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DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
OF
BRISTLECONE LOFTS CONDOMINIUMS

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS of the BRISTLECONE LOFTS CONDOMINIUMS (the "Declaration") is made as of the 1st day of August, 2010, by Aspenglow Partners, LLC, a Colorado limited liability company (the "Declarant").

RECITALS

A. Declarant is owner of all of that real property located in Archuleta County, Colorado, more particularly described on the attached Exhibit A (the "Property"),

B. Declarant desires to create a Planned Community pursuant to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statute 38-33.3-101 et. seq. (the "Act") on the Property, the name of which is the Bristlecone Lofts Condominiums.

C. Declarant hereby declares that all of the Property described on Exhibit A shall be held, sold, and conveyed subject to the following covenants, restrictions and easements which are for the purpose of protecting the value and desirability of the Property, and which shall run with the titles to the Property and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Property. Additionally, Declarant hereby submits the real estate to the provisions of the Act.

D. This Declaration, as it may be amended in accordance with the procedures set forth below, is intended to have perpetual duration, subject to the right of the Owners to terminate this Declaration and the planned community established by this Declaration in accordance with the procedures set forth in Article XVII below.

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. The following words, when used in this Declaration or in any Amended or Supplemental Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

A. "Articles" means the Articles of Incorporation for the Bristlecone Lofts Condominiums Association, Inc., as filed with the Colorado Secretary of State on August 20, 2010, and any amendments which may be made to those Articles from time to time.

B. "Annual Assessment" means the Assessment levied annually and paid on a prorated basis each quarter.

C. "Assessments" means the Annual, Special, and Default Assessments levied pursuant to Article XI below. Assessments are also referred to as a Common Expense Liability as defined under the Act.

Rtn:

TIERRA DWELLINGS
189 TALISMAN DR. SUITE A.
PAGOSA SPRINGS, CO 81147



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D. "Association" means the Bristlecone Lofts Condominium Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

E. "Association Documents" means this Declaration, the Articles of Incorporation, and the Bylaws of the Association, and any procedures, rules, regulations or policies adopted under such documents by the Association.

F. "Association-Owned Property" means the Common Area as shown on the Plat and all improvements and fixtures of any kind whatsoever located thereon and all other real property and improvements; if any, in which the Association owns an interest for the common use and enjoyment of all of the Owners on a non-exclusive basis. Such interest may include, without limitation, estates in fee, for terms of years, or easements.

G. "Board of Directors" means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance and management of the Property and all improvements on the Property.

H. "Bylaws" means the Bylaws as adopted by the Association, as amended from time to time

I. "Common Expenses" means (i) all expenses expressly declared to be common expenses by this Declaration, any Supplemental Declaration, or the Bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the Association-Owned Property, Party Walls and Exterior Maintenance Area; (iii) insurance premiums for the insurance carried under Article IX; and (iv) all expenses lawfully determined to be common expenses by the Board of Directors of the Association.

J. "Common Area" means the area shown on the Plat as the "Common Area" and which is Association-Owned Property.

K. "Declarant" means Aspenglow Partners, LLC, a Colorado limited liability company, and its successors and assigns.

L. "Declaration" means and refers to this Declaration of Covenants, Conditions, Restrictions and Easements of Bristlecone Lofts Condominiums.

M. "Default Assessment" means the Assessments levied by the Association pursuant to Article XI, Section 11.7. below.

N. "Exterior Maintenance Area" means the exterior of any Condominium Unit (excluding window panes), and the property surrounding the Condominium Unit and any improvements on such property within the perimeter of the Lot on which the Condominium Unit is located.

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

P. "First Mortgagee" means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.



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Q. "Lot" means a plot, including the improvements thereon, of land subject to this Declaration and designated as a "Lot" on any subdivision plat of the Property recorded by Declarant in the office of the Clerk and Recorder of Archuleta County, Colorado.

R. "Manager" means a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Board of Directors may authorize from time to time.

S. "Member" means every person or entity who holds membership in the Association.

T. "Mortgage" means any mortgage, deed of trust or other document pledging any Condominium Unit or interest therein as security for payment of a debt or obligation.

U. "Mortgagee" means any person or entity named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person or entity under such Mortgage.

V. "Owner" means the owner of record, whether one (1) or more persons or entities, of fee simple title to any Condominium Unit, and "Owner" also includes the purchaser under a contract for deed covering a Condominium Unit, but excludes those having such interest in a Condominium Unit merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Condominium Unit pursuant to foreclosure or other proceedings.

W. "Party Wall" means a common wall, if any, adjoining two (2) Condominium Units and shall be deemed to include the footings underlying, the portion of the roof over, and the utility lines within, a common wall.

X. "Plat" means the subdivision plat depicting the Property subject to this Declaration and recorded in the records of the Clerk and Recorder of Archuleta County, Colorado contemporaneously herewith.

Y. "Property" means and refers to that certain real property described on **Exhibit A** attached to this Declaration.

Z. "Special Assessment" means an assessment levied pursuant to Article XI, Section 11.6 below on an irregular basis.

AA. "Successor Declarant" means any party or entity to whom Declarant assigns any or all of its rights, obligations or interests as Declarant, as evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Archuleta County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

BB. "Bristlecone Lofts Condominiums" means the planned community created by this Declaration, consisting of the Property, the Condominium Units and any other improvements constructed on the Property.

CC. "Condominium Unit" means the condominium unit residence constructed.

Each capitalized term not otherwise defined in this Declaration shall have the same meaning(s) specified or used in the Act.



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ARTICLE II
DIVISION OF REAL PROPERTY

Section 2.1. Planned Community. The Property is a "Planned Community" as defined under Colorado Revised Statute Subsection 38-33.3-103(22).

Section 2.2. Ownership of Units. Title to a Condominium Unit may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an Owner with respect to the Condominium Unit in which they own an interest. For all purposes herein, there shall be deemed to be only twenty (20) Owners, the Owners of Condominium Units 101 through 110 and 201 through 210.

Section 2.3. Ownership of Garages. The exterior portion of all garages is classified as a "General Common Element" and is a part of the Association. All responsibility for maintenance and upkeep for these exterior portions is that of the Association. The interior of each garage is classified as a "Limited Common Element" and each garage interior is reserved for the exclusive use of the Owner or occupier of that space. Said Owner or occupier is responsible for maintaining the cleanliness and order of the garage space registered to them.

Section 2.4. Assignment of Garages. Garages will be assigned to each Owner on a "first-come, first-served" basis with the date of escrow being the determining factor as to the order in which garages are assigned. Each first purchaser of a Condominium Unit shall be allowed to choose their or her garage from the list of unissued garages as of the date of escrow for that Condominium Unit. From that date forward, the garage chosen will be forever attached to that Condominium Unit. Each unit number and the garage space chosen to accompany said Condominium Unit shall be listed on the Grant Deed for each Condominium Unit sold.

Section 2.5. Legal Description. Any contract of sale, deed, lease, mortgage, will or other instrument affecting a Condominium Unit may describe it by its Condominium Unit number, Bristlecone Lofts Condominiums, and by reference to the Plat and this Declaration and the recording information thereof in the real property records of Archuleta County, Colorado.

Section 2.6. Separate Assessment. Each Condominium Unit shall be considered a separate parcel of real property and shall be separately assessed and taxed. The Common Area shall not be assessed separately but shall be assessed with the Condominium Units as provided pursuant to Colorado Revised Statute Subsections 39-1-103(10) and 38-33.3-105(2).

Section 2.7. No Partition. No Owner of a Condominium Unit shall bring any action for partition or division of the Association-Owned Property.

Section 2.8. Residential Use. Each Condominium Unit shall be used and occupied solely for dwelling or lodging purposes. All of the above stated uses and occupancies shall be only as permitted by and subject to the appropriate and applicable governmental zoning and use ordinances, rules and regulations from time to time in effect. Notwithstanding the foregoing, Declarant is authorized to maintain a model Condominium Unit and on-site sales office within any unsold Condominium Unit. A model Condominium Unit, if any, maintained by Declarant shall be designated one of the separate fee simple Condominium Units.



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Section 2.9. Lease of Unit. An Owner shall have the right to lease their Condominium Unit upon such terms and conditions as the Owner may deem advisable; provided, however, that (i) any such lease shall be in writing and shall provide that the lease is subject to the terms of this Declaration, (ii) a Condominium Unit may be leased only for the uses provided hereinabove, and (iii) any failure of a lessee to comply with the terms of this Declaration, Articles of Incorporation, Bylaws or rules of the Association shall be a default under the lease enforceable by the Association. The Owner of the Condominium Unit shall be liable and responsible for the lessee's compliance with the foregoing and may be assessed or otherwise penalized for any violation thereof by such lessee as if they had committed such violation themselves. Leasing of Units shall be prohibited except in strict compliance with all of the following:

A. Any dwelling that is leased shall be leased only in its entirety; separate rooms, floors, or other areas within a dwelling may not be separately leased.

B. No signs shall be posted on the Condominium Unit, elsewhere within Bristlecone Lofts Condominiums, or on right-of-way adjacent to Bristlecone Lofts Condominiums, advertising the availability of the Condominium Unit for rent or for lease; however, the Association may provide a common sign and/or designate a common location for posting information regarding Condominium Units being offered for lease;

C. All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Condominium Unit are bound by and obligated to comply with the Association Documents. However, the Association Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

D. All leases shall have a minimum initial term of at least three (3) months and no more than 3 leases for any Condominium Unit shall be allowed in any calendar year. No Condominium Unit may be sub-leased and no lease may be assigned during such minimum initial term. In the event of termination of a lease after the tenant has taken occupancy and prior to the end of such minimum initial term, the Owner may not enter into a new lease with a term commencing prior to the date on which the previous lease would have expired without prior approval of the Board, which shall not be granted unless the Board determines, after consideration of the facts and circumstances, that the Owner acted in good faith, with no intent to circumvent the requirements of this subsection (b), and could not reasonably have anticipated the early termination of the previous lease at the time the lease was signed.

E. Within 10 days of a lease being signed, the Owner of the leased Condominium Unit shall notify the Board or the Association's managing agent of the lease and provide the name, address, phone number and any additional information about the lessee the Board may reasonably require.

F. The Owner must give the tenant copies of the Association Documents.

Section 2.10 Decks. Decks (of Condominium Units), if any, shall not be used for storage of any kind, including, but not limited to, bicycles, kayaks, rafts, and firewood. No use of charcoal grills shall be allowed in Decks. Use of gas stoves or grills is permitted within Decks. It shall be permissible to maintain patio furniture and planters within Decks so long as same are maintained in a neat and orderly condition.



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Section 2.11 Noxious or Offensive Activity; Compliance with Laws. No noxious or offensive activity shall be conducted in any Condominium Unit, nor shall anything be done or placed within a Condominium Unit that is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others. No lights shall be emitted from any Condominium Unit that are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Condominium Unit that is unreasonably loud or annoying; and no odor shall be emitted from any Condominium Unit that is noxious or unreasonably offensive to other Owners. No immoral, improper, offensive or unlawful use may be made of any Condominium Unit. Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Colorado and all ordinances, rules and regulations of the County of Archuleta and City of Pagosa Springs. Any violating Owner shall hold the Association and other Owners harmless from all fines, penalties, costs and prosecutions for any violation or noncompliance.

Section 2.12 Notice of Transfer. Any Owner desiring to sell or otherwise transfer title to his or her Condominium Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title. The Association may charge an Administrative Transfer Fee on transfer of title to each Condominium Unit to cover the administrative expenses associated with updating the Association's records. Any such Administrative Transfer Fee shall be reasonably determined by the Board to cover its costs, including, but not limited to, any fees charged for updating records by a management company retained by the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS: ASSOCIATION OPERATIONS

Section 3.1. The Association. Every Owner of a Condominium Unit shall be deemed to be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Condominium Unit.

Section 3.2. Function of Association. The Association has been established to administer Bristlecone Lofts Condominiums pursuant to the Association Documents. Its responsibilities include, but are not limited to:

- A. Management, maintenance, operation and control of the Association-Owned Property; and
- B. Interpretation and enforcement of the Association Documents; and
- C. Establishing and upholding community-wide standards

Section 3.3. Transfer of Membership. An Owner shall not transfer, pledge, or alienate their membership in the Association in any way, except upon the sale or encumbrance of their Condominium Unit and then only to the purchaser or Mortgagee of their Condominium Unit.

Section 3.4. Membership. The Association shall have one (1) class of membership consisting of all Owners, including the Declarant so long as Declarant continues to own an interest in a



Condominium Unit. Except as otherwise provided for in this Declaration, each Member shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Condominium Unit owned. When more than one person holds an interest in any Condominium Unit, all such persons shall be Members, but the vote for such Condominium Unit shall be exercised by only one person or alternative persons appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Condominium Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any matter. Any Owner of a Condominium Unit which is leased may assign their voting right to the tenant; provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one vote be cast with respect to any one Condominium Unit.

Section 3.5. Declarant Control. Notwithstanding anything to the contrary provided for herein or in the Bylaws, during the period of Declarant Control, Declarant shall be entitled to appoint and remove the members of the Association's Executive Board and officers of the Association to the fullest extent permitted under the Act. The specific restrictions and procedures governing the exercise of Declarant's right to so appoint and remove Directors and officers shall be set out in the Bylaws of the Association. Declarant may voluntarily relinquish such power evidenced by a notice executed by Declarant and recorded in the Office of the Clerk and Recorder for Archuleta County, Colorado but, in such event, Declarant may at its option require that specified actions of the Association or the Executive Board as described in the recorded notice, during the period Declarant would otherwise be entitled to appoint and remove directors and officers, be approved by Declarant before they become effective.

Section 3.6. Compliance with Association Documents. Each Owner shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens and benefits of membership in the Association concern the land and shall be covenants running with each Owner's Condominium Unit for the benefit of all other Condominium Units and for the benefit of Declarant's adjacent properties.

Section 3.7. Books and Records. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to all Members and to Mortgagees, current copies of the Association Documents and the books, records and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 3.8. Manager. The Association may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a Manager of any duty, power or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.9. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents or the Act, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or the Act or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents and the Act, and every other duty or obligation implied by the express provisions of the Association Documents or the Act or necessary to reasonably satisfy any such duty or obligation.



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Section 3.10. Education and Training. The Association shall, as a Common Expense, provide training sessions for the Owners on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association, and the Board under the Governing Documents and Colorado law. The Association may retain the services of legal and management professionals and others as the Board deems appropriate to assist in or provide such training, which shall be offered at no charge to the Owners. The Board shall determine the manner, content, and timing of such training.

ARTICLE IV
POWERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 4.1. Power and Authority. The Board of Directors shall have power to take the following actions:

A. Adopt and publish rules and regulations governing the use of the Association-Owned Property, including any recreational facilities which may be constructed on such property, Party Walls and the Exterior Maintenance Area, and governing the personal conduct of the Members and their guests, and the Association may establish penalties, including, without limitation, the imposition of fines, for the infraction of such rules and regulations;

B. Suspend the voting rights of a Member during any period in which such Member is in default on payment of any Assessment levied by the Association, as provided in Article XI, Section 11.7. Such rights may also be suspended after notice and hearing for a period not to exceed ninety (90) days for infraction of published rules and regulations, unless such infraction is ongoing, in which case the rights may be suspended during the period of the infraction and for up to ninety (90) days thereafter. No such suspension shall affect the rights of a First Mortgagee; and

C. Exercise for the Association all powers, duties and authority vested in or delegated to the Board of Directors and not reserved to the Members or Declarant by other provisions of this Declaration or the Articles or Bylaws of the Association or as provided by law.

Section 4.2. Rulemaking Authority and Procedures. The Association Documents establish, as part of the general plan of development for Bristlecone Lofts Condominiums, a framework of affirmative and negative covenants, easements and restrictions that govern Bristlecone Lofts Condominiums. Within that framework, the Association must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology. Therefore, this Article establishes rulemaking authority and procedures for superseding, amending, modifying and expanding the Association's Restrictions and Rules ("Rules" or "Restrictions and Rules").

A. Declarant Authority. So long as the Declarant has the unilateral right to amend this Declaration pursuant to Article 17 below, the Declarant may unilaterally amend the Association's Restrictions and Rules to add new Rules or to modify, supersede or rescind existing Rules.

B. Board Authority. Subject to the notice and veto provisions in subsection (c) and the Board's duty to exercise judgment and reasonableness on behalf of the Association and its Members, the Board may adopt new Rules and modify or rescind existing Rules by majority vote of the directors at any Board meeting. However, during the project's development and sale period, any such



action shall also be subject to the Declarant's approval.

C. Notice; Effective Date; Owner Veto. Within 30 days after adoption of any new Rule or modification or rescission of an existing Rule pursuant to Section 4.2(b), the Board shall mail, by ordinary first-class mail, a copy of the new or modified Rule or a notice of the rescission of a Rule, as the case may be (any of the foregoing shall be referred to herein as a "Rule Change"), to all the Owners, and shall set a date for a meeting of the Owners to consider the Rule Change, which meeting shall occur in accordance with the By-Laws. A Rule Change adopted under Section 4.2(b) shall take effect 30 days after the date of the Owners' meeting required by this Section 4.2(c) in the absence of a veto at the noticed meeting by a majority of all Members.

D. Administrative and Operating Policies. The procedures set forth in this section do not apply to administrative and operating policies that the Board may adopt relating to the Common Elements, such as traffic, parking and safety regulations, notwithstanding that such policies may be published as part of the Rules.

E. Conflicts. No action taken under this Section 4.2 shall have the effect of modifying or repealing any provision of this Declaration other than the Rules. In the event of a conflict between the Rules and any provision of this Declaration (exclusive of the Rules), the Declaration shall control.

Section 4.3. Limitation on Restrictions and Rules for Protection of Owners and Others. Except as may be set forth in this Declaration (either initially or by amendment), all Restrictions and Rules shall comply with the following provisions:

A. Similar Treatment. Similarly situated Owners shall be treated similarly.

B. Religious and Holiday Displays. No rule shall prohibit Owners from displaying religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in dwellings located in single-family residential neighborhoods, except that the Association may adopt rules regulating the time, place, and number and size of such displays visible from outside the dwelling and other rules regulating the manner in which they are displayed.

C. Signs. No rules shall prohibit the posting of political signs by an Owner within the boundaries of that Owner's Unit during the period 45 days prior to an election and 7 days after the election, or regulate the content of political signs; however, rules may regulate the size and number of such signs to the extent regulated by city or county ordinance, or if not regulated by city or county ordinance, to the extent permitted by C.R.S. § 38-33.3-106.5(1)(c) of the Act.

D. Flags. No rules shall prohibit an Owner's display of the flag of the United States of America on such Owner's Unit in a manner consistent with the federal flag code, P.L. 94-344, 90 Stat. 810, 4 U.S.C. Sections 4 through 10, nor prohibit an Owner's display on the inside of a window or door of the dwelling on such Owner's Unit of a service flag bearing a star denoting the service of the Owner or a member of the Owner's immediate family in the active or reserve military service of the United States during a time of war or armed conflict; however, the Association may adopt reasonable rules regulating the location and size of flags and flagpoles, except that the maximum dimensions allowed shall be not less than nine by sixteen inches.

E. Household Composition. No rule shall interfere with the freedom of Owners to



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determine the composition of their households, except that the Association may adopt rules requiring that all occupants be members of a single housekeeping unit and limiting the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit.

F. Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, to the extent in compliance with local laws and ordinances, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance to persons outside the Unit.

G. Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Elements to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Elements available, from adopting generally applicable rules for use of Common Elements, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Elements, or violate the Association Documents. This provision does not affect the right to increase the amount of assessments as provided in Article XI.

H. Alienation. No rule shall prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit; however, rules may restrict leasing of multiple Units by related or affiliated Persons and may require a minimum lease term of three (3) months. The Association may also require that Owners use lease forms approved by the Board.

I. Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Unit prior to the adoption of such rule if such personal property was in compliance with all rules previously in force. This exemption shall apply only during the period of such Owner's ownership of the Unit, and shall not apply to subsequent Owners who take title to the Unit after adoption of the rule.

J. Reasonable Rights to Develop and Sell. No rule or action by the Association or Board shall unreasonably impede Declarant's right to develop Bristlecone Lofts Condominiums, nor restrict Declarant rights under this Declaration.

ARTICLE V ASSOCIATION - OWNED PROPERTY

The Association shall maintain and keep the Association-Owned Property in good repair, and the cost of such maintenance shall be funded as provided in Article XI. This maintenance shall include, but shall not be limited to, upkeep, repair and replacement, subject to any insurance then in effect, of all landscaping, walls, gates, signage, irrigation systems, sidewalks, driveways and improvements located in the Association-Owned Property. In the event the Association does not maintain or repair the Association-Owned Property, Declarant shall have the right, but not the obligation, to do so at the expense of the Association.

ARTICLE VI MECHANIC'S LIENS

Section 6.1. No Liability. If any Owner shall cause any material to be furnished to their



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Condominium Unit thereon or any labor to be performed therein or thereon, no Owner of any other Condominium Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, material, men and other persons furnishing labor or materials to their Condominium Unit thereon or any improvements therein. Nothing herein contained shall authorize any Owner or any person dealing through, with or under any Owner to charge the Association-Owned Property or any Condominium Unit thereon other than of such Owner with any mechanic's lien or other lien or encumbrance whatever. On the contrary (and notice is hereby given) the right and power to charge any lien or encumbrance of any kind against the Association-Owned Property or against any Owner or any Owner's Condominium Unit thereon for work done or materials furnished to any other Owner's Condominium Unit thereon is hereby expressly denied.

Section 6.2. Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Association-Owned Property or against any other Owner (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at their own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all the other Condominium Unit Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 6.3. Association Action. Labor performed or materials furnished for the Association-Owned Property, if duly authorized by the Association, in accordance with this Declaration or its 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 lien pursuant to law of equal amount against each of the Condominium Units. In the event a lien is effected against two (2) or more Condominium Units, the Owners of the separate Condominium Units may remove their Condominium Units from the lien by payment of the fractional or proportional amount attributable to each of the Condominium Units affected. Subsequent to payment, discharge or other satisfaction, the Condominium Unit shall be released from the lien paid, satisfied or discharged. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce their rights against any Condominium Unit not so released or discharged.

Section 6.4. Limited Warranty. Declarant hereby warrants to the Association that the improvements made or to be made in the Common Area by Declarant will be free from defect in workmanship or material for a period beginning with the completion of such improvement and ending one (1) year after substantial completion of construction or installation of the particular improvement. For purposes of the warranty, each tree or shrub installed by Declarant is a separate improvement. Declarant's warranty with respect to landscaping shall not apply in cases of failure by the Association to properly irrigate or otherwise maintain such landscaping, but shall be applicable only to defective landscaping materials installed by Declarant.

ARTICLE VII

PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT

Section 7.1. Owners' Easements. Every Owner and their guests and invitees have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Condominium Unit subject to the provisions contained herein. Certain third persons will



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also have access to the Common Area as set forth in the rules and regulations of the Association. Every Owner and their guests and invitees shall have a right of access to and from their Condominium Unit over and across those portions of the Common Area on which driveways are located. No Owner shall hinder nor permit their guests or invitees to hinder reasonable access by any other Owner and their guests or invitees to the Condominium Units and parking areas.

Section 7.2. Recorded Easements. The Property shall be subject to all easements as shown on any recorded plat affecting the Property and to any other easements of record or of use as of the date of recordation of this Declaration. In addition, the Property is subject to those easements granted by the Declarant in this Declaration.

Section 7.3. Other Easements.

A. Each Lot shall be subject to an easement for encroachments created by construction, settling and overhang, previously existing or as designed and constructed by Declarant or as a result of any addition or improvement pursuant to this Declaration. A valid easement for such encroachments and for the maintenance of same, so long as they exist, shall and does exist. In the event any improvement is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Condominium Unit due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the improvements shall stand.

B. Each Condominium Unit is subject to a blanket easement for support and a blanket easement for the maintenance of the structures or improvements presently situated, or to be built in the future, on the Lots.

C. There is hereby created an easement upon, across, over, in and under those portions of such Lots that contain mechanical equipment and utilities servicing all Condominium Units, and there is also hereby created a blanket easement upon, across, over, in and under the Property, each for the benefit of the Condominium Units and the structures and improvements situated thereon, including the Party Walls, if any, for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, cable TV and electricity. Said easements include future utility services not presently available to the Condominium Units which may reasonably be required in the future. By virtue of the above described blanket easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Condominium Units and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property. Notwithstanding the foregoing, all such utility, equipment, wires, circuits and conduits will be placed in the Unit benefited thereby to the extent practicable, and if placed in any other Unit, will be placed underground if possible, and to the extent practicable will be placed as close to the lot line as practicable. Any Owner shall have the right to relocate within their Unit any utility at their sole cost and expense.

D. The Condominium Units shall have the benefit and use of two (2) common entrance driveways as provided on the Plat. There is granted hereby a non-exclusive easement to each Condominium Unit, for ingress and egress purposes over and across those portions of such Association-Owned Property, if any which are used as a driveway serving the Condominium Units. No Owner shall hinder nor permit their guest to hinder reasonable access by any other Owner and their guest to the



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Condominium Units and parking areas.

Section 7.4. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Association-Owned Property, together with the right to store materials on the Association-Owned Property, to build and maintain temporary walls, and to make such other use of the Association-Owned Property as may be reasonably necessary or incident to the construction of improvements on the Lots or other improvements on the Property; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to Bristlecone Lofts Condominiums by the Owners.

Section 7.5. Reservation of Easements. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Association-Owned Property, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within Bristlecone Lofts Condominiums.

Section 7.6. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

Section 7.7. General Maintenance Easement. An easement is hereby reserved to Declarant. and granted to the Association, and any member of the Board of Directors or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs, to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, or to exercise its rights under Article VIII below, including the right to enter upon any Condominium Unit for the purpose of performing maintenance to the exterior of any Residence, as set forth in Article VIII below.

Section 7.8. Association as Attorney-in-Fact. Each Owner, by their acceptance of a deed or other conveyance vesting in them an interest in a Condominium Unit, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution as the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment.

Section 7.9. Delegation of Use. Any Owner may delegate their right of enjoyment to the Association-Owned Property to the members of their family, their tenants, guests, licensees and invitees, but only in accordance with and subject to the limitations of the Association Documents.

ARTICLE VIII

PARTY WALLS EXTERIOR MAINTENANCE AREA AND SPECIAL EASEMENT

Section 8.1. Party Walls.



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A. The cost of reasonable repair and maintenance of any Party Wall shall be a Common Expense of the Association. The Association shall have sole discretion to determine the time and manner in which such maintenance shall be performed. The Association shall have a perpetual easement in and to that part of the Property on which a Party Wall is located, for Party Wall purposes, including maintenance, repair and inspection. No Owner shall alter or change a Party Wall in any manner, interior decoration excepted, and a Party Wall shall always remain in the same location as when erected.

B. In the event of damage or destruction of a Party Wall from any cause, other than the negligence or willful misconduct of an Owner, the Association shall, as a Common Expense, repair or rebuild said wall to its previous condition which specifically includes the previous sound transmission coefficient, and appropriate Owners, their successors and assigns shall have the right to the full use of said wall so repaired and rebuilt. If an Owner's negligence or willful misconduct shall cause damage to or destruction of said wall, such negligent party shall bear the entire cost of repair and reconstruction.

C. The Association shall have the right to break through a Party Wall for the purpose of repairing or restoring sewage, water, utilities, etc., subject to the obligation to restore said wall to its previous structural condition, which specifically includes the previous sound transmission coefficient, at the Common Expense of the Association, and the payment to the adjoining Owners of any damage caused thereby. Adjoining Owners shall have the right to make use of a Party Wall provided such use shall not impair the structural support or the sound transmission coefficient of the Party Wall.

D. Declarant hereby reserves for itself and grants to the Association and the Executive Board and their respective representatives a nonexclusive easement to enter upon and use the Property on which a Party Wall is located as may be necessary or appropriate to perform the duties and functions which they may be obligated or permitted to perform under this Declaration.

Section 8.2. Exterior Maintenance Area. In order to maintain a uniform appearance and a high standard of maintenance within Bristlecone Lofts, the Association, shall maintain the Exterior Maintenance Area, as more fully set forth below.

A. Condominium Exteriors. The Association shall maintain the exterior of all Condominiums including, but not limited to, painting of the exterior (including decks and porches), roof repair, and window washing. The Association shall have the sole discretion to determine the time and in which such maintenance shall be performed as well as the color or type of materials used to maintain the Condominiums. The Owner shall be responsible for repair or replacement of broken window panes.

B. Landscaping, Sidewalks and Driveways. The Association shall maintain landscaping of the Lots -surrounding the perimeter of the Condominiums and the Association-Owned Property, including, but not limited to, lawns, trees, shrubs and property signage, and the Association shall also maintain all walls, gates, sidewalks and driveways (and the maintenance provided under this Section shall include snowplow services). The maintenance provided under this Section shall be performed at such time and in such a manner as the Association shall determine.

C. Association's Right to Grant Owners Maintenance Area. The Association reserves the right to grant the maintenance responsibility of certain areas on each Condominium Unit to the Condominium Unit Owner, and the Condominium Unit Owner is obligated to accept said maintenance responsibility; provided said assignment is done in a uniform and nondiscriminatory manner. Furthermore, the Association shall have the right to promulgate reasonable rules and

regulations regarding the maintenance by the Owner.

Section 8.3. Special Easement. Declarant hereby reserves for itself and grants to the Association, the Board of Directors, and their respective representatives, a nonexclusive easement to enter upon and use the Exterior Maintenance Area and the Property on which a Party Wall is located as may be necessary or appropriate to perform the duties and functions which they may be obligated or permitted to perform pursuant to this Article VITI.

Section 8.4. Maintenance Contract. The Association or Board of Directors may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions or duties of the Association to maintain the Association-Owned Property, Party Walls and Exterior Maintenance Area. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Board. The Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power or function so delegated by written instrument executed by or on behalf of the Board.

Section 8.5. Owner's Responsibility. Owners shall be responsible for maintaining all portions of the Owner's Condominium Unit other than the Party Walls (except for interior decoration, for which the Owner is responsible) and Exterior Maintenance Area, unless modified by Section 8.2(C); provided, however, the Owner shall also be responsible for the maintenance of any balcony, patio or deck area of their Condominium. The Association shall have the right and power to prohibit storage or other activities deemed unsightly by the Board of Directors on any balcony, patio, deck or other area which is visible from another Condominium Unit or its balcony, patio or deck area. No Owner shall make any addition or other alteration to the Party Walls or any portion of the Exterior Maintenance Area without the express consent of the Association. The Association shall be entitled to reimbursement for cost of repair from any Owner who causes, or whose tenant, employee or guest causes, damage to the Party Walls, the Exterior Maintenance Area or the Association-Owned Property by an act of negligence or willful misconduct.

Section 8.6. Owner's Failure to Maintain or Repair. In the event that a Condominium Unit and the improvements thereupon are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Condominium Unit lies with the Owner of the Condominium Unit, or in the event that the improvements on the Condominium Unit are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Board of Directors, shall have the right to enter the Condominium Unit to perform such work as is reasonably required to restore the Condominium Unit and the buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Condominium Unit, upon demand. All unreimbursed costs shall be a lien upon the Condominium Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with Article XI of this Declaration.

ARTICLE IX INSURANCE

Section 9.1. General Insurance Provisions. The Association shall maintain, to the extent reasonably available:



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A. Property insurance on the Common Area (including any improvements that may be contained within the Common Area and owned by the Association) for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property policies; and

B. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area and the Association, in an amount deemed sufficient in the judgment of the Executive Board, insuring the Executive Board, the Association, the Manager and their respective employees, agents, and all persons acting as agents. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Executive Board member. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area. The insurance shall cover claims of one or more insured parties against other insured parties.

C. The Association may carry such other and further insurance that the Executive Board considers appropriate, including insurance on Condominium Units that the Association is not obligated to insure to protect the Association or the Owners.

Section 9.2. Cancellation. If the insurance described in Section 9.1 is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

Section 9.3. Policy Provisions. Insurance policies carried pursuant to Section 9.1 must provide that:

A. Each Owner is an insured person under the policy with respect to liability arising out of such Owner's membership in the Association;

B. The insurer waives its rights to subrogation under the policy against any Owner or member of their household;

C. No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be condition to recovery under the policy; and

D. If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 9.4. Insurance Proceeds. Any loss covered by the property insurance policies described in this Article must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 9.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been



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completely repaired or restored or the regime created by this Declaration is terminated.

Section 9.5. Association Policies. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

Section 9.6. Insurer Obligation. An insurer that has issued an insurance policy for the insurance described in this Article shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.

Section 9.7. Repair and Replacement.

A. Any portion of the Association-Owned Property for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (i) The regime created by this Declaration is terminated;
- (ii) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (ii) Eighty percent (80%) of the Owners vote not to rebuild; or
- (iv) Prior to the conveyance of any Condominium Unit to a person other than Declarant, the Mortgagee holding a deed of trust or mortgage on the damaged portion of the Association-Owned Property rightfully demands all or a substantial part of the insurance proceeds.

B. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Association-Owned Property is not repaired or replaced, the insurance proceeds attributable to the damaged Association-Owned Property must be used to restore the damaged area to a condition compatible with the remainder of Bristlecone Lofts Condominiums, and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to the Common Expense liabilities of all the Condominium Units.

Section 9.8. Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses.

Section 9.9. Fidelity Insurance. To the extent reasonably available, fidelity bonds must be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two months' current



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Assessments plus reserves as calculated from the current budget of the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bond may be obtained for the Manager and its officers, employees, and agents, as applicable. Any such fidelity coverage shall name the Association as an obligee and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 9.10. Other Insurance. The Board of Directors may purchase and maintain in force as a Common Expense, debris removal insurance, fidelity bonds, directors and officers liability insurance and other insurance or bonds that it deems necessary. The Board of Directors shall purchase and maintain Workmen's Compensation Insurance to the extent that the same shall be required by law.

Section 9.11. Insurance Obtained by Owners. In the event the Association does not maintain physical damage and liability insurance for all improvements, including the individual Condominium Units, within the Project, each Owner shall then obtain and at all times maintain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering the full replacement value of the Owner's Condominium Unit and personal property and personal liability insurance in a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to bodily injury or death to any number of persons arising out of one accident or disaster, or for damage to property, and if higher limits shall at any time be customary to protect against tort liability such higher limits shall be carried. In addition, an Owner may obtain such other and additional insurance coverage on the Condominium Unit as such Owner in the Owner's sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Executive Board, on behalf of all Owners, may realize under any policy maintained by the Executive Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners, including Declarant, should Declarant be the Owner of any Condominium Unit. No Owner shall obtain separate insurance policies on the Common Area. All Owners are required to maintain on file copies of all such current policies to evidence compliance with the Association to evidence their obligations hereunder and to facilitate recovery of all appropriate awards or proceeds by the Association.

ARTICLE X

INCIDENTS OF OWNERSHIP IN BRISTLECONE LOFTS CONDOMINIUMS

Section 10.1. Inseparability. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium Unit shall be presumed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively of the entire Condominium Unit, including each easement, license and all other appurtenant rights created by law or by this Declaration.

Section 10.2. Residential Use/Declarant's Use. A Condominium may be used for permanent or short-term occupancy, by its Owner, its family, servants, agents, guests, invitees and tenants, and such Owner shall be allowed to rent or arrange for rental of its Condominium for any length of time, except that such Condominium may not be used as an office or for any other commercial purpose. Notwithstanding the foregoing, Declarant is authorized to maintain a sales office or property management office within any unsold Condominium Unit, as well as other facilities (including signed and model Condominiums) which, in the sole opinion of Declarant, may be reasonably necessary, convenient or incidental for constructing sales or property management purposes.



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ARTICLE XI
ASSESSMENTS

Section 11.1. Obligation. Declarant, for each Condominium Unit owned by Declarant, hereby covenants, and each Owner, by accepting a deed for a Condominium Unit, is deemed to covenant to pay to the Association (i) the Annual Assessments imposed by the Board of Directors as necessary to meet the Common, Expenses of maintenance, operation, and management of the Association-Owned Property, Party Walls and Exterior Maintenance Area and to perform the functions of the Association; (ii) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (iii) Default Assessments which may be assessed against a Condominium Unit for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

Section 11.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of Bristlecone Lofts Condominiums, for maintenance of the Party Walls, if any, and Exterior Maintenance Area, and for the improvement and maintenance of the Association-Owned Property, as more fully set forth in this Article below.

Section 11.3. Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than ten (10) nor more than fifty (50) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified; whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors. The Board of Directors shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Board of Directors shall levy and assess the Annual Assessments in accordance with the annual budget.

Section 11.4. Annual Assessments. Annual Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Board of Directors shall from time to time determine to be paid by all of the Owners. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Association-Owned Property, Party Walls and Exterior Maintenance Area; expenses of management; taxes and special governmental assessments pertaining to the Association-Owned Property, Party Walls and Exterior Maintenance Area and insurance premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds, common lighting within the Association-Owned Property and Exterior Maintenance Area; routine repairs and renovations relating to Association-Owned Property, Party Walls and Exterior Maintenance Area; wages; common water and utility charges for the Association-Owned Property and Exterior Maintenance Area; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs and replacement of improvements relating to the Association-Owned Property, Party Walls and Exterior Maintenance Area on a periodic basis, as needed.

Annual Assessments shall be payable on a prorated basis each quarter in advance and shall be due on the first day of each quarter. The omission or failure of the Association to fix the Annual Assessments for any assessment period shall not be deemed a waiver, modification or release of the



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Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Annual Assessments in excess of the actual expenses incurred, in any fiscal year.

Section 11.5. Appointment of Annual Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Condominium Units.

Section 11.6. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association, if permitted under the Act, may levy in any fiscal year one or more Special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Association-Owned Property, Party Walls or Exterior Maintenance Area, or for any other expense incurred or to be incurred as provided in this Declaration. This Section 11.6. shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for Annual Assessments in Article XI, Section 11.5., subject, however, to the requirements that any extraordinary maintenance, repair or restoration work to Party Walls or the Exterior Maintenance Area on fewer than all of the Condominium Units shall be borne by the Owners of those affected Condominium Units only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Condominium Unit or the actions of a particular Owner (or their agents, servants, guests, tenants or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. Special Assessments are currently restricted under the Act.

Section 11.7. Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Condominium Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

Section 11.8. Effect of Nonpayment Assessment Lien. Any Assessment installment, whether pertaining to any Annual, Special, or Default Assessment, which is not paid within thirty (30) days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

A. Assess a late charge for each delinquency in such amount as the Association deems reasonable and appropriate;

B. Assess an interest charge from the date of delinquency at the yearly rate of eighteen percent (18%), or such other rate as the Board of Directors may establish or as may be required by law;

C. Suspend the voting rights of the Owner during any period of delinquency;

D. Accelerate all remaining Assessment installments so that unpaid Assessments for

the remainder of the fiscal year shall be due and payable at once;

E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and

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

Assessments chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit, including the Condominium Unit and any other improvements on the Condominium Unit. To evidence the lien created under this Article XI, Section 11.8., the Association may, but shall not be required to, prepare a written notice setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Condominium Unit, and (v) a description of the Condominium Unit.

The notice shall be signed and acknowledged by the President or a Vice-President of the Association or by the Manager, and the Association shall serve the notice upon the Owner by certified mail to the address of the Condominium Unit or to such other address as the Association may have in its files for such Owner: After the Association mails the Owner such a notice, the Association may record the same in the office of the Clerk and Recorder of Archuleta County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. Following the date the Association mails the notice, the Association may institute foreclosure proceedings against the defaulting Owner's Condominium Unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorneys' fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 11.9. Personal Obligation. The amount of any Assessment chargeable against any Condominium Unit shall be a personal and individual debt of the Owner of same. No Owner may exempt himself from liability for the Assessment by abandonment of their Condominium Unit or by waiver of the use or enjoyment of all or any part of the Association-Owned Property. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 11.10. Successor's Liability for Assessments: Subordination of Lien. The provisions of the Act shall govern and control (a) the obligations of successors to the fee simple title of a Condominium Unit on which Assessments are delinquent and (b) the subordination by the lien of the Assessments provided for in this Declaration.

Section 11.11. Subordination of Lien: The lien of the Assessments provided for in this Declaration shall be subordinate to (a) the lien of real estate taxes and special governmental assessments, (b) liens and encumbrances recorded before the recordation of the Declaration, and (c) liens for all sums unpaid for a First Mortgage of record, recorded before the date on which the assessment sought to be enforced became delinquent, subject to Section 38-33.3-316 of the Colorado Revised Statutes. Seller transfer of any Unit shall not affect the Association's lien except that sale or transfer of any Unit pursuant to foreclosure of any First Mortgage, or any proceeding in lieu thereof, or cancellation or forfeiture shall only extinguish the Association's liens as provided in Section 38-33.3-316



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of the Colorado Revised Statutes. The amount of such extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Executive Board. No sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit, from the lien of, any Assessments made after the sale or transfer.

Section 11.12. Notice to Mortgagee. The Association shall report to any Mortgagee any unpaid Assessments remaining unpaid for longer than sixty (60) days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the Mortgage and a request for notice of unpaid Assessments. Any Mortgagee holding a lien on a Condominium Unit may pay any unpaid Assessment payable with respect to such Condominium Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Condominium Unit for the amounts paid with the same priority as the lien of the Mortgage.

Section 11.13. Statement of Status of Assessment Payment. Upon payment of a reasonable fee set from time to time by the Executive Board and upon fourteen (14) days written request to the Manager or the Association's registered agent, any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Condominium Unit shall be furnished with a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Condominium Unit. Unless such statement shall be issued by personal delivery or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) within fourteen (14) days, the Association shall have no right to assert a lien upon the Condominium Unit over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

Section 11.14. Capitalization of the Association. Upon acquisition of record title to a Condominium Unit from Declarant or any seller after Declarant, each Owner shall contribute to the working capital and reserves of the Association an amount equal to twenty-five percent (25%) of the Annual Assessment determined by the Board of Directors for that Condominium Unit for the year in which the Owner acquired title. Such payments shall not be considered advance payments of Annual Assessments. The unused portion of the working capital deposit shall be returned to each Owner upon the sale of their Condominium Unit, provided that the new purchaser of the Condominium Unit has deposited the required working capital deposit with the Association.

ARTICLE XII

ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association pursuant to Article IX upon their damage or destruction as provided in Article XIII, or a complete or partial taking as provided in Article XIV below. Acceptance by a grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right, and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact. Furthermore, if so requested, an Owner shall execute a separate instrument specifically setting forth this appointment.

ARTICLE XIII

DAMAGE OR DESTRUCTION



Section 13.1. The Role of the Board of Directors. Except as provided in Section 13.6., in the event of damage to or destruction of all or part of any Association-Owned Property, or other property covered by insurance written in the name of the Association under Article IX, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article IX is sometimes referred to as the "Association-Insured Property").

Section 13.2. Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board of Directors shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in Article XIII shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

Section 13.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to complete the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 13.4. Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement and reconstruction of the Association- Insured Property. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Article XI, Section 11.6., if permitted under the Act, levy, assess and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

Section 13.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in equal shares per Condominium Unit, first to the Mortgagees, if any, and then to the Owners, as their interests appear.

Section 13.6. Decision Not to Rebuild Common Area. If Owners representing at least seventy-five percent (75%) of the total allocated votes in the Association (other than Declarant) and seventy-five percent (75%) of the Mortgagees holding First Mortgages (based on 1.0 vote for each Mortgage which encumbers a Condominium Unit) and all directly adversely affected Owners agree in writing not to repair and reconstruct improvements within the Common Area and if no alternative improvements are



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authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 13.7. Destruction of Condominium Unit. In the event of damage to or destruction of all or part of any Condominium Unit, improvement or other property owned by an individual Owner, such Owner shall arrange for and supervise the prompt repair and restoration of the damaged property, and shall be obligated to complete such repair and restoration in a timely fashion.

ARTICLE XIV CONDEMNATION

Section 14.1. Rights of Owners. Whenever all or any part of the Association-Owned Property shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Association Owned Property is conveyed in lieu of a taking under threat of condemnation by the Board of Directors acting as attorney-in- fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 14.2. Partial Condemnation Distribution of Award Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners for those of the Association-Owned Property was conveyed, and the award shall be disbursed follows:

If the taking involves a portion of the Association-Owned Property on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least seventy-five percent (75%) of the votes of all of t Owners shall otherwise agree, the Association shall restore or replace such improvements taken on the remaining land included in the Association-Owned Property to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board Directors. If such improvements are to be repaired or restored, the provisions in Article X) above regarding the disbursement of funds in respect to casualty damage or destruction which to be repaired shall apply. If the taking does not involve any improvements on the Association-Owned Property, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equitable shares per Condominium Unit among the Owners in accordance with the provisions in Article XIII, Section 13.6 above.

Section 14.3. Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Association-Owned Property shall be distributed as provided in Article XIII above.

ARTICLE XV ARCHITECTURAL CONTROL

No exterior addition to or change or alteration to the Condominiums, balconies, patios or deck areas shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee composed of three (3) or more



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representatives appointed by the Board of Directors of the Association.

ARTICLE XVI
MORTGAGEE'S RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Lots. To the extent applicable, necessary or proper, the provisions of this Article XVI apply to this Declaration and also to the Articles and Bylaws of the Association.

Section 16.1. Approval Requirements. Unless at least seventy-five percent (75%) of the First Mortgagees or all of the Mortgagees holding First Mortgages, whichever number is less, and at least seventy-five percent (75%) of the Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or part of the Association-Owned Property (provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Association-Owned Property shall not be deemed a transfer within the meaning of this clause);

B. Change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner;

C. By act or omission change, waive or abandon any scheme of regulations or their enforcement pertaining to the architectural design, appearance or maintenance of the Association-Owned Property or the Exterior Maintenance Area; or

D. Use hazard insurance proceeds for losses to improvements in the Association-Owned Property for other than the repair, replacement or reconstruction of such property.

Section 16.2. Title Taken by Mortgagee. Any Mortgagee holding a First Mortgage of record against a Condominium Unit who obtains title to the Condominium Unit and any improvements on the Condominium Unit pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Condominium Unit (i) is acquired or (ii) could have been acquired under the statutes of Colorado governing foreclosures, whichever is earlier. Such Mortgagee will not be liable for any unpaid dues or charges attributable to the Condominium Unit which accrue prior to the date the Mortgagee acquired title or could have acquired title under the Colorado foreclosure statutes, whichever is earlier, except for Assessments and charges permitted under Section 38-33.3-316 of the Colorado Revised Statutes. Sale or transfer of any Condominium Unit pursuant to a deed in lieu of foreclosure for the purpose of enforcing a First Mortgage shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer, except for Assessments and charges permitted under Section 38-33.3-316 of the Colorado Revised Statutes. The amount of any extinguished lien may be reallocated and assessed to all Condominium Units as a Common Expense at the direction of the Board of Directors.

Section 16.3. Right to Pay Taxes and Charges. Mortgagees who hold First Mortgages against Condominium Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any of the Association-Owned Property, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for the Association-Owned Property, and Mortgagees making such payments shall be owed immediate



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reimbursement therefor from the Association.

Section 16.4. Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Condominium Units for losses to, or taking of, all or part of the Association-Owned Property, any Owner who has encumbered their Condominium Unit with a First Mortgage shall not take priority in receiving the distribution over the right of any such First Mortgagee.

ARTICLE XVII

DURATION OF COVENANTS AND AMENDMENT

Section 17.1. Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 17.2. Amendment. This Declaration, or any provision of it, may be amended at any time by Owners holding not less than sixty-seven percent (67%) of the votes possible to be cast under this Declaration at a meeting of the Owners called for that purpose and by an instrument signed by at least sixty-seven percent (67%) of the Mortgagees holding First Mortgages against any portion of the Property (based on one vote for each Mortgage owned), except as limited by Article XVII. Any amendment must be executed by the President of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying the approval of a sufficient number of Owners of the amendment. Notwithstanding the foregoing, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration and/or the Plat to the fullest extent permitted under the Act.

Section 17.3. Additional Right of Amendment. Anything in this Article XVII to the contrary notwithstanding, Declarant, without the vote of the Owners, reserves the right to amend this Declaration, or any other Association Document, if requested or required by the FHA, VA, NMA, or any other agency with whom Declarant elects to do business as a condition precedent to the agency's approval of this Declaration or any other Association Document, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot or purchasing loans secured by any Lot. Any amendment will be effected by Declarant recording a Certificate of Amendment duly executed and acknowledged by Declarant specifying the agency or the lending institution requesting the amendment and setting forth the requested or required amendment. Recordation of this Certificate will be deemed conclusive proof of the agency's or institution's request or requirement, and the Certificate, when recorded, will be binding upon all of the Property.

Section 17.4. Declarant's Rights on Amendments. It is the desire of Declarant to retain control of the Association and the Association's activities during the period of planning and development of the Property. If any amendment requested or required pursuant to the provisions of this Article XVII deletes, diminishes, or alters the Declarant's control, Declarant, without a vote of the Owners, will have the right to prepare, provide for, and adopt other and different control provisions that will be binding upon the Property.

Section 17.5. Withdrawal Rights. Notwithstanding anything to the contrary contained in this Declaration or the other Association Documents, Declarant reserves the right, at any time until December 31, 2020, to withdraw all or portions of the Property from the effect of the Declaration by recording a withdrawal instrument executed only by Declarant. No Members will be entitled to vote on any withdrawal accomplished pursuant to this Section 17.5.

Section 17.6. Revocation. This Declaration shall not be revoked, except as provided in Article XIV regarding total condemnation, without the consent of all of the Owners evidenced by a written instrument duly recorded.

ARTICLE XVIII
LIMIT ON TIMESHARING

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

ARTICLE XIX
GENERAL PROVISIONS

Section 19.1. Enforcement. Except as otherwise provided in this Declaration, the Board of Directors, Declarant, or any Owner shall have the right to enforce, by proceeding at law in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

A. The Association's position is not strong enough to justify taking any or further action; or

B. The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

C. Although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

D. It is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

Section 19.2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 19.3. Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 19.4. Restriction on Declarant Powers. Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.



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Section 19.5. Interpretation of the Covenants. Except for judicial construction, the Association, through its Board, will have the exclusive right to construe and interpret the provisions of the Association Documents. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions will be final, conclusive, and binding as to all persons and property benefited or bound by the Association Documents.

Section 19.6. Rule Against Perpetuities. If any of the provisions, interests, privileges, covenants, or rights created by this Declaration are determined by a court of competent jurisdiction to be unlawful, void, or voidable for violation of the rule against perpetuities or any related rule, the provisions, etc. will be construed to continue until 21 years after the death of the survivor of the now living descendants of the President of the United States on the date this Declaration is recorded.

Section 19.7. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances will operate to extinguish, terminate, or modify any of the provisions of this Declaration.

Section 19.8. Declarant's Disclaimer of Representations. While Declarant has no reason to believe that any of the restrictive covenants contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Condominium Unit in reliance on one or more of such restrictive covenants will assume all risks of their validity and enforceability.

Section 19.9. Successors and Assigns. Any reference in this Declaration to "Declarant" will include any successors or assignees of Declarant's rights and powers. Any assignment will be evidenced by a recorded instrument executed by Declarant and its successor or assignee.

Section 19.10. Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender will include the feminine and neuter genders; words used in the neuter gender will include the masculine and feminine genders. Words in the singular will include the plural; words in the plural will include the singular.

Section 19.11. Captions. All captions, titles, or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify, or otherwise affect any of the provisions and are not to be used in determining the intent or context.

Section 19.12. Similar Name. Declarant reserves the right to use (and to prohibit others from using) the name "Bristlecone Lofts Condominiums" in connection with any partnership, corporation, or other entity or development, unless approved in writing by Declarant in Declarant's sale and absolute discretion.

Section 19.13. Survival of Liability. The termination of membership in the Association will not: (i) relieve or release any former Member from any liability or obligation incurred under or arising out of the Association Documents during the period of membership; or (ii) impair any rights or remedies which the Association or Declarant may have against the former Member arising out of the Association Documents.

Section 19.14. Declarant Representation. Owner, by acceptance of a deed or otherwise becoming an "Owner", acknowledges that it has not relied upon any written or oral representation, warranty, or expression made by Declarant or any of its agents regarding: (i) whether the contemplated



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development will be completed or carried out; (ii) whether any land now or in the future owned by Declarant or any other person will be subject to this Declaration; (iii) whether any land now or in the future owned by Declarant or any other person will be committed to or developed for a particular use; (iv) whether any land now or in the future owned by Declarant or any other person was once or is used for a particular use; or (v) whether any prior or present use will continue in effect.

Section 19.15. Sales Offices and Models. Declarant hereby reserves for itself, its successors and assigns, the right to maintain and remove sales offices, management offices and models within any Condominium Unit owned or leased by Declarant. Declarant also reserves for itself, its successors and assigns the right to construct and maintain signs advertising the Condominium Units on any and all Common Areas.

Dated as of the day and year first above written.

ASPENGLOW PARTNERS, LLC,
a Colorado limited liability company

EXHIBIT A
LEGAL DESCRIPTION

The real property subject to the Declaration of Covenants, Conditions, Restrictions and Easements of Bristlecone Lofts Condominiums is more particularly described as follows:

”

Its address is commonly known as “”