

CONDOMINIUM DECLARATION

FOR

LOCUST PARK VILLAGE CONDOMINIUMS

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CONDOMINIUM DECLARATION

FOR

LOCUST PARK VILLAGE CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Progressive Living Structures, Inc., a Colorado Corporation (hereinafter referred to as the "Declarant") is the owner of that certain parcel of real property situated in the County of Larimer, State of Colorado, being more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as "the Property").

WHEREAS, Declarant desires to establish a plan for the ownership in fee simple of real property estates, subject to the easements, restrictions, reservations, conditions, taxes, and assessments, as set forth in this Declaration, consisting of the area or space contained in each of the air space units in the Buildings and the co-ownership by the individual and separate owners thereof, as tenants in common, of the remaining Property, all of which remaining property is hereinafter defined and referred to as "Common Elements."

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, and their successors, heirs, executors, administrators, devisees, or assigns.

1. Submission to Condominium Ownership. Declarant does hereby submit the real property described on Exhibit "A" attached hereto and the improvements thereon to Condominium Ownership pursuant to the Condominium Ownership Act of the State of Colorado.

2. Definitions. Unless the context shall expressly provide otherwise:

(a) "Unit" means an individual air space which is contained within the windows, doors, unfinished perimeter walls, and floors and ceilings, of each Unit as shown on the condominium map to be filed for record, together with all fixtures and improvements therein contained but not including any of the Common Elements located within the Unit.

(b) "Condominium Unit" means the fee simple interest and title in and to a Unit, together with the undivided interest in the common elements appurtenant to such Unit, and all other rights and burdens created by this Declaration.

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(c) "Owner" means a person, persons, firm, corporation, partnership, association or other legal entity, or any combination thereof, which own(s) an interest in one (1) or more Condominium Units, but excluding, however, any such person having an interest therein merely as a mortgagee (unless such mortgagee has acquired fee simple title to a Condominium Unit pursuant to foreclosure or any proceedings in lieu thereof).

(d) "Common Elements" means and includes all of the land described on Exhibit "A" attached hereto and all the improvements now or hereinafter constructed thereon, excluding the Units. The Common Elements shall consist of the general common elements and the limited common elements. The Common Elements shall be owned, as tenants in common, by the Owners of the separate Units, each Owner of a Unit having an undivided interest in such Common Elements as is hereinafter provided.

(1) "General Common Elements" means and includes the land described on Exhibit "A" attached hereto; the structural components of the buildings, including but not limited to the foundations, girders, beams, supports, roofs, and main walls; the yards, gardens, alley ways; installations of central services such as power, light, gas, hot and cold water, heating and air conditioning, if any; and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in general common use, including the air above such land. The General Common Elements shall include all tangible physical properties of this Project except Limited Common Elements and the Units.

(2) "Limited Common Elements" means those parts of the Common Elements which are either limited to and reserved for the exclusive use of an Owner of a Condominium Unit or are limited to and reserved for the common use of more than one (1) but fewer than all of the Condominium Unit Owners, the Limited Common Elements shall include by way of illustration and not limitation, driveways, entryways, sidewalks, patios, and approved privacy fences (including the area within such fences), which are specifically designated as being appurtenant to a particular Unit or Units.

(e) "Condominium Project" or "Project" means all of the land and improvements submitted by this Declaration and subsequently submitted, if any, as is hereinafter provided.

(f) "Declaration" means this Declaration and amendments and supplements thereto, if any.

(g) "Common Expenses" means and includes (i) expenses of administration, operation, management, repair and replacement of the Common Elements; (ii) expenses declared Common Expenses by this Declaration; (iii) all sums lawfully assessed against the Common Elements by the Board of Directors of the Association; and (iv) expenses agreed upon as Common Expenses by the Association.

(h) "Association" means the Association formed as a Colorado Non-Profit Corporation bearing the name of Locust Park Village Condominium

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Association, the Articles of Incorporation and By-Laws of which shall govern the administration of this Condominium Project, and the members of which shall be all of the Owners of the Condominium Units.

(i) "Buildings" means the Buildings containing the Condominium Units as shown on the map.

(j) "Map", "Condominium Map" or "Supplemental Map" means and includes the engineering survey of the land depicting and locating thereon all of the improvements; the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land which are included in this Condominium Project.

(k) "Mortgage" means any Mortgage, deed of trust or other document pledging a Condominium Unit as security for the payment of a debt or obligation. "First Mortgage" shall mean the Mortgage having first and paramount priority under applicable Colorado law.

(l) "Mortgagee" means any person, corporation, partnership, trust, company, association or other legal entity which takes, owns, holds, insures, guarantees, or receives a Mortgage.

(m) "By-Laws" shall mean the corporate By-Laws of the Locust Park Village Condominium Association, a Colorado Non-Profit Corporation.

3. Division of Property into Condominium Units. The real Property described above including the improvements thereon is hereby divided into twenty-four (24) fee simple estates (Condominium Units). Each such estate shall consist of a separately designated Unit and the undivided interest in and to the Common Elements appurtenant to such Unit as set forth on Exhibit "B" attached hereto and incorporated herein by reference.

4. Limited Common Elements. Subject to the definition thereof, the Limited Common Elements shall be identified on the Map. Any sidewalk, entryway, driveway, porch, patio or fenced area which is accessible from, associated with and which adjoin(s) a Unit shall, without further reference thereto, be used in connection with such Unit to the exclusion of the use thereof by the other Owners of the Common Elements, except by invitation. Similarly, certain heating and air conditioning equipment which serve only one (1) Unit, shall be a Limited Common Element appurtenant to such Unit and shall be maintained, repaired and operated solely by the Owner or Owners of such Unit. Except as provided above, all of the Owners of Condominium Units in this Condominium Project shall have a non-exclusive right in common with all of the other Owners to use of sidewalks, open spaces, and alley ways located within the entire Condominium Project. In addition to rights of use herein described and elsewhere described in this Declaration, the Association, its Board of Directors and its Managing Agent shall have the unrestricted irrevocable easement to traverse, cross and utilize any portion of the Common Elements which may be necessary in order to maintain, repair or replace General and/or Limited Common Elements. Except as specifically hereinabove required, no reference thereto, need be made in any instrument of conveyance or other instrument in accordance with paragraph 5 of this Declaration.

5. Description of Condominium Unit

(a) Every contract for the sale of a Condominium Unit written prior to the recordation of the Map and this Declaration may legally describe a Condominium Unit by its identifying Unit designation, followed by the words "Locust Park Village Condominiums". The location of such Condominium Unit shall be depicted on the Map subsequently filed in the County of Larimer, State of Colorado, such description shall be conclusively presumed to relate to the thereon described Condominium Units.

(b) After the Condominium Map and this Declaration have been recorded in the Office of the County Clerk and Recorder of Larimer County, Colorado, every contract, deed, lease, Mortgage, trust deed, will or other instrument may legally describe a Condominium Unit as follows:

Condominium Unit No. _____, Building _____, Locust Park Village Condominiums, in accordance with the Declaration recorded on _____, 19____, in Book _____, at Page _____, and Condominium Map recorded on _____, 19____, in Book _____, at Page _____, of the Larimer County, Colorado, Records.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit, but also the undivided interest in the Common Elements appurtenant to said Unit and all other appurtenant properties and property rights, and incorporate all of the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration and Condominium Map. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from an Owner's Unit and the use of all of the Limited Common Elements appurtenant to said Unit as well as all the General Common Elements.

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

6. Condominium Map. The Map may be filed for record in whole or in parts or sections, from time to time, as the stages of construction of the Buildings and other improvements are substantially completed or as already constructed Buildings are added to the Condominium Map. Each section of the Map filed subsequent to the first or initially filed section shall be termed a supplement and a numerical sequence of such supplements shall be shown thereon. The Map or any part of a section thereof, depicting Units shall not be filed for record until the Building in which the Units are located has been substantially completed in order to permit the location thereof, both horizontally and vertically by a registered engineer. Each supplement to the Map shall be filed for record prior to the conveyance of a Condominium Unit to a purchaser which is included within such supplement. The Map shall depict and show at least the following: the legal description of the land and a survey thereof; the location of the Buildings; the floor and elevation plans; the location of the Units within the Buildings, both horizontally and vertically; the thickness of the common walls between or separating the Units; the location of any structural components or supporting elements of the Buildings located

within a Unit; the Condominium Unit designations. Each such Map shall contain the certificate of a registered professional engineer, licensed architect or registered land surveyor certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Units, the Unit designations, and the elevations of the constructed unfinished floors and ceilings of the Units and an affirmation that such Map was prepared subsequent to completion of the improvements shown thereon. In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate and relocate easements. Declarant's right, as hereinabove set forth, shall terminate on the sale of all Condominium Units within the Project, or December 31, 1987, whichever occurs first.

7. Inseparability of a Condominium Unit. Each Unit, the appurtenant undivided interest in the Common Elements, as well as all other appurtenances, rights and burdens, shall together comprise one (1) Condominium Unit; which Condominium Unit shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium Unit.

8. Separate Assessment and Taxation - Notice to Assessor. The Association shall give written notice to the Assessor of the County of Larimer, State of Colorado, of the creation of Condominium ownership on this Property, as is provided by law, so that each Unit and the undivided interest in the Common Elements appurtenant thereto shall be deemed a separate parcel of real estate for the purposes of separate assessment and taxation. The Association, upon request of any first Mortgages, shall furnish proof that all taxes, real estate assessments and charges shall relate only to the individual Condominium Unit and not to the Condominium Project as a whole.

9. Form of Ownership - Title. A Condominium Unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado. The right of an Owner to sell, transfer or otherwise convey his or her Condominium Unit shall not be subject to any right of first refusal in the Declarant.

10. Non-Partitionability and Transfer of Common Element. The Common Elements shall be owned in common by all of the Owners of the Units and shall remain undivided. By the acceptance of his deed or other instrument of conveyance or assignment, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Elements. Each Owner specifically agrees not to institute any action therefor. Further, each Owner agrees that this paragraph 10 may be plead as a bar to the maintenance of such an action. A violation of this provision shall entitle the Association to personally collect, jointly and severally, from the parties violating the same, the actual attorney fees, costs and other damages the Association incurs in connection therewith. Further, all Owners, and the Association, covenant that they shall, neither by act nor omission, seek to abandon, subdivide, encumber, sell or transfer the Common Elements without first obtaining the written consent of one hundred percent (100%) of the First Mortgagees of

the individual Condominium Units. Any such action without the written consent of said Mortgagees shall be null and void.

11. Use of General and Limited Common Elements. Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the appurtenant General and Limited Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Association may adopt rules and regulations governing the use of General and Limited Common Elements, but such rules and regulations shall be uniform, non-discriminatory, and not in conflict with this Declaration. Each Owner, by the acceptance of his deed or other instrument of conveyance or assignment, agrees to be bound by any such adopted rules and regulations.

12. Use and Occupancy Restriction.

(a) Residential Use and Occupancy. Each Unit shall be occupied and used as a single-family private dwelling by the Owner of the Unit, his family, and their guests or tenants only as a residence and for residential purposes. This restriction as to residential use, however, shall not apply to the Declarant, its agents, employees, officers, and assigns during the sales period. The Association may use any Condominium Unit which it owns or leases as a business office and/or a residence for any on-site resident manager or custodian.

(b) Age Restrictions. No Condominium Unit shall be occupied by any person under the age of fifty (50) years; provided however:

(1) The foregoing occupancy restriction shall not be construed to prohibit the occupants of any Condominium Unit from entertaining guests, of any age, for a period of not to exceed fourteen (14) days per visit or a total of thirty (30) days per year, and

(2) The foregoing occupancy restriction shall not apply to an owner's or occupant's spouse.

Any person or persons who obtain legal or equitable title to a Condominium Unit by way of purchase, gift, devise, inheritance or by operation of law, or by any other means and who do not fall in the category of permissible occupants as set forth above, shall not be entitled to personally occupy any such Condominium Unit. It is hereby acknowledged, agreed and covenanted by all Owners that the foregoing occupancy restriction is reasonable and necessary to protect and maintain the character of this condominium park as a residential community.

(c) Animals. No dogs, cats, animals, livestock, poultry, snakes, birds, insects or other pets of any kind shall be raised, bred or kept in any Condominium Unit.

(d) Outside Structures. No exterior television or radio antenna, tower or similar structure of any sort shall be placed, allowed or maintained upon any portion of the Condominium Project, without the prior written consent of the Association.

(e) Commercial Vehicles, Campers and Trailers. No commercial vehicles or campers, recreational vehicles or trailers shall be parked within the Project except when temporarily engaged in transport to or from a Condominium Unit or engaged in maintenance and repair efforts.

(f) Vehicles: Abandonment and Repair. No abandoned vehicles shall be stored or parked on any part of the Project, including but not limited to, any residential street, alley or way or access within the Project but excluding any garage or carport. In the event that the Association shall determine that a vehicle is an abandoned vehicle, then a written notice describing the vehicle will be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or will be conspicuously placed on the unused vehicle (if the owner thereof cannot be reasonably ascertained), and if the unused vehicle is not removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof and without liability of any sort. For the purpose of this section, an "abandoned vehicle" is any automobile, truck, motorcycle, motor bike, boat, trailer, camper, motorhome, housetrailer or other similar vehicle which has not been driven under its own propulsion, or has not been moved for a period of fifteen (15) days or longer. No vehicle shall be stored or parked within the Project while being repaired, or while awaiting repair, except in emergency situations.

(g) Signs and Advertising; Nuisance. No signs, advertising, billboards, unsightly objects or nuisances shall be placed, erected or permitted to remain in or on any Condominium Unit or any part of the Project nor shall any Condominium Unit or any part of the Project be used in any way or for any purpose which may endanger the health, safety or life of any person, or which may unreasonably disturb the other Owners. The foregoing provisions of this section shall not apply to any reasonable signs, advertising or billboards erected by the Declarant in connection with the sale or rental of Condominium Units or otherwise in connection with its development of the Project.

(h) Additional Restrictions. This section shall not be construed as a complete list of use and occupancy restrictions. Any restrictions on use and occupancy found in other provisions of this document shall be fully effective. The Association shall, in addition, have the right to adopt reasonable rules and regulations not inconsistent with this Declaration.

(i) The foregoing Use and Occupancy restrictions may be enforced by the Declarant, the Association, or any Owner. In the event such action is commenced by the Association, the costs of such action shall be assessed by the Association as a Common Expense against all Owners. In any such action the Court shall award costs, including reasonable attorney's fees to the prevailing party. The failure of an Owner, the Declarant, or the Association to enforce the foregoing restriction against an Owner in violation thereof, shall not constitute a waiver of the right to enforce the restriction against any other Owner in violation thereof.

13. Easements.

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(a) Encroachments. In the event that any portion of the Common Elements encroaches upon any Unit or Units; or in the event that any portion of a Unit encroaches upon any other Unit or Units or upon any portion of the Common Elements, or in the event any encroachment shall occur in the future as a result of: (i) settling of the Buildings; or (ii) alteration or repair to the Common Elements; or (iii) repair or restoration of the Buildings or a Unit(s) after damage by fire or other casualty, or condemnation or eminent domain proceedings; a valid easement shall exist for the encroachment and for the maintenance of the same so long as the Buildings stand. In the event that any one (1) or more of the Units or the Buildings or other improvements comprising part of the Common Elements are partially or totally destroyed and are then rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units for purposes of marketability of title or other purposes. In interpreting any and all provisions of the Declaration, subsequent Unit deeds to and/or mortgages of Units, the actual location of a Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally, vertically or laterally from the locations of such Unit indicated on the Condominium Map.

(b) Blanket Easement. There is hereby created a Blanket Easement upon, across, over and under the Project for ingress and egress to and from each Unit, and for installing, replacing, repairing and maintaining all Common Elements including the Buildings, and all utilities such as water, sewer, gas, telephone, electricity and television. By virtue of this easement, it shall be expressly permissible for the providing of electrical and/or telephone wires, circuits and conduits, on, above, across and under the roof and exterior walls of the Units. No sewers, electrical lines, water lines or other utilities may be installed or relocated on the Project, except as initially programmed and approved by the Declarant, or as subsequently approved by the Association's Board of Directors. The Association, its officers, agents, employees and assigns shall have the right to make such use of the Project as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

(c) Emergency Easement. An easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the performance of their duties.

14. Termination of Mechanic's Lien Rights and Indemnification. No labor performed or materials furnished and incorporated in a Unit with the consent of or at the request of the Unit Owner, his agent, his contractor or subcontractor, shall be the basis for filing a lien against the Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Condominium Unit of any other Owner or against the Common Elements for construction

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performed or for labor, materials, services or other products incorporated in the Owner's Condominium Unit at such Owner's request. The provisions herein contained are subject to the rights of the Managing Agent or Board of Directors of the Association as set forth in paragraph 17(b). Notwithstanding the foregoing, any Mortgagee of a Condominium Unit who shall become the Owner of such Condominium Unit pursuant to a lawful foreclosure sale or the taking of a deed in lieu of foreclosure shall not be under any obligation to indemnify and hold harmless any other Owner against liability for claims arising prior to the date such Mortgagee becomes an Owner.

15. Locust Park Village Condominium Association.

(a) The interest of all Owners of Condominium Units within the Project shall be governed and administered by this Declaration and the Articles of Incorporation and By-Laws of the Association. An Owner of a Condominium Unit on becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership.

(b) The Association shall be granted all of the powers necessary to govern manage, maintain, repair, administer and regulate the Project and to perform all of the duties required of it.

(c) Each First Mortgagee of a Condominium Unit shall, upon request, be entitled to the following:

(1) Receive written notice of all meetings of the Association and be permitted to designate a representative to attend such meetings;

(2) Receive written notice of any proposed amendment to the Association's Articles of Incorporation or By-Laws or any change in the Association's managing agent at least ten (10) days prior to the effective date of each such amendment or change.

(d) Any first Mortgagee and any insurer or guarantor of a first Mortgage, upon written request to the Association, shall be entitled to timely written notice of the following:

(1) Any proposed Amendment to this Declaration affecting a change in the boundaries of any Unit or the easement rights appurtenant thereto, the interest in the general or limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, the number of votes in the Owners' Association appertaining to any Unit, or the purpose to which any Unit or the Common Elements are restricted;

(2) Any proposed termination of the Condominium Project;

(3) Any condemnation loss or any casualty loss which affects a material portion of the Condominium Project or which affects any Unit on which a first Mortgage is held, insured or guaranteed by such eligible holder;

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(4) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit, subject to the Mortgage of such eligible holder, insurer or guarantor, if such delinquency as continued for a period of thirty (30) days;

(5) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Section 22 hereinafter.

(e) The Association shall make available to all Owners, all first Mortgagees and any insurer of a first Mortgage on any Unit, current copies of the Condominium Declaration, Articles of Incorporation and By-Laws of the Association, rules and regulations of the Association, and other books, records and financial statements of the Association. The Association shall make available to prospective purchasers current copies of the Condominium Declaration, Articles of Incorporation and By-Laws of the Association, rules and regulations of the Association, and the most recent audited financial statement of the Association. For purposes of this paragraph, the term "available" shall mean available for inspection upon request during normal business hours or under reasonable circumstances. Upon written request of any Owner, first Mortgagee or insurer of a first Mortgage, the Association shall prepare and furnish within a reasonable period of time after such request an audited financial statement of the Association for the immediately preceding fiscal year.

16. Reservation for Access - Maintenance, Repair and Emergencies.

(a) The Association shall have the irrevocable right to be exercised by the Association's Board of Directors, officers, custodian, or Managing Agent, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or at any hour for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Common Elements or to another Unit.

(b) Damage to the interior or any part of a Unit, resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Unit, at the insistence of the Association, shall be a Common Expense of all of the Owners; provided, however, that if the damage needed to be repaired is caused by negligent or tortious acts of a Condominium Unit Owner, members of his family, his agents, employees, invitees, or tenants, then such Unit Owner shall be responsible and liable for all of such damage and the cost thereof shall forthwith become said Owner's obligation, which must be timely paid. Said obligation shall be a Common Expense as it relates to said Condominium Unit Owner(s), only, and shall be subject to the provisions elsewhere herein provided. All damaged improvements shall be restored substantially to the extent reasonably practical, to the same condition in which they existed prior to the damage. All maintenance, repairs and replacement of the Common Elements, whether located inside or outside of Units (unless necessitated by the negligence, misuse or tortious act of a Condominium Unit Owner, in which case such expense shall be charged to such Owner), shall be the Common Expense of all of the Owners. However, the Association shall not be obligated to seek redress

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for damages caused by a negligent Owner and this covenant shall not abrogate the insurance provisions of this Declaration.

17. Maintenance and Service Responsibility.

(a) Owner:

(1) For maintenance purposes, an Owner shall be deemed to own: the windows and doors; the interior non-supporting walls, floors and ceilings of his Unit; the materials such as, but not limited to, plaster, gypsum drywall, paneling, wallpaper, paint, wall and floor tile and flooring, and other materials which make up the finished surfaces of the perimeter walls, ceiling and floors within the Unit. An Owner, however, shall not be deemed to own the pipes, wires, conduits or systems (which are General Common Elements and for brevity are herein and hereafter referred to as "Utilities") running through his Unit which serve one (1) or more other Units except as a tenant in common with the other Owners. Such Utilities shall not be disturbed or relocated by an Owner without the written prior consent and approval of the Board of Directors, and any such alteration, relocation, enlargement, addition or modification shall be at the Owner's expense, which expense shall include all expenses incurred by the Association in reference thereto.

(2) An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures and Utilities located therein to the extent current repair shall be necessary in order to avoid damaging other Condominium Units or the Common Elements. All fixtures and equipment and Utilities installed within the Unit commencing at a point where the fixtures, equipment and Utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness of the improvements or impair the proper functioning of the Utilities, heating, air conditioning or plumbing systems or integrity of the Buildings or impair any easement or hereditament. An Owner shall always keep the entryway, driveway, sidewalk, porch, patio area or fenced areas adjoining and appurtenant to his Unit and any other Limited Common Elements appurtenant thereto in a clean, orderly and sanitary condition.

(3) In addition to the foregoing, each Owner shall be obligated to maintain and keep in repair all Limited Common Elements appurtenant to his unit including any heating or air conditioning unit which is a Limited Common Element appurtenant to his Unit, notwithstanding the fact that said heating or air conditioning unit is situated on the Common Elements and not contained within the individual air space comprising the Owner's Unit.

(b) Association:

(1) The Association shall have the duty of maintaining and repairing all of the Common Elements within the Project, except heating and air conditioning units which are Limited Common Elements appurtenant to a Unit. The cost of said maintenance and repair shall be a Common Expense of all of the Owners. The Association maintenance or repairs are to be accomplished, notwithstanding the cost thereof.

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- (2) The Association shall provide to the Owners the following services which shall be paid for out of the Common Expense assessment, to-wit:
- (a) Maintaining the Common Elements, except as otherwise provided;
 - (b) Administering and managing the Project;
 - (c) Providing common water, common heating and common lighting;
 - (d) Obtaining the insurance required in Section 22 hereof;
 - (e) Enforcing the covenants, conditions and restrictions set forth in the Declaration and the Association's rules and regulations, and collecting all obligations owed to the Association by the Owners;
 - (f) Acting as attorney-in-fact in the event of damage or destruction as provided for in Section 27 hereof; and
 - (g) Performing all other acts required by this Declaration, or the Articles of Incorporation and By-Laws of the Association.

Notwithstanding the above, the Association reserves the right to hire one (1) or more persons or entities including a Managing Agent, contractors, and employees to perform such services, provided, however, that any contract in regard to the hiring or employing of such Managing Agents, contractors or employees shall not be for a term in excess of three (3) years and shall provide that the same shall be terminable on sixty (60) days written notice, with or without cause or payment of a termination fee. The Association may not establish self-management of the Project where professional management has been required by the Veteran's Administration, the Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association or governmental agencies which holds, insures, or guarantees any Mortgage without the consent of said agency or agencies.

18. Compliance with Provisions of Declaration, Articles and By-Laws of the Association. Each Owner shall comply strictly with the provisions of the Declaration, the Articles of Incorporation and By-Laws of the Association, and the decisions, resolutions, rules and regulations of the Association adopted pursuant thereto as the same may be lawfully made and amended and/or modified from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Association's Board of Directors or Managing Agent in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

19. Revocation or Amendment to Declaration.

(a) Except as is otherwise provided in Section 27, this Declaration shall not be revoked unless all the Owners and all Mortgagees consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the Owners representing an aggregate ownership of at least seventy-five percent (75%) of the Common Elements and one hundred percent (100%) of the First Mortgagees of Condominium Units consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the undivided interest in the Common Elements appurtenant to each Unit, as expressed in the Declaration, shall have a permanent character and shall not be altered without the consent of all of the Unit Owners and all of the first Mortgagees of Condominium Units as expressed in an amended Declaration duly recorded.

(b) The Association shall at least thirty (30) days prior to the effective date of any amendment to this Declaration notify the holders of all recorded First Mortgages or deeds of trust encumbering a Condominium Unit(s) of such amendment, if such notice has been requested by a Mortgagee.

(c) Notwithstanding anything herein contained to the contrary, the Declarant, with the prior written consent of all First Mortgagees, shall have the right and power to record a special amendment to this Declaration at any time and from time to time which amends this Declaration:

(1) To comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; and/or

(2) To induce any such agencies or entities to make, purchase, sell, insure or guarantee First Mortgages covering Condominium Units.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved by and granted to the Declarant to make or consent to a special amendment on behalf of each Owner. Every deed, mortgage or other instrument affecting a Condominium Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of the power of the Declarant to make, execute and record special amendments as herein provided. No special amendment made by the Declarant pursuant to this paragraph shall affect or impair the lien of any First Mortgage upon any Condominium Unit.

20. Additions, Alterations and Improvements - General and Limited Common Elements. There shall be no capital additions, alterations or improvements, of or to the General or Limited Common Elements by the Association requiring an expenditure in excess of an amount equal to ten percent (10%) of the Association's budget for any calendar or fiscal year in any one (1) calendar year without prior approval of the Owners of more

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than fifty percent (50%) of the Common Elements, except in the event of an emergency. The limitations set forth above shall not apply to any expenditures made by the Association for maintenance and repair of the Common Elements as set forth in Section 17, supra, or for repair in the event of damage, destruction or condemnation as provided in sections 27 and 28, infra.

21. Assessment for Common Expenses.

(a) All Owners shall be obligated to pay the estimated Common Expense assessments (hereinafter sometimes referred to as "Assessments") imposed by the Board of Directors of the Association to meet the Common Expenses and reserves. The Assessments shall be made in proportion to each Owner's "Percentage of Responsibility" for payment of Assessments, which Percentage of Responsibility is set forth on Exhibit "B" attached hereto and incorporated by reference herein. Declarant shall be obligated, as any other Owner, in reference to Condominium Units then owned by Declarant to pay the estimated Common Expense Assessments imposed by the Board of Directors to meet the Common Expenses and reserves. Except as provided elsewhere in this Declaration, the Limited Common Elements shall be maintained as General Common Elements (except, however, this shall not impose upon the Association the obligation to clean entryways, sidewalks, driveways, porches, and patios, fenced areas or maintain and repair any heating or air conditioning unit which is a Limited Common Element appurtenant to a Unit), and Owners having exclusive use thereof shall not be subject to any special charges for Assessments for the repair or maintenance thereof. Assessments for the estimated Common Expenses shall be due in advance on the first day of each calendar month. The Association or Board of Directors shall cause to be prepared, delivered or mailed to each Owner at least once each year a payment statement setting forth the estimated Common Expense Assessments.

(b) In the event the ownership of a Condominium Unit, title to which is derived from Declarant, commences on a day other than the first day of the Assessment period, the Common Expense Assessments for that period will be prorated.

(c) Common Expense Assessments shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Directors of the Association shall from time to time determine is necessary to provide for the payment of all estimated expenses growing out of or connected with the administration, maintenance, repair, operation, addition, alteration and improvement of the Common Elements, except as otherwise provided, the Project and personal property owned by the Association. Said sum may include, but shall not be limited to, expenses of management; taxes and special Assessments until separately assessed; premiums for insurance; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collection; wages; common water and sewer charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Association's Board of Directors on behalf of the Unit Owners under or by reason of this Declaration and the Articles of Incorporation and By-Laws of the Association; for the creation of a reasonable reserve fund; for any deficit remaining from a previous period; and any and all other costs and expenses relating to the Common Elements, and/or the Project.

(d) Each Owner shall be obligated to pay all charges for any separately metered utilities servicing his Condominium Unit. In the event that water, sewer, or gas service or other Utilities are master metered, then such Utility service shall be prorated equally among all Owners owning Condominium Units within any Building so metered. Such expense shall be in addition to the Common Expense Assessments herein provided and in the event any Owner shall fail or refuse to pay his pro rata share of the cost of such Utility service, then such Owner shall be in default and the Association shall have all of the same rights and remedies which have been granted to it in the event an Owner fails to pay any Common Expense Assessment herein.

(e) The omission or failure to fix the Assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the Owners from their obligations to pay the same.

(f) The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of those Common Elements that must be replaced periodically and such reserve fund shall be funded through the monthly payments of the Common Expenses and not through extraordinary special Assessments. Additionally, the Association shall establish a working capital fund for the initial months of the operation of the Condominium Project equal to at least two months estimated Common Expenses for each Condominium Unit.

(g) In addition to the Assessments authorized above, the Association may at any time and from time to time, determine, levy and assess in any assessment year, which determination, levy and Assessment may be made by the Association's Board of Directors with or without vote of the members of the Association, a special Assessment applicable to that particular Assessment year for the purpose of defraying, in whole or in part, the unbudgeted costs, payments for any deficit remaining from a previous period, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of the Common Elements, the Project, or any facilities located thereon, specifically including any fixtures and personal property related thereto. The amounts determined, levied and assessed pursuant hereto shall be assessed to each Owner in accordance with his "Percentage of Responsibility" set forth on Exhibit "B" attached hereto; and shall be due and payable as set forth in the Notice of Assessment promulgated by the Association's Board of Directors.

(h) All Owners of a particular Condominium Unit shall be jointly and severally liable to the Association for the payment of all Assessments, including the annual Assessment for Common Expenses and special Assessments assessed against their particular Condominium Unit.

22. Insurance.

(a) The Association shall obtain and maintain at all times, to the extent obtainable, policies involving standard premium rates, established by the Colorado Insurance Commissioner, and written with companies licensed to do business in Colorado and having a Best's Insurance Report rating of A & XV or better, covering the risks set forth below. The Association shall not obtain any policy where: (1) under the terms of the insurance

company's charter, By-Laws or policy, contributions or assessments may be made against the Mortgagee or Mortgagee's designee; or (ii) by the terms of carrier's charter, By-Laws or policy, loss payments are contingent upon action by the company's Board of Directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent Mortgagees or the Mortgagor from collecting insurance proceeds. The types of coverages to be obtained and risks to be covered are as follows, to-wit:

(1) Fire insurance with extended coverage and standard all risk endorsements, which endorsements shall include endorsements for vandalism and malicious mischief. Such policy shall also include an agreed amount endorsement and if available, an inflation guard endorsement. If requested by the holder of a first Mortgage or an insurer or guarantor of a first Mortgage, such policy shall also include construction code endorsements such as demolition cost endorsement, a contingent liability from operation of building laws endorsement, and an increased cost of construction endorsement. Said casualty insurance shall insure the entire Condominium Project and any property, the nature of which is a Common Element, including all of the Units, any fixtures, equipment or other property within the Units which are to be financed by a first Mortgage, regardless of whether or not such property is a part of the Common Elements, together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory Mortgage clause in favor of each Mortgagee of a Condominium Unit, which shall provide that the loss, if any, thereunder, shall be payable to the Association, for the use and benefit of the Owners and Mortgagees as their interests may appear. The Association shall hold any proceeds of insurance in trust for the use and benefit of the Owners and Mortgagees as their interest may appear. Each Unit Owner and each Unit Owner's Mortgagees, if any, shall be beneficiaries of the policy in the same proportion as such Owner's appurtenant undivided interest in the Common Elements as set forth on Exhibit "B" attached hereto and incorporated herein by reference.

(2) If the Condominium Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Program, a "blanket" policy of Flood Insurance on the Condominium Project in an amount which is the lesser of the maximum amount of insurance available under the National Flood Insurance Program or an amount equal to 100% of the total replacement cost of all Buildings and other insurable property within the Project.

(3) Public liability and property damage insurance in such limits as the Board of Directors of the Association may from time to time determine, but not in an amount less than One Million Dollars (\$1,000,000) per injury, per person, per occurrence and umbrella liability limits of One Million Dollars (\$1,000,000) per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project. Said policy shall also contain a "severability of interest endorsement". Coverage under such policy shall

include without limitation legal liability of the insureds for property damage, bodily injuries and death of persons in connection with the operation, maintenance or use of the Common Elements and legal liability arising out of lawsuits related to employment contracts of the Association. If required by a first Mortgagee or an insurer or guarantor of a first Mortgagee, such insurance shall also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location, and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance.

(4) Workmen's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(5) The Association shall maintain for all officers, directors and employees of the Association, and all other persons handling or responsible for funds of or administered by the Association, blanket fidelity bonds. If the managing agent has the responsibility for handling or administering funds of the Association, the managing agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Owners' Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds in the custody of the Association or the managing agent at any given time during the term of each bond. In no event shall the aggregate amount of such bonds be less than a sum equal to three months aggregate Common Expense assessments on all Condominium Units plus reserve funds. Such bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of employees or similar terms or expressions. The premium on all bonds required hereunder, except those maintained by the managing agent, shall be paid by the Association as a Common Expense.

(6) If any building contains a steam boiler, the Association shall purchase and maintain policies of insurance insuring against loss or damage resulting from steam boiler equipment accidents in an amount not less than Fifty Thousand Dollars (\$50,000) per accident per location.

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

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Condominium Unit Owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days prior written notice to all of the insureds, including the Association and all Mortgagees. If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all Mortgagees at least ten (10) days prior

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to expiration of the then current policies. The insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the Condominium Unit Owners, which policy or policies shall identify the interest of each Condominium Unit Owner (Owner's name and Unit number designation) and first Mortgagee. Further, the Association shall require the insurance company or companies providing the insurance coverages described herein to provide each Owner and Mortgagee a Certificate of Insurance in regard to such Owner's individual Unit.

(c) Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative who shall have the exclusive authority to negotiate losses under any policy providing such property or liability insurance, and to perform such other functions as are necessary to accomplish such purpose. All of the Owners hereby irrevocably constitute and appoint the Association as their true and lawful attorney in fact, in their name, place and stead, for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purpose.

(d) Unit Owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(e) Insurance coverage on furnishings, or other property belonging to an Owner and public liability coverage within each Unit shall be the sole and direct responsibility of the Unit Owner thereof, and the Board of Directors, the Association and/or the Managing Agent shall have no responsibility therefor.

(f) In the event that there shall be any damage or destruction to, or loss of or taking of a Unit which exceeds One Thousand Dollars (\$1,000) or any damage or destruction to, or loss to, or taking of the Common Elements which exceeds Ten Thousand Dollars (\$10,000), then notice of such damage or loss or taking shall be given by the Association to each first Mortgagee of said Condominium Unit within ten (10) days after the occurrence of such event.

23. Owner's Personal Obligation for Payment of Assessments. The amount of the Common Expenses assessed against each Condominium Unit shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from liability for his contribution for the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid Assessment which remains unpaid for more than twenty (20) days from the due date for payment thereof. In the event of default in the payment of the Assessment the defaulting Condominium Unit Owner shall be obligated to pay interest at the

rate of eighteen percent (18%) per annum on the amount of the Assessment from due date thereof, together with all incurred expenses, including attorney's fees. A suit to obtain a money judgment for unpaid Common Expenses shall be maintainable without constituting an election of remedies or waiving the lien securing said debt.

24. Assessment Lien.

(a) All sums assessed but unpaid for the share of Common Expenses chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit superior to all other liens and encumbrances, except only for:

(1) Real estate taxes and special Assessment liens on the Condominium Unit in favor of any public or quasi-public assessing entity; and

(2) All sums unpaid on a first Mortgage or first deed of trust of record, including advances and all unpaid obligatory sums as may be provided by such encumbrances.

To evidence such lien, the Board of Directors shall prepare a written notice of lien Assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one (1) of the Board of Directors or by one (1) of the officers of the Association and shall be recorded in the office of the Clerk and Recorder of the County of Larimer, State of Colorado. Such lien shall attach on the date the Notice of Assessment is recorded. Such lien may be enforced by the foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a Mortgage on real property.

(b) If any such monthly installment shall not be paid within ten (10) days after it shall become due and payable, the Association's Board of Directors may assess a "late charge" thereon in an amount not exceeding Ten Dollars (\$10.00) to cover the extra cost and expenses involved in handling such delinquent Assessments. Each Owner hereby agrees that the Association's lien on a Condominium Unit for Assessments as hereinbefore described shall be superior to the Homestead Exemption provided by Section 38-41-201, C.R.S., 1973 and each Owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Condominium Unit within this Project shall signify such grantee's waiver of the Homestead right granted in said Section of the Colorado statutes.

(c) An Owner shall be required to pay the costs, expenses and attorney's fees incurred by the Association in regard to any such default including the cost of preparation and filing the lien, and, in the event of foreclosure proceedings, all additional costs, expenses and attorney's fees incurred. An Owner of the Condominium Unit being foreclosed shall be required to pay to the Association the monthly Common Expense Assessment for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power and authority to bid for the Condominium Unit at a foreclosure or other legal sale and to acquire and hold, lease,

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mortgage, vote the votes appurtenant to, convey or otherwise deal with the same during such proceeding and its ownership thereof.

(d) Any encumbrancer holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Condominium Unit, and upon such payment, such encumbrancer shall have a lien on such Condominium Unit for the amounts paid of the same rank as the lien of his encumbrance without the necessity of having to record a notice or claim of such lien. Upon request of a Mortgagee, the Association shall report to the Mortgagee of a Condominium Unit any unpaid Assessment remaining unpaid for longer than thirty (30) days after the same is due, or other default of any covenant, condition, obligation or term of this Declaration not cured within thirty (30) days; provided, however, that a Mortgagee shall have furnished to the Association, notice of such encumbrance.

(e) Any recorded lien for non-payment of the Common Expenses may be released by recording a Release of Lien executed by an officer or Director of the Association.

(f) Declarant states in accordance with the Colorado Condominium Ownership Act, that it is possible that liens other than mechanics' liens, assessment liens and tax liens, may be obtained against the common elements, including judgment liens and purchase money mortgage liens.

25. Liability for Common Expenses upon Transfer of Condominium is Joint.

(a) A grantee of a Condominium Unit, except for any first Mortgagee who comes into possession of a Condominium Unit pursuant to the remedies provided in its Mortgage or becomes an Owner of a Condominium Unit pursuant to foreclosure of its mortgage or by taking of a deed in lieu thereof, shall be jointly and severally liable with the grantor for all unpaid Common Expense Assessments against the latter for the unpaid Common Expense Assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Twenty-Five Dollars (\$25), and upon written request, any such prospective grantee shall be entitled to a statement from the Board of Directors or Managing Agent of the Association, setting forth the amount of the current monthly Common Expense Assessment, the date that such Assessment becomes due and any credits for any advanced payments of Common Expenses and prepaid items, such as insurance premiums, and accumulated amounts for reserves, if any, which statement shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten (10) business days from receipt thereof, then such requesting grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien therefor, together with all costs of collection, interest, penalties and reasonable attorney's fees. Notwithstanding the foregoing, in the event of any special Assessment as provided for in Section 21(g) hereof, the record Owner of each Condominium Unit within the Project on the date of such special Assessment shall be totally responsible for the full payment of such special Assessment. Nothing herein shall be deemed to relieve the purchaser or transferee of a

Unit, whether pursuant to foreclosure or otherwise, from liability for, nor the Unit so sold or transferred from the lien of, any Common Expenses becoming due after such transfer.

(b) Upon payment to the Association of a reasonable fee not to exceed Twenty-Five Dollars (\$25), and upon receipt of a written request from an Owner, any Mortgagee or prospective Mortgagee of a Condominium Unit, the Association, through any officer or the Board of Directors or by its Managing Agent, shall issue a written statement of account setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Condominium and the date that such Assessment becomes due, the amount of any credit for any advanced payments of Common Expense Assessments and for prepaid items (such as insurance premiums, but not including accumulated amounts for reserves, if any), which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Such request for a statement of indebtedness shall be issued within ten (10) business days from receipt thereof.

(c) Notwithstanding the terms and conditions of paragraph 25(a), supra, in the event of any default on the part of any Owner under any first Mortgage which entitled the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed of the first Mortgagee in lieu of such foreclosure shall be made free and clear of the provisions of paragraph 25(a) relating to the liability of a grantee for the unpaid Common Expense Assessments of his grantor. Further, no first Mortgagee shall be liable for any unpaid Common Expense Assessments accruing prior to the time such Mortgagee becomes the Owner of any Condominium Unit or takes possession of a Condominium Unit pursuant to the remedies provided in its Mortgage, whichever event is later.

26. Encumbrances - Priority. The Owner of a Condominium Unit may create a junior Mortgage, liens or encumbrances on his Condominium Unit; provided, however, that any such junior Mortgages, liens or encumbrances shall always be subordinate to the prior and paramount lien of the Association for Common Expenses and all of the terms, conditions, covenants, restrictions, uses, limitations, and obligations under this Declaration, the Association's Articles of Incorporation and By-Laws, and provided further that such junior encumbrancer(s) shall release, for purposes of restoration of any improvements within the Project, all of his right, title and interest in and to the proceeds under all insurance policies purchased by the Association. Such release shall be furnished forthwith by a junior Mortgagee upon written request of the Association, and if such report is not granted, such release may be executed by the Association as attorney-in-fact for such junior Mortgagee.

27. Destruction, Damage or Obsolescence - Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project in the event of its destruction, damage, obsolescence or condemnation, including the repair, replacement and improvement of any Condominium Units, Buildings, Common Elements or other portion of the Project which has been so destroyed, damaged, condemned or become obsolete. Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other

instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association as their true and lawful attorney-in-fact in their name, place and stead, for the purpose of dealing with the Project upon its damage, destruction, obsolescence or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a Condominium Unit Owner which is necessary and appropriate to exercise the powers herein granted. In the event that the Association is dissolved or becomes defunct, a meeting of the Condominium Unit Owners shall be held within thirty (30) days of either such event. At such meeting a new attorney-in-fact, to deal with the Project upon its destruction, damage, obsolescence, or condemnation shall be appointed. Said appointment must be approved by the Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the Common Elements and one hundred percent (100%) of the first Mortgagees of the Condominium Units. Repair and reconstruction of the improvements as used in the succeeding paragraphs means restoring the improvement(s) to substantially the same condition in which they existed prior to the damage, with each Unit and the General and Limited Common Elements having substantially the same vertical and horizontal boundaries as before, and all improvements being reconstructed or repaired in conformance with the Project's original architectural plan and scheme. The proceeds of any insurance collected shall be available to the Association for the purposes of repair, restoration, reconstruction or replacement unless all of the Owners and all first Mortgagees agree not to rebuild in accordance with the provisions hereinafter set forth.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and restoration of the improvement(s). Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than seventy percent (70%) of the total replacement cost of all of the Condominium Units in this Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and the proceeds of a special Assessment to be made against all of the Owners and their Condominium Units. Such special Assessment shall be a Common Expense and made pro rata according to each Owner's Percentage of Responsibility and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power as attorney-in-fact, to cause the repair, replacement or restoration of the improvement(s) using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the Assessment. The Assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced

and collected as is provided in paragraph 24. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency Assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. Assessments for the Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notice, interest at a rate of eighteen percent (18%) per annum on the amount of the Assessment and all reasonable attorney's fees. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

- (1) For payment of the balance of the lien of any First Mortgage;
- (2) For payment of taxes and special Assessment liens in favor of any assessing entity and the customary expenses of sale;
- (3) For payment of unpaid Common Expenses and all costs, expenses and fees incurred by the Association;
- (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the Condominium Unit Owner.

(c) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is more than seventy percent (70%) of the total replacement cost of all of the Condominium Units in this Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special Assessment to be made against all of the Owners and their Condominium Units, provided, however, that Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the Common Elements and one hundred percent (100%) of the first Mortgages of record may agree not to repair or reconstruct the improvements; and in such event, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire Project shall be sold by the Association pursuant to the provisions of this paragraph, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, Articles of Incorporation and By-Laws. Assessments for Common Expenses shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's interest in the Common Elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. Each such account shall be in

the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact shall forthwith use and disburse the total account toward the partial or full payment of the lien of any first Mortgagee encumbering the Condominium Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property. Such apportionment shall be based upon each Condominium Unit Owner's interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution, from one (1) account to another by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this paragraph. In the event that the damage is to be repaired or reconstruction is to be made then the provisions of Section 27(b) shall apply.

(d) The Owners representing an aggregate ownership interest of seventy-five percent (75%) or more, of the Common Elements in this Project may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of one hundred percent (100%) of the first Mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plans shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Owners as a Common Expense, whether or not they have previously consented to the plan of renewal and reconstruction. The Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such Assessment within the time provided, and if not so paid the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of eighteen percent (18%) per annum, and all reasonable attorney's fees. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this paragraph.

(e) The Owners representing an aggregate ownership interest of seventy-five percent (75%) or more, of the Common Elements may agree that the Condominium Units are obsolete and that the same should be sold. Such plan or agreement must have the approval of one hundred percent (100%) of the first Mortgagees of the Condominium Units. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire Project shall be sold by the Association, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, the Articles of Incorporation and the By-Laws. The sale proceeds shall be apportioned among the Owners on the basis of each Owner's interest in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one (1) Condominium Unit. Each such account shall be in the name of the Association and shall be further identified by the Condominium Unit designation and the name of the Owners.

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From each separate account, the Association, as attorney-in-fact shall use and disburse the total amount (of each) of such accounts, without contribution from one (1) account to another, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this paragraph.

28. Condemnation. If at any time or times during the continuance of the Condominium ownership pursuant to this Declaration, all or any part of the Condominium Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions of this Article shall apply:

(a) Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award" shall be payable to the Association. The Association shall represent the Owners in the condemnation proceedings or in the negotiation, settlements and agreements with the condemning authority for acquisition of the Common Elements or any part thereof by the condemning authority. All of the Owners hereby irrevocably constitute and appoint the Association as their true and lawful attorney in fact, in their name, place and stead, for the purpose of dealing with the Project upon such condemnation as hereinabove set forth. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the condemnation award shall be payable to the Association, to be held in trust for the Owners and their first Mortgagees, as their interests may appear.

(b) Complete Taking.

(1) In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or avoidance thereof, the Condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners on the same basis as each Condominium Unit Owner's interest in the Common Elements, provided, however, that if a standard different from the value of the Property as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

(2) On the basis of the principle set forth in the last preceding paragraph, the Association shall, as soon as practicable, determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 27(b) (1) through (5).

(c) Partial Taking. In the event that less than the entire Condominium Project is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall reasonably and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the Common Elements, shall be

apportioned among the Owners on the basis of each Owner's interest respectively in the Common Elements; (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Unit and to the improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved; and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Section 27(b)(1) through (5).

(d) The Association shall notify each first Mortgagee of any Condominium Unit of the commencement of the condemnation proceedings and shall notify said Mortgagees in the event of the taking of all or any part of the Common Elements, if the value of the Common Elements taken exceeds Ten Thousand Dollars (\$10,000).

29. Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, shall cease to hold any right, title or interest in the remaining Common Elements and shall execute any and all documents necessary to accomplish the same. Thereafter, the Association shall reallocate the ownership, voting rights and Assessment ratio in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners and first Mortgagees of remaining Units for amendment to this Declaration as provided in Section 19.

30. Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 27.

31. Registration of Mailing Address. Each Owner shall register his mailing address and the name and address of his first Mortgagee, if any, with the Association and notices or demands intended to be served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the Owner and first Mortgagee at such registered address. Copies of such notices shall be sent to first Mortgagees in a like manner, except when such notices pertain to matters specifically relating to Mortgagee(s), in which case such notice shall be sent by certified mail, return receipt requested or registered mail.

32. Period of Condominium Ownership. The separate Condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as provided in paragraph 19 of this Declaration or until terminated in the manner as is provided in paragraphs 27 and 28 of this Declaration.

33. Assessment Reserves and Working Capital Account. Each Owner other than the Declarant, shall be required to deposit at the time of

initial purchase and thereafter to maintain with the Association a sum equal to six (6) times the amount of the original estimated monthly Common Expense Assessments, which sum shall be used by the Board of Directors as a reserve for paying such Owner's Common Expense Assessment, for capital repairs and/or replacements, purchase of equipment and for extraordinary Common Expenses. Such advance payment shall not relieve an Owner from making the regular monthly Common Expense Assessment as the same comes due. Upon the sale of his Condominium Unit, an Owner shall be entitled to a credit from his grantee for any unused portion thereof. Failure to so maintain said fund shall constitute a default on behalf of an Owner and the Association shall be entitled to proceed under the remedies granted to it in Section 21 and 24, supra. Any interest accruing on such deposit shall not be required to be distributed by the Association. However, such interest if any, for tax purposes is hereby recognized and declared to be a constructive receipt received by an Owner.

34. Restrictions on Leasing. The Owner of a Condominium Unit shall have the right to lease his Condominium Unit under the following conditions:

(1) No Owner may lease less than his entire Condominium Unit and the initial term of such lease shall be for a period of not less than thirty (30) days;

(2) All leases shall be in writing;

(3) All leases shall provide that the terms of the lease and lessee's occupancy of the Condominium Unit shall be subject in all respects to the provisions of this Declaration and to the provisions of the Articles of Incorporation and By-Laws of the Association. Any failure by the lessee to comply therewith shall be a default under the lease. Any Owner who leases his Condominium Unit shall, within ten (10) days after the execution of such lease, forward a copy of the same to the Association or the Association's Managing Agent.

35. Association Right to Acquire Additional Property. The Board of Directors may acquire and hold for the benefit of all of the Condominium Unit Owners tangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the Condominium Unit Owners in the same proportions as their respective interests in the Common Elements and such interest therein shall not be transferable except with a conveyance of a Condominium Unit. A conveyance of a Condominium Unit shall transfer to the grantee ownership of the grantor's beneficial interest in all such property interest associated with and appurtenant to the subject Condominium Unit.

36. General Reservations.

(a) Reservation of Rights. Declarant reserves the right to establish easements, reservations, exceptions and exclusions consistent with the condominium ownership of the Project and for the best interests of all of the Owners, including the Declarant, in order to serve the entire Project. Such right shall be transferrable to the Association at any time

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and shall automatically pass to and then be reserved by the Association, if not sooner done, on January 1, 1987.

(b) Voting Rights Reservation. The Owner of each Condominium Unit shall be entitled to one (1) vote, as further described in the By-Laws of the Association, for each Unit owned, except Declarant shall be entitled to three (3) votes for each Unit subject to this Declaration or any supplemental declaration which it owns until such time as Declarant is no longer the owner of twenty-five percent (25%) or more of all the Units subject to this Declaration, or January 1, 1987, whichever first occurs. Declarant shall thereafter have one (1) vote for each Condominium Unit which it owns.

37. Acceptance of Provisions of all Documents. The conveyance or encumbrance of a Condominium Unit shall be deemed to include the acceptance of all of the provisions of this Declaration, the Articles of Incorporation and Association By-Laws and rules and regulations and shall be binding upon each grantee without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

38. General.

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

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

(c) Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

(d) Paragraph titles are for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

(e) The Association and any aggrieved Owner shall have a right of action against other Owners for failure to comply with the provisions of this Declaration, the Articles of Incorporation, or By-Laws of the Association or with decisions of the Association which are made pursuant to authority granted to the Association in such documents. Unit Owners shall have a similar right of action.

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IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 10th day of August, 1984.

PROGRESSIVE LIVING STRUCTURES, INC.,
a Colorado Corporation

BY: Leo J. Schuster Pres
Leo J. Schuster, President

ATTEST: David L. Pierce Sec.
David L. Pierce, Secretary

STATE OF COLORADO)
COUNTY OF LARIMER) ss.

The above and foregoing Declaration was acknowledged before me this 10th day of August, 1984, by Leo J. Schuster, as President and David L. Pierce, as Secretary of Progressive Living Structures, Inc., a Colorado corporation.

My commission expires:
WITNESS my hand and official seal.

Katharina T. Tanner
Notary Public
Address: 1009 Elmwood Dr
Louisville, CO 80507

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EXHIBIT "A"

EXHIBIT "A" ATTACHED TO AND MADE A PART OF THE CONDOMINIUM DECLARATION FOR LOCUST PARK VILLAGE CONDOMINIUMS

REAL PROPERTY DESCRIPTION

Locust Park Third Subdivision; being Lots 4-12 inclusive and Del Norte Court, Locust Park 2nd Subdivision; being a subdivision of Lot 1, Locust Park 1st Subdivision; being a subdivision of Lots 1-6, Block 21, and all of tract B, Locust Park Addition to the City of Loveland, County of Larimer, State of Colorado; according to the plat thereof recorded June 6, 1984, in Book 2275 at page 0497 of the Larimer County, Colorado, records.

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EXHIBIT "B"

EXHIBIT "B" ATTACHED TO AND MADE A PART OF THE CONDOMINIUM DECLARATION FOR LOCUST PARK VILLAGE CONDOMINIUMS

The real Property submitted to Condominium ownership is hereby divided into the following fee simple estates:

(a) Twenty-four (24) fee simple estates consisting of twenty-four (24) separately designated Units, each such Unit being identified by number on the Map.

(b) The remaining portion of the entire premises referred to as the Common Elements which shall be held (in fee simple) in common by the Owners, each such undivided interest being appurtenant to one of the twenty-four (24) Units. Declarant does hereby establish each undivided interest in the Common Elements appurtenant to each of the Units and in accordance with the provisions of Section 21 does hereby establish the percentage of responsibility for the payment of Common Expenses assigned to each Unit as follows:

Unit Number	Percentage of Responsibility	Appurtenant Undivided Interest in Common Elements
Unit 1, Building A,	1/24	1/24
Unit 2, Building A,	1/24	1/24
Unit 3, Building A,	1/24	1/24
Unit 4, Building A,	1/24	1/24
Unit 5, Building A,	1/24	1/24
Unit 6, Building A,	1/24	1/24
Unit 7, Building A,	1/24	1/24
Unit 8, Building A,	1/24	1/24
Unit 1, Building B	1/24	1/24
Unit 2, Building B	1/24	1/24
Unit 3, Building B	1/24	1/24
Unit 4, Building B	1/24	1/24
Unit 5, Building B	1/24	1/24
Unit 6, Building B	1/24	1/24
Unit 7, Building B	1/24	1/24
Unit 8, Building B	1/24	1/24
Unit 1, Building C	1/24	1/24
Unit 2, Building C	1/24	1/24
Unit 3, Building C	1/24	1/24
Unit 4, Building C	1/24	1/24
Unit 5, Building C	1/24	1/24
Unit 6, Building C	1/24	1/24
Unit 7, Building C	1/24	1/24
Unit 8, Building C	1/24	1/24