keep it in a clean and neat condition.

In addition, each Owner shall be responsible for all damage to any other Apartments or to the Common Elements including the Limited Common Elements resulting from his or her failure or negligence to make any of the repairs required by this Paragraph. Each Owner shall perform his or her responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors any defect or need for repairs for which the Association is responsible.

Each Apartment and/or Limited Common Element is subject to an easement in favor of the Board of Directors (including its agents, employees and contractors) for providing the maintenance, repair and reconstruction in accordance with the above.

9.3 Association Responsibility. The maintenance obligation on the part of the Association shall apply to such maintenance required by ordinary wear and tear and shall not apply to maintenance, repair and/or reconstruction resulting from willful neglect or destruction.

In the event such repair, maintenance and/or reconstruction is resulting from the willful neglect or destruction by an Owner or such Owner's Guests, the Board of Directors shall have the right, after Notice and Hearing, to charge the costs of such repair, maintenance and/or replacement, to such Owner by an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

Determination of whether such repair, maintenance and/or reconstruction is the obligation of the Association and the determination of when, the magnitude and the manner of the above described maintenance, repair and/or reconstruction shall rest solely with the Board of Directors, which will also have the sole responsibility for determining the kind and type of materials used in such repair and maintenance.

Access to all of the Units within the Condominium Community to perform the said repair, maintenance and/or reconstruction by the Board of Directors, its agents and employees shall be made pursuant to the maintenance easement granted in accordance with Paragraph 3.6 hereof.

9.4 Schedule of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance and repair set forth above, specific maintenance and repair responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Schedule of Maintenance and Repair Responsibilities attached as Exhibit E attached hereto. B-48

9.5 Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be done with contemporary building materials and equipment.

9.6 Additions, Alterations or Improvements by the Unit Owners (Architectural Control). No Owner shall make any structural addition in or to his or her Unit without the prior written consent of the Board of Directors. No Owner shall paint or alter the exterior of his or her Unit, including the doors, windows and light fixtures, nor shall any Owner paint or alter the exterior of any Building, without approval of the Board of Directors.

The Board of Directors shall be obligated to answer any written request by an Owner for approval of a proposed structural addition, alteration or improvement within thirty days after such request, and failure to do so within the stipulated time shall constitute approval by the Board of Directors of such proposed structural addition, alteration or improvement.

ARTICLE TEN: DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

10.1 Reservation. The Declarant reserves the following Development and Special Declarant Rights ("Declarant Rights") which may be exercised, where applicable, anywhere within the Condominium Community:

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(a) To complete the improvements indicated on the Map;

(b) To exercise any Declarant Rights reserved herein;

(c) To maintain business/sales offices, parking spaces, management offices, storage areas, nursery, construction yard, signs, advertising and model Apartments;

(d) To maintain signs and advertising on the Common Elements to advertise the Condominium Community;

(e) To use and to permit others to use easements through the Common Elements as may be reasonably necessary for construction within the Condominium Community, and for the purpose of discharging Declarant's obligations under the Act and this Declaration;

(f) To appoint or remove any officer of the Association or a member of the Board of Directors during the Period of Declarant Control subject to the provisions of Paragraph 4.7 of this Declaration;

(g) To amend the Declaration and/or the Map in connection with the exercise of any Declarant Rights;

(h) To exercise any other Declarant Rights created by any other provisions of this Declaration.

10.2 Rights Transferable. Any Declarant Rights created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the Declarant Rights transferred and recorded in the Office of the County Clerk and Recorder. Such instrument shall be executed by the transferor Declarant and the transferee.

10.3 Limitations. The Declarant Rights shall terminate at the option of the Declarant by its written notice to the Secretary of the Association, but in any event such Declarant Rights shall terminate without further act or deed five years after recording of this Declaration.

10.4 Interference with Declarant Rights. Neither the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any Declarant Rights without the prior written consent of the Declarant.

10.5 Use by Declarant. The exercise of any Declarant Right by Declarant shall not unreasonably interfere with the access, enjoyment or use of any Unit by any Owner nor the access, enjoyment or use of the Common Elements; nor shall any activity be conducted which might be unsafe, unhealthy, or hazardous to any person.

79.50

10.6 Models, Sales Offices and Management Offices. Subject to the limitation set forth in Paragraph 10.3 hereof, the Declarant, its duly authorized agents, representatives and employees may maintain any Apartment or Apartments owned by the Declarant or any portion of the Common Elements as a model Apartment, sales, leasing and/or management office to include, but not be limited to, a sales trailer.

10.7 Declarant's Easements. The Declarant reserves the right to perform warranty work, and repairs and construction work on Units and Common Elements, to store materials in secure areas, and to control and have the right of access to work and repair until completion. All work may be performed by the Declarant without the consent or approval of the Board of Directors.

The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Declarant Rights, whether arising under the Act or reserved in this Article.

10.8 Signs and Marketing. The Declarant reserves the right for Declarant to post signs and advertising in the Common Elements in order to promote sales of Units. Declarant also reserves the right for Declarant to conduct general sales activities in a manner which will not unreasonably disturb the rights of Owners.

ARTICLE ELEVEN: FIRST MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers, or guarantors of holders of first deeds of trusts or mortgages recorded against Units within the Condominium Community who qualify as an Eligible Mortgagee as defined by Paragraph 1.24 hereof. To the extent applicable, necessary, or proper, the provisions of this ARTICLE ELEVEN apply to both this Declaration and to the Articles and Bylaws of the Association. B-51

11.1 Notices of Action. An Eligible Mortgagee shall be entitled to timely written notice of:

(a) any material condemnation loss or any casualty loss which affects a material portion of the Condominium Community or any Unit in which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgagee;

(b) any default in the performance by an individual borrower of any obligation of the Declaration not cured within sixty days;

(c) any lapse, cancellation, or material modification of any mandatory insurance policy or fidelity bond maintained by the Association;

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgagees; and

(e) any material judgment rendered against the Association.

11.2 Amendment to Documents/Special Approvals.

(a) The consent of Owners to which at least seventy-five percent of the votes in the Association are allocated and the consent of fifty-one percent of the Eligible Mortgagees shall be required to add to or amend any material provisions of this Declaration or the Articles or Bylaws of the Association. A change to any of the following would be considered material.

(i) voting rights;

(ii) increase the Common Expense Assessment by more than 25% over the previously levied Common Expense Assessment or assessment liens, or a change in the priority of the assessment liens;

(iii) reduction in the reserves for maintenance, repair and replacement of the Common Elements;

(iv) responsibility for maintenance and repairs;

(v) redefinition of any Unit boundaries;

(vi) convertibility of Units into Common Elements or vice versa;

(vii) hazard or fidelity insurance requirements;

(viii) imposition of any restrictions on the leasing of Units;

(ix) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

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(x) restoration or repair of the Condominium Community (after damage or partial condemnation) in a manner than that specified in the Project Documents;

(xi) any provision that expressly benefits mortgage holders, insurers or guarantors;

(xii) reallocation of interests in the Common Elements or Limited Common Elements or rights to their use;

(xiii) the reallocation of interests in the Common Elements or Limited Common Elements or rights to their use; and the expansion or contraction of the Condominium Community, or the addition, annexation or withdrawal of property to or from the Condominium Community.

(b) The Association may not take any of the following actions without the consent of Owners to which at least seventy-five percent of the votes in the Association are allocated and the approval of at least fifty-one percent of the Eligible Mortgagees:

(i) Reconstruct or repair the Condominium Community after damage due to an insurable hazard or a partial condemnation in a manner other than specified in the Project Documents.

(ii) Merge or consolidate the Condominium Community with any other Condominium Community or subject it to a Master Association. Such action shall also require the written approval from the Federal Housing Administration and/or the Veterans Administration if the Condominium Community has been approved by such agencies.

(iii) Assign the future income of the Association, including its right to receive Common Expense Assessments.

(iv) Not repair or reconstruct, in the event of substantial destruction, any part of the Common Elements.

(v) Alter any partition or the creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), for which only the owners of Units affected and Eligible Mortgagees of those Units need approve the action.

(c) Any action to terminate the legal status of the Condominium Community after substantial destruction or condemnation occurs must be agreed to by Owners to which at least seventy-five percent of the votes in the Association are allocated, and by fifty-one percent of the Eligible Mortgagees.

(d) Any action to terminate the legal status of the Condominium Community for reasons other than substantial destruction or condemnation occurs must be agreed to by Owners to which at least seventy-five percent of the votes in the Association are allocated, and by sixty-seven percent of the Eligible Mortgagees.

11.3 Special FHLMC Provisions. Except as provided by statute or in case of a condemnation or a substantial loss to the Units and/or Common Elements, and unless the consent of sixty-seven percent of the Eligible Mortgagees or Owners (other than Declarant) have given their prior written approval, the Association may not:

(a) by act or omission seek to abandon or terminate the Condominium Community;

(b) change the pro rata interest or obligations of any Unit in order to levy assessments, allocate distribution of hazard insurance proceeds or condemnation awards or determine the pro rata share of ownership of each Unit in the Common Elements;

(c) partition or subdivide any Unit;

(d) seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements by act or omission;

The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements is not a transfer within the meaning of this Paragraph 11.3(d); or

(e) use hazard insurance proceeds for losses to any condominium property (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the condominium property).

11.4 Implied Approval. Implied approval by an Eligible Mortgagee shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment or consent as required herein within thirty days after said Eligible Mortgagee receives proper notice of the proposal, provided this notice was delivered by certified or registered mail with return receipt requested.

11.5 Books and Records. Owners and their mortgagees shall have the right to examine the books and records of the Association at the office of the Association in accordance with the procedure set forth in the Association's Bylaws.

ARTICLE TWELVE: DURATION, AMENDMENT AND TERMINATION OF THE DECLARATION

12.1 Duration. The covenants, restrictions and obligations of this Declaration shall run with and bind the land in perpetuity until this Declaration is terminated in accordance with Paragraph 12.7 below. 73-54

12.2 Amendments by Owners. Except as permitted in Paragraph 13.5 hereof and except in cases of amendments that may be executed by the Board of Directors pursuant to Paragraphs 1.30, 7.9 and 8.3 and the Declarant pursuant to Paragraphs 1.30 and 12.4, and except as restricted by Paragraphs 11.2, 11.3 and 12.5 hereof, this Declaration, including the Map, may be amended by written agreement by Owners to which at least seventy-five percent of the votes in the Association are allocated; provided, however, an amendment may not: (a) create or increase Special Declarant Rights; (b) increase the number of Units; (c) change the uses to which a Unit is restricted; or (d) change the Allocated Interests of a Unit except by unanimous consent of the Owners.

Notwithstanding any other provisions set forth in this Declaration, there shall be no reallocation of interests in a Limited Common Element which is appurtenant to a Unit or redefinition of Unit boundaries without the express prior written consent of the Owner affected.

Any such amendment shall be effective upon the recording of the amendment together with a notarized Certificate of an officer of the Association certifying that the requisite number of Owners and Eligible Mortgagees, if required, have given their written consent to the amendment. The officer shall further certify that originals of such written consents by Owners and Eligible Mortgagees, as applicable, along with the recorded amendment, are in the records of the Association and available for inspection.

Each amendment to the Declaration must be recorded in the Office the County Clerk and Recorder.

Signatures of Owners on the amendment need not be notarized.

All signatures shall be irrevocable even upon death or conveyance of the Unit, except that if an amendment is not recorded within three years of the date of signature, then the executing Owner or their successor or assigns may revoke their signature by a written and notarized document delivered to the Secretary of the Association.

Amendments can be executed in counterparts, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the whole.

No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association's Declaration, Articles of Incorporation or Bylaws unless it

is commenced within one year from the date of the recording of the said amendment, unless fraud or willful negligence is asserted and proven.

12.3 FHA/VA Approval. If the Condominium Community has been approved by the Federal Housing Administration and/or the Veterans Administration, then until the termination of the Period of Declarant Control in accordance with Paragraph 4.7 hereof, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: annexation of additional properties, amendment of this Declaration and the assessment of a Special Assessment. 79-55

12.4 Amendments by Declarant. Declarant reserves the right to amend, without the consent of Owners or First Mortgagees this Declaration, the Map, the Association's Articles of Incorporation or Bylaws, any time within the limitations set forth in Paragraph 10.3 hereof, as follows:

(a) To make nonmaterial changes, such as the correction of a technical, clerical, grammatical or typographical error or clarification of a statement.

(b) To comply with any requirements of any of the Agencies or to induce any of the Agencies to make, purchase, sell, insure or guarantee First Security Instruments.

(c) To comply with any requirements of the Act.

12.5 Consent of Declarant Required. Any proposed amendment of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment.

The foregoing requirement for consent of Declarant to any amendment shall terminate at the option of the Declarant, but in any event, shall terminate without further act or deed in accordance with the limitations set forth in Paragraph 10.3 hereof.

12.6 Consent of Eligible Mortgagees. Amendments may be subject to the consent requirements of Eligible Mortgagees as more fully set forth in ARTICLE ELEVEN hereof.

12.7 Termination. The Condominium Community may be terminated only in accordance with Paragraphs 11.2(c) and (d) hereof.

The proceeds of any sale of real estate together with the assets of the Association shall be held by the Board of Directors as trustee for Owners and holders of Security Interests upon the Units as their interests may appear as more fully set forth in § 38-33.3-218 of the Act.

ARTICLE THIRTEEN: GENERAL PROVISIONS

13.1 Right of Action. The Association and any aggrieved Owner shall have an appropriate right of action against Owners for failure to comply with the Declaration, Bylaws of the Association, Articles of Incorporation and Rules and Regulations of the Association or with decisions of the Board of Directors of the Association which are made pursuant thereto. Owners shall have a similar right of action against the Association. 79-56

13.2 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

13.3 Severability. Any portion of this Declaration invalidated in any manner whatsoever shall not be deemed to affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision has never been included herein.

13.4 No Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

13.5 Registration by Owner of Mailing Address. Each Owner shall register his or her mailing address with the Association, and except for monthly statements and other routine notices, which shall be personally delivered or sent by regular mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address.

All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to Zev Paiss, 745 Poplar Ave., Boulder, CO 80304, Registered Agent for the Association until the Registered Agent is changed by a notice duly filed with the Office of the Secretary of State of Colorado (Change of Registered Agent).

13.6 Conflict. The Project Documents are intended to comply with the requirements of the Act and the Colorado Nonprofit Corporation Act. If there is any conflict between the said Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Project Documents, this Declaration shall control.

13.7 Mergers. The Condominium Community may be merged or consolidated with another condominium community of the same form of ownership by complying with § 38-3.33-221 of the Act.

13.8 Arbitration/Attorney's Fees. Except for matters requiring injunctive relief and matters concerning the collection of Assessments, all matters regarding the interpretation, application and enforcement of this Declaration shall be resolved by binding arbitration in accordance with the Colorado Arbitration proceeding consistent with the Rules of the American Arbitration Association. The parties to such dispute shall agree upon a single arbitrator who shall be an experienced professional property manager of a condominium association. In the event the parties are unable to agree upon an arbitrator within 30 days after written notice, the presiding judge of the County's District Court shall appoint an arbitrator qualified as set forth above upon application of a party. 79-57

Judgment upon the determination of the arbitrator shall be entered and enforced by the County's District Court.

The arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.

13.9 Certificate of Completion. The Certificate of Completion required by § 38-33.3-201(2) of the Act is attached herein as Exhibit F.

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

13.11 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 10 day of October, 1997.

WONDERLAND CUSTOM BUILDERS, INC.,
a Colorado Corporation

By: _____
Bruce R. Richardson, Vice-President

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this 10th day of October, 1997, by Bruce R. Richardson, Vice-President of Wonderland Custom Builders, Inc., a Colorado corporation.

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My commission expires: 12-2-2000.

WITNESS my hand and official seal.

Cynthia D. Symons
Notary Public

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EXHIBIT A
TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

LEGAL DESCRIPTION OF THE REAL PROPERTY
SUBMITTED TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

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Lot 2, Nomad Community Housing Project, City of Boulder, County of Boulder, State of Colorado, as recorded in Planfile P-38, F-4, No. 34, of the records of Boulder County, Colorado.

EXHIBIT B
TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

TABLE OF OWNERSHIP INTERESTS

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Each Unit in the Condominium Community shall have one vote and each Unit is hereby vested with an undivided Percentage Ownership Interest in the Common Elements as set forth below.

UNIT NO.	TOTAL SQUARE FOOTAGE	PERCENTAGE OWNERSHIP INTEREST IN THE COMMON ELEMENTS
N103	2756	12.57
N102	1662	7.58
N203	1262	5.75
N101	1432	6.54
N202	1032	4.70
N201	1484	6.77
S104	2810	12.83
S103	2064	9.42
S102	3170	14.46
S101	2064	9.42
S201	2184	9.96
	21920	100%

The Percentage Ownership Interest in the Common Elements of each Owner is allocated by the Declarant in accordance with Paragraph 1.3 hereof.

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EXHIBIT C
TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

SCHEDULE OF CHARGES

Per Unit Charges

-19.61

Accounting & Management
Insurance - Common Areas
Insurance - D&O
Legal & Collection Expense
Miscellaneous Expense
Repairs & Maintenance - Parking Spaces
Repairs & Maintenance - Landscape
Reserve for Replacement - Paving
Social Expense
Snow Removal/Lawn Maintenance
Utilities - Water for Common Landscaping

Equivalent Person Charges

Property & Casualty Insurance - Common House
Reserve for Replacement - Appliances/Equipment
Reserve for Replacement - Common Building
Repairs & Maintenance - Common House
Repairs & Maintenance - Kitchen
Supplies - Common House
Trash
Utilities - Water & Sewer all Apartments
Utilities - Gas & Elec. Common House and Outside Lighting
Utilities-Water, Common House

Insurance Charges

Insurance for Common Elements

Exterior Maintenance Charges

Repairs & Maintenance - Apartments/Decks
Reserve for Replacement - Roofs
Reserve for Replacement - Exteriors, Siding & Decks

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EXHIBIT D
TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

THE RECORDING DATA FOR RECORDED EASEMENTS AND LICENSES WHICH THE CONDOMINIUM COMMUNITY IS OR MAY BECOME SUBJECT TO:

Any and all easements as shown on the recorded plat of the subdivision.

1367

EXHIBIT E
NOMAD CONDOMINIUMS
SCHEDULE OF MAINTENANCE RESPONSIBILITIES

I	II	III	IV
ITEMS	**COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY**	**LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY**	**UNIT OWNER'S RESPONSIBILITIES WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENTS**
All of the real property, private street, landscaping, grounds and other improvements thereon lying outside the Buildings' foundations.	All, in all regards	All, in all regards	
The Buildings' roof, foundations, exterior, bearing and utility walls.	All, in all regards		
Windows.	Exterior painting, and exterior caulking only.		Routine cleaning, repair and replacement of glass in the windows and window mechanisms serving an Apartment.
Doors	Regular scheduled maintenance for all surfaces which are not exposed to the interior of an Apartment, including panel, buck, trim and sill.		Apartment side of door panel, interior trim, all hardware including lock, door chime assembly, hinges/closure and weather stripping, replacement of glass, if any.
Electrical and related systems and components thereof, including fixtures.	Systems including fixtures and appliances serving more than one Apartment, all in all regards.		Systems including fixtures and appliances serving only one Apartment, all in all regards, including exterior fixtures serving primarily only one Apartment.
Heating systems and components thereof.	Systems serving more than one Apartment, all in all regards.		Systems and related components thereof serving only one Apartment, all in all regards.

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EXHIBIT E
NOMAD CONDOMINIUMS
SCHEDULE OF MAINTENANCE RESPONSIBILITIES

I	II	III	IV
ITEMS	**COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY**	**LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY**	**UNIT OWNER'S RESPONSIBILITIES WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENTS**
Plumbing and related systems and components thereof.	Plumbing providing service to more than one Apartment. All, in all regards.		All plumbing and related systems and components thereof serving only one Apartment, all in all regards.
Parking spaces	All in all regards	All, in all regards	
Trash collection system.	All, in all regards.		
Driveways		All, in all regards	
Garage Spaces		All, in all regards, except routine cleaning	Routine cleaning
Garage Doors	All exterior maintenance except glass replacement and the electrical door opening mechanism, if any		Glass replacement and electrical door opening mechanism, if any
Balconies, Decks, Patios		All in all regards, except routine cleaning and floor maintenance	Routine cleaning and floor maintenance

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EXHIBIT E
NOMAD CONDOMINIUMS
SCHEDULE OF MAINTENANCE RESPONSIBILITIES

MAINTENANCE RESPONSIBILITIES:

This Exhibit D is not intended to describe or encompass all maintenance functions nor to delineate all respective responsibilities between the Owners and the Association. The placement of responsibility under any specific column does not always accurately reflect the precise character and nature of ownership. The appropriate paragraphs of the Condominium Declaration and the Condominium Map determine ownership. In many cases maintenance responsibility is allocated to the Association to ensure central maintenance responsibility, uniformity and quality of repair, and to protect community health and safety. Where such maintenance is required due to the negligent or wrongful act or omission of an Owner (or members of his or her household, tenants, employees, agents, visitors, guests or pets), the Association will perform the necessary maintenance at the sole expense of the Owner (see ARTICLE NINE).

COLUMN I: **ITEMS** - Items appearing in this column are illustrative and not exhaustive.

COLUMN II: **COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY** - Responsibility for determining the maintenance, repair and replacement requirements of the Common Elements and determining the costs thereof shall be primarily the responsibility of the Board of Directors.

COLUMN III: **LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY** - Responsibility for determining the maintenance, repair and replacement requirements of the Limited Common Elements shall be the responsibility of the Board of Directors. The Owner of a Unit to which a specific Limited Common Element is exclusively appurtenant is responsible to keep said Limited Common Elements in a clean and neat condition.

COLUMN IV: **OWNER'S RESPONSIBILITY WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT** - The items in this column are not intended to be exclusive and all-encompassing and do not affect responsibilities expressly provided for otherwise.

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EXHIBIT F
TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

CERTIFICATE OF COMPLETION

7366

In accordance with § 38-33.3-201(2), I hereby certify that as of this date all structural components of all building within THE NOMAD CONDOMINIUMS, containing or comprising any Units thereby created are substantially completed.

Dated: 10/9/97

Registered Land Surveyor

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EXHIBIT G
TO THE CONDOMINIUM DECLARATION
OF
THE NOMAD CONDOMINIUMS

JOINT USE/CROSS EASEMENT AGREEMENT

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EXHIBIT G

JOINT USE AND EASEMENT AGREEMENT

THIS JOINT USE AND EASEMENT AGREEMENT is made by and between NOMAD PLAYERS, INC., a Colorado corporation ("Nomad"), and THE NOMAD CONDOMINIUM ASSOCIATION, a Colorado corporation not for profit ("Association"). 79-18

WHEREAS, Nomad owns a building (the "Theater") located on Lot 1, Nomad Community Housing Project Subdivision, a subdivision of the County of Boulder; and

WHEREAS, the Theater consists of a lobby, restrooms, storage area and auditorium; and

WHEREAS, a Condominium Community has been constructed on Lot 2 of the said Nomad Community Housing Project Subdivision which shall be governed by the Association; and

WHEREAS, there is a building constructed on said Lot 1 which is owned by Nomad adjacent to and connected to the Theater known as the "Common House"; and

WHEREAS, the Common House has been constructed with funds from the Condominium Community; and

WHEREAS, said Common House consists of a kitchen and dining facility, together with a patio constructed on its south side; and

WHEREAS, both parties would like to be able to jointly use the Common House and the Theater.

NOW THEREFORE, it is agreed as follows:

1. Uses. The Association shall use the Common House for community dining, recreation, social functions, and other peaceful uses. Nomad shall have use of the Common House during theater performances. The Association may use the lobby and bathroom area of the Theater as long as the use does not conflict with the activities of Nomad. Nomad and the Association agree to work together to accommodate each others uses and needs and to share the Common House and the Theater lobby and restroom area. However, the Association shall control the use of the Common House at all times, other than during performances and Nomad shall control the uses within the Theater at all times and shall control the use of the Common House during theater performances.

Both the Association and Nomad agree that no illegal or unsafe uses will be permitted in the Common House or the Theater. A committee should be formed with at least one representative from Nomad and one from the Association to deal with mutual concerns including uses of the Common House and Theater and the establishment of necessary rules and regulations to ensure the peaceful and reasonable uses of both parties. Nomad shall cooperate with the Association in scheduling performances so as to not unreasonably restrict the Association use of the Common House for common meals. 73-69

2. **Utilities.** It is anticipated that the water and sewer service for the Common House will be provided from the theater hook-ups and that the Association will pay a fair share of the water and sewer charges for the Theater and Common House. Electrical and gas services will be separately metered for the Common House and will be paid by the Association.

3. **Taxes and Insurance.** Taxes and insurance for the Theater and the Common House will be pro-rated based on the best estimate of the relative value of the Common House and the Theater. The Association will pay the pro-rated share of the taxes for the Common House as well as the pro-rated water and sewer charges on a quarterly basis to Nomad.

The Association will carry Contents Insurance on the Common House. Nomad will provide hazard and extended insurance coverage for the Common House as part of its hazard insurance on the Theater. Both parties will cover their activities in the Common House under their general liability policies and will name the other as an additional insured. All insurance will require a 15 day notice to the other before it can be canceled. The cost of the hazard insurance for the Common House will be paid by the Association to Nomad.

4. **Maintenance.** The Association shall maintain the Common House including long term maintenance and repairs as well as day-to-day cleaning and maintenance. Nomad shall maintain the Theater and its landscaping, including long-term maintenance and repair as well as day to day cleaning and maintenance. The Association shall also pay for cleaning of the Theater lobby to the extent that the Association uses the lobby area. Nomad shall pay for other cleaning of the theater, except for professional cleaning of the bathroom areas, which shall be paid 50% by the Association and 50% by Nomad.

If any portion of the Common House is damaged or falls into disrepair, then such damage shall be repaired and restored by the Association. If at any time the Association is not proceeding diligently with such work of repair or restoration, then Nomad may give written notice to the Association specifying the respect in which the work of repair or restoration is not proceeding diligently. If, upon the expiration of ten days after giving of such notice, the work or repair or restoration is not proceeding diligently, then Nomad may perform the repair and restoration and may take all appropriate steps to complete the same. Nomad shall be entitled to reimbursement from the Association for all amounts so spent.

If any portion of the Theater is damaged or falls into disrepair, then such damage shall be repaired and restored by Nomad. If at any time Nomad is not proceeding diligently with such work of repair or restoration, then the Association may give written notice to Nomad specifying the respect in which the work of repair or restoration is not proceeding diligently. If, upon the expiration of ten days after giving of such notice, the work or repair or restoration is not proceeding diligently, then the Association may perform the repair and restoration and may take all appropriate steps to complete the same. The Association shall be entitled to reimbursement from Nomad for all amounts so spent. 73.70

5. **Parking.** Improvement of the parking spaces on the east side of the Theater shall be paid for on an equal basis by the Association and Nomad and shall be shared by both parties. However, Nomad shall have control over all parking south of the patio area, which shall generally be reserved for the theater cast during times of theater use, including rehearsals. Parking to the north of the Common House shall be shared by the Association and Nomad. All parking located on the Association property east of the driveway shall be for the exclusive use and control of the Association.

6. **Alterations and Additions.** The Association shall be entitled to make reasonable alterations to the interior of the Common House based on the anticipated uses for the space. However, any major alterations or additions must be approved by Nomad, which approval shall not be unreasonably withheld. The Association shall have the right to add a roof deck to the Common House provided the design is approved by Nomad.

7. **Environmental Issues.** The Association and Nomad agrees that no hazardous substances or uses shall be permitted in the Common House or on the Theater. Each party shall indemnify and hold the other harmless from any loss or damage resulting from the storage, use, release or discharge of any hazardous or toxic substance for which it is responsible.

8. **Term.** The Agreement shall have an initial term of thirty (30) years with an option for the Association to renew for two additional thirty (30) year terms, provided the Association has complied with the terms of this Agreement and has made the necessary improvements and repairs necessary to ensure that the Common House will remain in good condition for each additional thirty (30) year term.

9. **User Fee.** The User Fee shall be $100 per year for thirty (30) years with an option to extend at the same rate for a second and third thirty (30) year term.

10. **Mechanics Liens.** The Association agrees to pay all expenses on the Common House on a timely manner and to not allow any mechanics liens to be filed against the property. If liens are filed and not cured within a reasonable time, then the lease shall be canceled.

11. **Indemnity.** Both the Association and Nomad agree to indemnify each other and hold each harmless against any and all claims arising from their individual or joint use of the properties. Each party is responsible to the other for damage caused by the negligent or intentional acts of it, its officers, directors, employees, licensees and guests.

73.71

12. **Assignment and Subletting.** The Association may not assign or sublet the Common House without approval of Nomad, which approval shall not be unreasonably withheld. If the Common House is sublet to a third party any rent received above operating expenses shall be shared by the Association and Nomad in a ratio equal to 70% to the Association and 30% to Nomad. Any assignment or subletting shall not interfere with or diminish the rights of Nomad under this Agreement. The Association shall remain fully liable for fulfilling all of its obligations under the Agreement, and shall indemnify and hold Nomad harmless from any loss or damage resulting from the acts or omissions of the assignee or sublessee. Any assignment or subletting shall not allow a use of the Property in violation of any applicable laws, including zoning codes, or in violation of any agreement between the Seller or the Buyer and the City of Boulder.

Nomad may not assign or sublet the Common House without approval of the Association, which approval shall not be unreasonably withheld. If the Common House is sublet to a third party any rent received above operating expenses shall be shared by the Association and Nomad in a ratio equal to 70% to Nomad and 30% to the Association. Any assignment or subletting shall not interfere with or diminish the rights of the Association under this Agreement. Nomad shall remain fully liable for fulfilling all of its obligations under the Agreement, and shall indemnify and hold the Association harmless from any loss or damage resulting from the acts or omissions of the assignee or sublessee. Any assignment or subletting shall not allow a use of the Property in violation of any applicable laws, including zoning codes, or in violation of any agreement between the Seller or the Buyer and the City of Boulder.

13. **Damage by Casualty.** Should the Theater and Common House be damaged beyond repair and Nomad decide to demolish it, then the insurance proceeds attributed to the Common House shall be paid to the Association as an reimbursement of the Common House construction costs.

14. **Condemnation.** Should the Common House be condemned, proceeds from the condemnation shall be pro-rated and the Association shall receive that portion attributed to the Common House.

15. **Disputes.** All matters regarding the interpretation, application and enforcement of this Declaration shall be resolved by binding arbitration in accordance with the Colorado Arbitration proceeding consistent with the Rules of the American Arbitration Association. The parties to such dispute shall agree upon a single arbitrator who shall be an experienced professional property manager. In the event the parties are unable to agree upon an

arbitrator within 30 days after written notice, the presiding judge of the County's District Court shall appoint an arbitrator qualified as set forth above upon application of a party.

Judgment upon the determination of the arbitrator shall be entered and enforced by the County's District Court.

The arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.

16. **Grant of Easement.** The Association hereby grants, transfers and conveys to Nomad a nonexclusive easement and right-of-way over that portion of said Lot 2 needed for Nomad to accomplish the purposes set forth in this Agreement.

Nomad hereby grants, transfers and conveys to the Association a nonexclusive easement and right-of-way over that portion of said Lot 1 needed for the Association to accomplish the purposes set forth in this Agreement.

17. **Run With the Land.** The rights, rights-of-way and easements granted in this Agreement shall run with the land, and shall be binding upon and inure to the benefit of the parties hereto, their members and such members' family members, customers, tenants and guests, and their respective heirs, personal representative, successors and assigns.

18. **Amendment.** This Agreement may not be amended so as to materially interfere with or reduce the rights or obligations granted in this Agreement, nor may this Agreement be terminated subject to the terms of Paragraph 8 hereof. Subject to the foregoing limitations, this Agreement may at any time be amended or supplemented by the Association and Nomad by unanimous agreement of the Board of Directors of the Association and Nomad.

19. **Other Terms.** Other terms shall be added as may be appropriate to promote a harmonious relationships between the parties.

NOMAD PLAYERS, INC.

Date 10-16-97

By: Mary Ann Ritchie
Its: Vice President

THE NOMAD CONDOMINIUM ASSOCIATION

Date 10/9/97

By: Jim Pais
Its: PRESIDENT

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

79.73

The foregoing instrument was subscribed and sworn to before me this 16th day of October, 1997, by MaryAnn Nitchie as Vice President of NOMAD PLAYERS, INC.

My commission expires: 2-4-98

WITNESS my hand and official seal.

Julie Alverson
Notary Public

JULIE ALVERSON NOTARY PUBLIC STATE OF COLORADO

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was subscribed and sworn to before me this 9th day of October, 1997, by Zev Paiss as President of THE NOMAD OFF-BROADWAY CONDOMINIUM ASSOCIATION.

My commission expires: 12-2-2000

WITNESS my hand and official seal.

Cynthia L. Symons
Notary Public