

Summary and Overview

Per a majority vote by members of the Cedar Ridge Merged Condominium Association (the “Association”), in accordance with Colorado law and as prescribed by its master Declaration:

Article 7, Section 7.2 of the master Declaration is repealed in its entirety and the following Article 7, Section 7.2 is substituted in its place.

All homeowners who wish to rent or lease* their Units should read the Amendment in its entirety for its precise legal requirements. This summary is provided as a quick overview for realtors, potential home buyers, potential tenants, or other interested persons.

* These terms are used interchangeably throughout this document.

Major provisions of the Amendment include:

- No Unit may be leased for a period of at least one-year after its purchase and until at least one owner has occupied the property for a minimum of 90 days, including intermittent vacation use.
- No Unit may be rented unless a Leasing Permit has been applied for and has been approved by the Board. No more than four Leasing Permits shall be allowed at any one time; provided however, that additional Hardship Leasing Permits may be approved by the Board subject to certain criteria.
- Short term occupancies and rentals (of less than three months), including but not limited to transient, hotel, bed-and-breakfast or vacation-type rentals, VRBO, Airbnb, HomeAway and other such online rental sites are strictly prohibited.
- Occupancy is limited to a maximum of two persons per bedroom. Units may be leased only in their entirety; no room, fraction or portion may be leased (excepting roommates as long as no relative of a roommate occupies the Unit with them).
- Tenants may not sublease or sublet their Units or assign their leases. Only tenants who have signed the lease or other occupants who have been identified in the lease may occupy the Unit when the tenant is not also occupying the Unit.
- Unit Owners shall supply renters with a copy of the Association’s Governing Documents and shall be legally responsible for any infractions by tenants—including unpaid fines, eviction or other costs that the Association may incur—as a result of a tenant(s) failure to comply with those documents.

**LIMITED AMENDMENT TO THE
AMENDED, RESTATED AND CONSOLIDATED DECLARATION FOR
CEDAR RIDGE MERGED CONDOMINIUMS**

THIS AMENDMENT is made this 18th day of June, 2018.

RECITALS

A. Cedar Ridge Merged Condominium Association, Inc. recorded an Amended, Restated and Consolidated Declaration for Cedar Ridge Merged Condominiums in the real property records of the County of Larimer, State of Colorado, at Reception No. 20080063369, on October 6, 2008 (the "Declaration").

B. The Declaration provides for and allows for this Limited Amendment to the Amended, Restated and Consolidated Declaration for Cedar Ridge Merged Condominiums (the "Amendment") in Article 12, Section 12.5, which provides as follows, in pertinent part:

Except as otherwise provided in this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of Owners holding at least 67% of the eligible Association vote and 51% of Eligible Mortgage Holders.

C. All Owners are aware of the provisions of the Declaration allowing for amendment, by virtue of the record notice of the Declaration, by acts and disclosures, newsletters or notices of the Association and by other means.

D. This Limited Amendment has been prepared and determined by the Association and by the Owners that have approved this Limited Amendment to be reasonable and not burdensome.

E. The purpose of this Limited Amendment is to revise the leasing restrictions in the community to reflect the current needs and desires of the community.

F. The undersigned, being the President and Secretary of the Association, hereby certify that Owners holding at least 67% of the eligible Association vote and 51% of Eligible Mortgage Holders have consented and agreed to this Limited Amendment.

G. As amended by this Limited Amendment, this amendment shall become part of and incorporated into the "Declaration."

NOW THEREFORE,

I. Amendments. The Original Declaration is hereby amended as follows:

- (a) **Repeal and Restatement.** Article 7, Section 7.2 is hereby repealed in its entirety and the following Article 7, Section 7.2 is substituted:

Section 7.2 Leasing and Occupancy. In order to preserve the character of the Community as predominantly Owner-occupied, the leasing of Units shall be governed by the restrictions imposed by this Section.

Except as provided herein, the leasing of Units shall be prohibited. Leasing, for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner; provided, however, for the purposes of this Declaration, leasing shall not include the: (i) occupancy of the Unit by the child or parent of an Owner, or by (ii) occupancy by a roommate of an Owner who occupies the Unit as such Owner's primary residence at the same time.

(a) General. Owners desiring to lease their Units may do so only if they have applied for and received from the Association either a Leasing Permit or a Hardship Leasing Permit. Such a permit, upon its issuance, will allow an Owner to lease his or her Unit provided that such leasing is in strict accordance with the terms of the permit and this Section. The Association shall have the authority to establish conditions as to the duration and use of such permits consistent with this Section. All Leasing Permits and Hardship Leasing Permits shall be valid only as to specific Owners and Units and shall not be transferable between either Units or Owners; provided, however if a valid lease is in place at the date of transfer of the Unit, that lease may continue until the expiration of the lease term or for a maximum of one year, whichever is earlier.

(b) Applicability. Those Owners who are leasing their Units upon the effective date of this Declaration shall be deemed to have been granted a Leasing Permit with no further action on their part. However, upon conveyance or transfer of a Unit, any grantee of the Unit shall be subject to the provisions of this Section.

(c) Leasing Permits. An Owner's request for a Leasing Permit shall be approved if less than four (4) leasing Permits have been issued Units in the Community. If current Leasing Permits have been issued for four Units, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits per subsection (d) below) until the number of outstanding current Leasing Permits falls below four. Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to less than four of the total Units in the Community. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner to be removed from the waiting list for a Leasing Permit.

A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (1) subject to the terms of subsection (a) above, the sale or transfer of the Unit to a person or entity other than the Owner (excluding sales or transfers to (a) an Owner's spouse, (b) a person cohabitating with the Owner, and (c) a corporation, partnership, company, or legal entity in which the Owner is a principal); (2) the failure of

an Owner to lease his or her Unit within 180 days of the Leasing Permit having been issued; or (3) the failure of an Owner to have his or her Unit leased for any consecutive 180 day period thereafter. The Board may make an exception to the 180-day provision upon written application from the Owner at least 30 days prior to the expiration of the 180-day period that shows the Owner made reasonable efforts to rent the Unit, but has been unable to do so due to market conditions or if the Owner demonstrates an abnormal or hardship reason for the vacancy

(d) Hardship Leasing Permits. If the failure to lease will result in a hardship, the Owner may seek to lease on a hardship basis by applying to the Association for a Hardship Leasing Permit. The Association shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the harm, if any, which will result to the Community if the permit is approved, (3) the number of Hardship Leasing Permits which have been issued to other Owners, (4) the Owner's ability to cure the hardship, and (5) whether previous Hardship Leasing Permits have been issued to the Owner.

A hardship as described herein shall include, but not be limited to the following situations: (1) an Owner must relocate his or her residence outside Colorado and cannot, within six months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) where the Owner dies and the Unit is being administered by his or her estate; and (3) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit.

Hardship Leasing Permits shall be valid for a term not to exceed one year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if, during the term of the permit, the Owner is approved for and receives a Leasing Permit.

(e) Hold on Leasing and Occupation of Unit Prior to Leasing. Owners may not lease their Units for at least one (1) year after purchase or other acquisition of Unit. Additionally, prior to leasing Owner must have occupied Unit for at least ninety (90) days, including vacation occupancy.

(f) Maximum Occupancy. Unless otherwise required by the Fair Housing Amendments Act of 1988 or any amendments thereto, no Unit may be rented to more than one family; provided, however, that it may be rented to one or more roommates as long as a member(s) of a roommate's family does not also occupy the Unit with them.

The maximum number of occupants in a Unit shall be limited to no more than two persons per bedroom. The number of bedrooms shall be as listed by the Larimer County Appraisal Office for that Unit.

(g) General Leasing Provisions. Leasing which is authorized pursuant to the above procedures shall be governed by the following provisions:

(i) Notice. At least 10 days prior to entering into the initial lease of a Unit, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease as to whether it complies with this Declaration and any Rules and Regulations adopted pursuant thereto. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

If the Board approves the form of lease, the Owner agrees not to change the lease form without submitting the new lease form to the Board for approval. In the event a lease form is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any Rules and Regulations adopted pursuant thereto.

Those Owners are who leasing their Units upon the effective date of this Declaration need not comply with this subsection (i) and the previously submitted lease shall be deemed to be acceptable with no further action on their part. However, any new lease agreements with future renters shall be subject to the provisions of this subsection.

(ii) Units may be leased only in their entirety; no room, fraction or portion may be leased.

(iii) Tenants may not sublease or sublet their Units, or assign their leases. Only the tenant(s) who has/have signed the lease, or those occupants who have been identified as occupants of the Unit under subsection (v) below, may occupy the Unit when the tenant is not also occupying the Unit.

(iv) Short term occupancies and rentals (of less than three months), including but not limited to transient, hotel, bed-and-breakfast or vacation-type rentals, VRBO, Airbnb, HomeAway and other such online rental sites shall be prohibited.

(v) All leases shall be in writing. Within 10 days after executing a lease agreement for the lease of a Unit, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Owner may redact financial terms of the lease. The Owner must also provide the Board with vehicle descriptions and license plate numbers for all people occupying the Unit.

(vi) The Owner shall provide a copy of the Governing Documents to the tenant(s), and have the tenant(s) sign an addendum to the lease stating that they received a copy of the Governing Documents and will comply with same. This addendum shall be provided the Board within 10 days after executing a lease agreement.

(vii) Each Owner is encouraged to conduct full background checks, including criminal reports, for each lease applicant.

(viii) Excepting short-term loading/unloading or emergencies, all tenant vehicles shall be kept in the garage or driveway areas.

(ix) Compliance with Declaration, Bylaws and Rules and Regulations and Use of Common Elements. Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease.

(A) Compliance with Declaration, Bylaws and Rules and Regulations. The lessee shall comply with all provisions of the Governing Documents adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Unit in order to ensure such compliance. The Owner shall cause all occupants of his or her Unit to comply with the Governing Documents adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants of the Unit are fully liable and may be sanctioned for any such violation. If the lessee, or a person living with the lessee, violates the Governing Documents for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee. The fine may be assessed against the Owner after both parties are provided notice and an opportunity for hearing. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Governing Documents adopted pursuant thereto by the lessee, any occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Colorado law. If the Association requests that the Owner evict the Owner's tenant based on the terms of this Declaration and the Owner fails to commence such action within 30 days of the date of the Association's notice, the Association may commence eviction proceedings. Upon failure by the Owner to comply with the Association's request to evict, the Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority to evict the lessee as attorney-in-fact on behalf of and for the benefit of the Owner for breaches resulting from the violation of the Governing Documents adopted pursuant thereto. If the Association evicts the lessee, any costs, including but not limited to reasonable attorney fees actually incurred and court costs associated with the eviction shall be an Assessment and lien against the Unit.

(B) Use of Common Elements. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements, including

but not limited to, the use of any and all recreational facilities and other amenities.

II. No Other Amendments. Except as amended by the terms of this Amendment and previous amendments, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed by the undersigned.

CEDAR RIDGE MERGED
CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

By: Roy Marlow, 06/18/18*
President

By: Diane Friedman, 06/18/18*
Secretary

*See notarized signatures on the original file copy.