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 DECLARATION FOR
 LEISURE VILLAGE CONDOMINIUMS

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*Ste - Sleepak
 P.O. Box 1478
 Ft. Collins, CO 80522*

CONDOMINIUM DECLARATION

FOR

LEISURE VILLAGE CONDOMINIUMS

OASIS DEVELOPMENT LLC, a Colorado Limited Liability Company, the owner of the land described herein and First National Bank, the sole lienholder of that property, hereinafter referred to as Declarant, being the owner of the real property situate in the County of Larimer, State of Colorado, described as follows:

Lots 1,2 & 3 of the plat of Fahrenbruch Leisure Village, Fourth Filing, City of Fort Collins, County of Larimer, State of Colorado.

desires to establish a condominium project pursuant to the provisions of the Colorado "Condominium Ownership Act", and the "Colorado Common Interest Ownership Act".

Declarant does hereby establish a plan for the ownership in fee simple of condominium real property estates, subject to this Declaration and the Condominium Maps, consisting of the area of space contained in each of the units shown on the Condominium Maps, together with the co-ownership by the unit owners as tenants-in-common, of all of the remaining property which is hereinafter defined and referred to as the general and limited common elements. Such plan is hereby declared to be for the benefit of the property and the owners thereof, their heirs, devisees, grantees, successors and assigns.

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 above-described land, and shall be a burden and a benefit to Declarant, its grantees, successors and assigns, and any person or entity acquiring or owning an interest in a condominium unit, their heirs, devisees, grantees, successors and assigns.

The name of the condominium property and project shall be Leisure Village Condominiums.

1. Definitions

All applicable portions of definitions as contained in the Colorado "Condominium Ownership Act" and the "Colorado Common Interest Ownership Act" shall apply to this Declaration and the

property herein, except as particularly modified or changed by individual definitions hereinafter set forth.

A. "Unit" means one individual air space, as hereinafter more specifically defined.

B. "Condominium unit ownership" means the fee simple interest and title in and to a unit together with the undivided interest in the general and limited common elements appurtenant thereto.

C. "Owner" means a person, persons, corporation, partnership, or other legal entity, or any combination thereof, who or which owns an interest in a unit.

D. "Condominium Map" or "Map" means the survey of the condominium project land, depicting the boundaries thereof; and other matters as hereinafter set forth.

E. "Family" means an individual living alone or either of the following groups living together as a single housekeeping unit and sharing common living, sleeping, cooking and eating facilities:

- 1) Any number of persons related by blood, marriage, adoption, guardianship or other duly authorized custodial relationship; or
- 2) Any unrelated group of persons consisting of:
 - a. Not more than three (3) persons; or
 - b. Not more than two (2) unrelated adults and their related children, if any.

F. "General Common Elements" (indicated GCE on the Condominium Map) means the real property above described; the structural components of the buildings and units; and all other parts and improvements of and on said property including the air space above said property, except those air spaces identified on the Condominium Maps as units, and except any portions of the property designated as Limited Common Elements on the Maps, and as hereinafter provided.

G. "Limited Common Elements" (indicated LCE on the Condominium Maps) means those parts of the common element which are limited to and reserved for the exclusive use of a unit owner, as more specifically hereinafter provided.

H. "Ownership Interest in Common Elements" shall mean an equal undivided interest in the common elements.

I. "Declaration" means this Declaration.

J. "Declarant" means, Oasis Development LLC, a Colorado Limited Liability Company, the owner of the land described herein and First National Bank, which holds a deed of trust secured by said land.

K. "Common expenses" shall include expenses herein declared to be common expenses; and other expenses determined to be common expenses by the Association.

L. "Corporation", "Association", or "Condominium Association" means Leisure Village Condominium Association, Inc., a Colorado Nonprofit Corporation, which shall govern the administration, use and maintenance of the common elements.

M. "Mortgagee" shall mean and include the holder of a mortgage or the holder of a deed of trust, as legally recognized as a real property security interest pursuant to the laws of the State of Colorado.

N. "Board of Directors" or "Directors" means the Board of Directors of Leisure Village Condominium Association, Inc., a Colorado nonprofit corporation.

O. "Bylaws" means the Bylaws of Leisure Village Condominium Association, Inc.

P. "Rules & Regulations" means those rules and regulations adopted from time to time by the Board of Directors of the Corporation.

Q. "Single-family residential use"; "Residential use"; and "Single-family occupancy" mean use and occupancy for dwelling purposes for one family.

2. Condominium Estates

A. The real property herein described and the improvements thereon are hereby designated as fee simple condominium estates. Each estate shall consist of the separately designated unit together with a one 13th undivided interest in and to the common elements, (or if less units are developed, a correspondingly greater fractional interest).

B. Each unit and the undivided interest in the common elements shall be inseparable and may be conveyed, leased, rented, willed, transferred, or encumbered only as a condominium unit.

C. All owners of the condominium units shall be members of the Association, which membership shall be appurtenant to any may not be separated from ownership of any unit. The Association shall have one class of voting membership. Provided, however, there

shall be only one vote per unit in Association membership matters except Oasis Development LLC as developer of the project shall have three votes per unit.

3. General Common Elements

The general common elements shall be owned as tenants-in-common by the unit owners. None of the general common elements may be changed to limited common elements, without a prior unanimous vote of the voting members of the Association, in which event the vote shall be whether or not to adopt a specific plan to allocate any or all of the general common elements to limited common elements. None of the general common elements may be conveyed to any person or entity other than to all of the condominium unit owners. General common elements shall be identified as such on the Condominium Map as "GCE". Provided, however, in any event, all roofs; exterior walls of all buildings including the structure and the insulation thereof; all floor joist envelopes; the structure and insulation of interior walls separating units; exterior paint; open space (unless designated "LCE" on the Maps); any irrigation system; sewer service lines; water service lines; natural gas service lines; electrical service lines; television cable service lines; telephone service lines; fences and all streets which are indicated as being within this condominium development on the Condominium Maps, shall be deemed general common elements whether or not so depicted on the Maps.

4. Limited Common Elements

Limited common elements shall be identified as such on the Condominium Maps as "LCE". Unless a common element is so designated as limited, all common elements shall be general common elements. Provided, however, in any event, all decks, patios, balconies, driveways serving a specific unit, utilities within each unit, furnaces and air conditioning, appliances, unit windows and doors, unit floors and subfloors, interior partition walls, all interior sheetrock and wall coverings, shall be deemed limited common elements. Limited common elements shall be used exclusively by the owner of the unit to which they apply and are appurtenant, except by invitation of such unit owner. None of the limited common elements may be changed to general common elements without a prior unanimous vote of the voting members of the Association, in which event the vote shall be whether or not to adopt a specific plan to allocate any or all of the limited common elements to general common elements. None of the limited common elements may be conveyed to any person or entity other than to all of the condominium unit owners.

5. Condominium Map and Declaration

An initial Condominium Map, together with Supplemental Maps for the units subsequently constructed, shall be filed for record

in the Larimer County real estate records, locating the site of the units or unit, designating the units by letter, the buildings by number, and designating the dimensions of each unit both horizontally and vertically. In addition, all such maps shall contain the name of the condominium project, and the initial map shall include a general schematic of the entire condominium project, together with the location and dimensions of any real estate which will not be subject to development rights, such as "outlots", together with the location and dimensions of any existing improvements upon the real property. The initial map shall also contain a description or clear delineation of any of the real property subject to future development rights, labeled to identify the rights. All maps shall show the extent of any encroachments across any common element; a description of all easements serving or burdening any portion of the common elements; and the distance between any noncontiguous parcels of real property comprising the common elements. All maps shall contain the certificate of a Colorado registered land surveyor, including that it was made under the surveyor's supervision and was prepared subsequent to substantial completion of the improvements shown thereon. The certificate on the initial map shall also state that it does depict a boundary survey of the condominium property. Any supplements or amendments to either the Condominium Map or to this Condominium Declaration shall be filed for record and make reference to the filing information on the initial map and declaration and to any previous amendments or supplements thereto.

6. Condominium Units

A. A condominium unit shall consist of one individual air space contained within a building as shown on the Map. All units shall have access to a public street.

B. Every contract, deed, lease, deed of trust, will or other instrument shall describe a condominium unit by its letter, and its building number, followed by the name of the condominium development with further reference to the Condominium Declaration and amendments thereto and the Condominium Map or Maps, together with the filing information therefor. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, lease, encumber, devise or otherwise affect not only the unit, but also the appurtenant undivided interest in the common elements.

7. Form of Ownership - Title

A condominium unit may be held and owned in any real property tenancy recognized under the laws of the State of Colorado.

8. Inseparability of a Condominium Unit

Each unit, and the undivided interest in the common elements, shall together comprise one condominium unit; shall be inseparable;

and may be sold, conveyed, leased, rented, devised, transferred or encumbered only as one condominium unit.

9. Non-Partitionability

The common elements shall remain undivided, and no owner nor the Association may bring any action for partition or division of the common elements. The Association and owners of a unit shall not, by act or omission, seek to abandon, lease, sell or transfer the common elements. (However, the granting of easements for public utilities or for other public purposes by the Association consistent with the intended use of the common elements shall not be deemed a transfer within the meaning of this section). A unit owner shall not, through a partition suit or otherwise, divide or partition a unit or the ownership thereof.

10. Taxation

Each unit shall be subject to separate real property assessment and taxation. All taxes and assessments for a unit which are not paid and become a lien shall become a lien only against the individual unit for which the delinquency exists, and not against the condominium project as a whole or against any other unit.

11. General Easements

There is hereby created an easement upon, across, over and under the above described property for installation, replacement, repair and maintenance of all utilities serving any or all of the condominium units or any portion of the common elements; and for maintenance and repair of any of the common elements. This easement is reserved unto the Corporation in, on and over each condominium unit and all common elements to permit the Corporation or its duly authorized agent to effect any desired or necessary installation, replacement, repair or maintenance of any utilities or common element. Such easement shall not be considered or determined to be an encumbrance either on the common elements or on the units, for purposes of marketability of title or otherwise.

12. Use of General Common Elements

Each unit owner may use the general common elements in common with other unit owners. The Association Board of Directors may adopt rules and regulations governing the use of general common elements, provided such rules and regulations shall be uniform and nondiscriminatory.

13. Number of Units and Buildings

The total number of units shall be 13, and the total number of buildings shall be 3, subject to the provision in Section 31

hereof.

14. Easements for Encroachments

Easements for any encroachments which may exist after the construction of a unit exist as follows:

1) In favor of all unit owners so that they shall have no legal liability when any part of the common elements encroaches or shall encroach upon a condominium unit; and

2) In favor of all unit owners so that they shall have no legal liability when any part of their unit encroaches or shall hereafter encroach upon the common elements; and

3) In favor of all unit owners and the Association for the maintenance and repair of any such encroachments.

This easement shall also exist in the event of any encroachment resulting from the rebuilding of any unit or common element subsequent to a casualty loss. This easement and any such encroachments shall not be considered to be encumbrances either on the common elements or on any unit.

15. Preparation of Budget

A. The fiscal year for the Association shall be the calendar year. Each year on or before June 1, the Board of Directors shall adopt an advanced budget for the Association, containing an estimate of the total amount which the Board considers necessary to fulfill its duties and responsibilities for the ensuing fiscal year, together with such reasonable amounts as the Board considers necessary to provide for an operating reserve fund for said ensuing year and for a reserve fund for maintenance of the general common elements. The Board shall send a copy of said budget to at least one owner of each unit, together with the assessment statement for that unit, within thirty days subsequent to the adoption thereof. The Board shall also include in this mailing a date for membership meeting for the purpose of budget ratification, which date shall be not less than fourteen nor more than sixty days subsequent to the date of mailing. Unless at the meeting a majority of the votes reject the budget, the budget shall be deemed ratified, whether or not a quorum was present at that meeting. In the event that the proposed budget is rejected, the budget last ratified shall continue until such time as a new budget is ratified. Said budget shall constitute the basis for determining each unit owner's contribution for common expenses.

B. In the event of any delay in the preparation or ratification of such annual budget for any year, the same shall not constitute a waiver or release in any manner of a unit owner's obligation to pay his assessed share of the common expenses, and in

the meantime each owner shall continue to pay the assessments for common expenses based upon the last ratified budget until the new budget is ratified.

C. All sums collected by the Board of Directors with respect to assessments against the unit owners may be commingled into a single fund. No interest must necessarily accrue on such account or fund.

D. The Board of Directors shall take prompt action to collect any assessments for common expenses due from any unit owners which remain unpaid for more than thirty days from the due date thereof.

16. Common Expenses and Assessments

A. Common expenses shall include the following: repair, replacement and maintenance of the general common elements; cost of insurance as herein provided; sewer service charges; water; snow removal from and maintenance of the streets within the condominium project as shown on the Condominium Map; landscaping; of the common elements; and electricity for any condominium development name sign and other electricity used for a common element; and together with other expenses determined to be common expenses by the Association Board of Directors. Unit owners shall be obligated to pay their assessments imposed by the Board of Directors to meet common expenses. The Association shall be responsible and liable for the payment of all sewer service charges, and for all water charges, whether or not the Association has collected all assessments for each unit. Assessments for common expenses may not be uniform for all units, as some units may be larger or of greater value than others, as determined by the Board of Directors, as long as such determination is non-discriminatory among units of the same size and/or value. Assessments for units that have been constructed by the Declarant but not sold shall be assessed at 55% of what the unit would otherwise be assessed. Otherwise, unless determined by the membership to the contrary, all assessments shall be divided equally per unit; except that different sized units may be assessed differently. Assessments shall be payable annually or in installments as determined by the Board of Directors, rather than by special assessment.

B. In the event the ownership of a condominium unit commences on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

C. Assessments shall be based upon the annual advance budget.

D. Owners and mortgagees shall have the right to examine the books and records of the Association at all reasonable business hours, upon reasonable advance notice.

E. Upon the sale of a unit, the previous owner and the new owner shall be jointly and severally liable for the payment of any unpaid assessment for common expenses. Upon the sale of a unit, all then unpaid assessments for common expenses shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except for past due real property taxes and except for payments due under any recorded deed of trust.

F. Upon written request for statement of account by an owner or by a lienholder delivered personally or by certified mail, return receipt requested to the Associations registered agent, the Board of Directors or the officer designated thereby shall furnish a written statement of the amount of any unpaid assessments, the amount of the current assessment, and the dates that assessments are due, with regard to that unit within fourteen (14) days of receipt. Said written statement shall be delivered personally or by certified mail, return receipt requested. A reasonable service fee as established by the Board of Directors may be charged for the furnishing of said statement. The Board may request a copy of the lien prior to furnishing a statement to a lienholder. In any event, no director or officer shall be liable to any owner or to anyone for so furnishing said statement.

G. In the event of default in the payment of any assessment, unit owners shall be obligated to pay interest at the rate of 15% per annum on the amount of the delinquent assessment from after ten days subsequent to the due date thereof, together with all expenses, reasonable attorney fees, incurred by the Board in the collection of the same; and together with a 5% penalty for late (past said ten days) payment for each assessment. Suit to recover a money judgment for unpaid assessments may be maintained by the Association through the Board without foreclosing any assessment lien as hereinafter provided, and any such suit shall not be a waiver of said lien. For the purpose of any such suit to recover a money judgment, all unit owners are subject to the venue and jurisdiction of the courts in and for the County of Larimer, State of Colorado.

17. Management

The Association Board of Directors shall conduct the day to day management for the Association, and shall have all of the powers, authority and duties permitted pursuant to the Colorado Condominium Ownership Act and the Colorado Common Interest Ownership Act necessary to manage the business affairs of the condominium project. The Board shall have the right to contract for the maintenance of the general common elements. Any contract providing for management services shall not exceed three years, and shall provide that it can be terminated by either party without cause and without payment of a termination fee on ninety days or less written notice. Matters requiring a vote of either the Board

or the Association membership shall be by simple majority vote unless a greater vote is required herein, by law or by the Association Bylaws. Each unit shall have one vote on all Association membership matters.

18. Maintenance Responsibilities

Maintenance and repair of all general common elements shall be by and at the expense of the Association unless damage is caused thereto by a unit owner, their family, guests or tenants and the damage is not covered by the Association's insurance. Limited common elements will be maintained and repaired by the unit owner to which the limited common elements are appurtenant, unless damage is caused thereto by the Association (except that the Association shall paint all exterior surfaces). No owner shall remodel or make any alteration that will be visible from outside the unit without first having the written approval of the Board of Directors of the Association. A unit owner shall be responsible for keeping the limited common elements appurtenant to his unit clean, and for snow removal therefrom. There shall be an obligation to replace exterior materials with similar types or kinds of material, and using the same colors. A unit owner shall do no act nor work that will impair the structural soundness or integrity of a unit or a building. If a unit owner fails to maintain the limited common elements appurtenant to his unit or to keep the same clean, after fifteen days advance written notice of its intent so to do, the Association may do so and assess the expense therefor against the unit owner. Any such unpaid assessment may become a lien and be collected as provided herein regarding common expense assessments.

19. Termination of Mechanic Lien Rights and Indemnification

No labor performed or materials or services furnished to a unit with or without the consent of a unit owner, by his agent, a contractor or a subcontractor shall be the basis for filing of any lien against the common elements (except that unit's undivided interest therein), or against the unit of any other unit owner who did not expressly consent to or request the labor, services or materials. Each owner shall indemnify and hold harmless, including reasonable attorney fees, the Association, the other units and other owners from and against all liability arising from any such claim or lien against his unit.

20. Compliance with Provisions of Declaration and Corporation Documents Mandatory

Each owner shall comply with the provisions of the Declaration, the Maps, the Articles of Incorporation and Bylaws of the Association, and any Rules & Regulations adopted by the Board of Directors. 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 reasonable attorney

fees incurred in connection therewith, which action shall be maintainable by the Association through the Board or by an aggrieved owner. By purchasing a unit all owners subject themselves to the venue and jurisdiction of courts in and for the County of Larimer, State of Colorado, for such purpose.

21. Insurance

A. The Board of Directors of the association shall obtain and maintain at all times, with the Association as the insured, to the extent obtainable, policies written through companies licensed to do business in Colorado covering the risks set forth below. The Board of Directors shall not obtain any policy under which loss payments are contingent upon action by the company's directors, policy holders or members or where the policy includes any limiting clauses (other than insurance conditions) which would prevent mortgagees or a mortgagor from collecting insurance proceeds:

(1) "All risk" insurance coverage insuring all buildings and common elements. The Board shall obtain a single master policy covering physical damage for the entirety of said property. The Board shall also make an effort to obtain an agreement with the insurance carrier that any unit owner shall have the right to request an increase in the coverage allocated on his unit by reason of improvements made solely to his unit, on the condition that any additional premium resulting from any such additional coverage shall be billed by the carrier directly and shall be paid by and be the sole responsibility of that unit owner. Each unit owner shall be responsible for carrying his own contents casualty insurance. The Board shall review its insurance at least once a year; shall be responsible for notifying the carrier of any new units and buildings; may obtain an appraisal to use in determining coverage amounts, as an Association expense; and shall attempt to obtain full replacement cost coverage without co-insurance, deductibles or depreciation deductions.

(2) Public liability and property damage insurance coverage in such amounts as the Board of Directors determines, but not in an amount less than \$1,000,000.00. Each unit owner shall be responsible for carrying his own premises liability insurance, if he so desires.

(3) Workmans' Compensation insurance for any employee of the corporation as required by the laws of the State of Colorado.

(4) Fidelity bond or insurance coverage for the Treasurer in an amount of no less than one and one-half times the average amount of Association funds handled by the Treasurer if the membership desires such coverage.

(5) Officers and directors liability insurance coverage for the Association officers and directors if the membership approves the premium.

(6) Such other insurance as the Board may determine.

B. In addition, the Board shall make an effort to secure policies for its casualty and its public liability/property damage insurance coverage, that provide the following:

(1) No deductibles, but in no event deductibles exceeding the lesser of \$10,000.00 or 1% of the face value of the policy.

(2) That the insurer waives its rights of subrogation regarding any claims against the Association, its directors, officers and managing agent; and the unit owners and their respective agents, employees, guests, tenants and the members of their households;

(3) That the master policy on the property cannot be canceled, invalidated, or suspended on account of the conduct of any member of the Board of Directors, Association officer or employee or the managing agent, without a prior demand in writing that the Board of Directors cure the conduct;

(4) That any "no other insurance" clause contained in the master policy shall expressly exclude individual unit owners' policies from its operation;

(5) That until the expiration of ten days after the insurer gives notice in writing to the mortgagee of any unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of any unit owner, or Association director, officer, or agent or employee.

(6) That the master policy may not be canceled or substantially modified without at least ten days' prior written notice to the Board of Directors and all mortgagees of units;

(7) That the master policy contain a mortgagee clause in favor of each mortgagee of a unit to the extent of the portion of the coverage of the master policy allocated to such unit, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee and the unit owner as their interests may appear, subject, however, to loss payment and adjustment provisions in favor of the Board of Directors and/or any Insurance Trustee as herein provided.

C. The Board of Directors shall have the right to serve as Insurance Trustee or to designate any bank or insurance company as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby. The Insurance

Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of the Bylaws and Condominium Declaration. If the Board appoints a bank or insurance company as Insurance Trustee, the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes stated herein or in the Association Bylaws, for the benefit of the unit owners of the units involved and their respective mortgagees.

D. The Board of Directors is hereby irrevocably appointed the agent for each unit owner and for each mortgagee of a unit to adjust all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

E. Premiums upon all Association insurance policies purchased by the Board of Directors shall be deemed to be a common expense.

22. Corporation - Attorney-in-Fact - Destruction - Obsolescence.

This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its damage, destruction or obsolescence. 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 from the Declarant or from any owner shall constitute such appointment. All of the owners irrevocably constitute and appoint the Association Board of Directors, their true and lawful attorney-in-fact in their name, place and stead for the purpose of dealing with their property upon its damage, destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association Board shall have full and complete authority, right and power to make, execute, deliver and perform any contract with respect to the interest of a condominium unit owner which may be necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used herein means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and the common elements having substantially the same dimensions and boundaries as before. The proceeds of any insurance shall be available to the Association Board for the purpose of repair or replacement as hereinafter provided.

A. In the event of damage or destruction due to fire or other casualty, the insurance proceeds shall be applied by the Association Board, as attorney-in-fact, to such repair or

replacement which shall be promptly accomplished. The Association Board shall have full authority, right and power, as attorney-in-fact to cause the repair or replacement should the unit owner thereof fail to make provision for so doing within forty-five days subsequent to the damage occurring.

B. Otherwise, such damage or destruction shall be promptly repaired or replaced by the Association Board, as attorney-in-fact, using the proceeds of insurance. The deficiency assessment, if any, shall be an expense assessed only to the unit owner in destroyed or damaged units in the proportion of the uninsured damage. No such owner shall have any right of contribution, or other claim relating to such damage or destruction, against the Association or Board. Such deficiency assessment shall be in an amount determined exclusively and finally by the Association Board (after consulting with such owners, appraisers, and others as it deems appropriate) and shall be due and payable within sixty days after written demand. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or replacement of the improvements, 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 the debt of the affected owner as aforesaid, a lien on his condominium unit and may be enforced and collected as is provided in Section 23 hereof. In addition thereto the Association Board, as attorney-in-fact, shall have the absolute authority, 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 in the County records a notice that such condominium unit shall be sold by the Association through the Board as attorney-in-fact under the provisions hereof. The Proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association Board as attorney-in-fact in the following order:

(1) For payment of the reasonable expenses of sale including reasonable attorney fees.

(2) For payment of or against the balance of any lien of any first mortgage or first deed of trust.

(3) For payment of or against any taxes and any special assessments in favor of any taxing entity.

(4) For payment of any unpaid condominium common expenses.

(5) For payment of or against the balance of any junior liens and encumbrances in the order of their priority.

(6) The balance remaining, if any, shall be paid to the condominium unit owner.

C. The owners representing an ownership interest of 100% of the units may agree that the condominium units, or some portion of the project, is obsolete and may adopt a plan for the renewal and/or reconstruction thereof. If a plan for such renewal or reconstruction is adopted, the expense of the renewal and reconstruction shall be payable by owners in the manner and proportion as set forth in the plan.

D. The power of attorney hereinabove referred to shall also apply to the Association's right to maintain and repair and improve all of the buildings and general common elements.

23. Corporation Lien for Nonpayment of Common Expense Assessments.

A. All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except general county real estate taxes and county special assessment liens against a unit, and a first deed of trust or mortgage on a unit recorded prior to the date on which the common expense assessment sought to be enforced became delinquent. To evidence such lien, the Board of Directors shall prepare a written notice of lien in the name of the Association, dated and setting forth the amount of such unpaid indebtedness and the period involved, a description of the condominium unit, and the names of the unit owners. Such notice of lien shall be signed by one of the Board of Directors or by a designated officer on behalf of the Corporation, and shall be recorded in the Larimer County records with a copy thereof mailed to that unit owner at that time. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon as herein provided shall have been fully paid. The Association shall be entitled to add interest, at the rate of 15% per annum from after ten days subsequent to the due date of the assessment, and reasonable costs and attorney fees incurred in preparing, giving notice and filing the lien. Upon payment the Association shall record a release of the lien.

B. 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 is foreclosed pursuant to Colorado law. In any such foreclosure proceeding, the owner shall be required to pay the costs, expenses and reasonable attorney fees incurred as a result thereof by the Association. The Association shall be entitled to any rents for the unit being foreclosed, during the foreclosure period. The Association shall have the power to bid on the unit at the foreclosure sale.

C. Except as otherwise provided in this subsection, upon foreclosure of a deed of trust or mortgage or by any person or entity holding a recorded, valid lien on a condominium unit, the holder of the lien shall be required to pay any unpaid common

expenses payable with respect to such unit, and upon such payment such holder shall also have an assessment lien on such unit for the amount paid of the same rank as the Association had.

D. As provided in Section 16 hereof, the foregoing shall not prevent the Association Board from bringing an action on account owing in any court of competent jurisdiction.

24. Owners' 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 towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit, or by agreement with other unit owners. In the event of default in the payment of the assessment, if the same is not cured within ten days after the due date thereof, a unit owner shall be obligated to pay interest at the rate of 15% per annum on the amount of the delinquent assessment from due date thereof until paid, together with all expenses, including reasonable attorney fees, incurred in the collection of the same.

25. Mortgaging a Condominium Unit - Priority.

An owner shall have the right from time to time to mortgage or encumber his unit by deed of trust, mortgage or other security interest recognized by Colorado law. A first mortgage or deed of trust shall be one which has first and paramount priority over other liens pursuant to Colorado law. The owner of a condominium unit may create junior mortgages on the following conditions: (1) that any such junior mortgages shall always be subordinate to common expense assessments and to all terms and conditions of the Declaration and of the Association Bylaws; and (2) that the mortgagee under any junior mortgage shall release, for the purpose of repair or replacement of any improvements upon the mortgaged premises, all of its right, title and interest in and to the proceeds under all insurance policies upon said premises, which insurance coverage were placed upon the mortgaged premises by the Association. Except to the extent provided in Section 23 hereof, such release shall be furnished forthwith by a junior mortgagee upon written request of the Association Board, and if not granted, may be executed by the Association Board as attorney-in-fact for such junior mortgagee.

26. Declaration of Protective Covenant, Conditions and Restrictions.

The following covenants, conditions and restrictions upon use and occupancy and against and upon each unit and the common elements are hereby created and established:

A. The property is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use. All buildings or structures erected upon the property shall be of new construction, and no buildings or structures shall be moved from other locations onto said premises, and no residential buildings other than buildings shown on the Map shall be erected or constructed on the property except by vote of the majority in interest of the condominium unit owners. No structures of a temporary character such as; trailer, tent, shack, garage, barn or other outbuildings shall be used or permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently.

B. No animals, livestock or poultry of any kind shall be raised, bred, or kept on the property, except that one dog or cat or other household pet weighing no more than seventy five pounds may be kept; provided, however, that the right to keep a household pet shall be coupled with the responsibility to pay for any damage caused by an owner's pet. Every owner of a pet shall maintain strict control over his pet and shall prohibit the pet from making loud, disturbing noises. The owner of a dog shall prohibit barking by his dog. The Association may adopt rules and regulations to supplement this covenant.

C. No advertising signs (except for a "For Rent" or "For Sale" sign which may be placed in a unit advertising for the sale or rental of the unit in which said sign is placed), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any condominium unit or any resident thereof. Further, no business activities of any kind whatever shall be conducted in any building or in any portion of the property; provided, however, that the foregoing covenants shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings and improvements, if any, of the Declarant, its agents, contractors and assigns during the construction and sale and rental period of the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

D. No nuisances shall be allowed on the property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful enjoyment or possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage be allowed to accumulate nor any fire hazard to exist. The Association may adopt By-Laws and Rules and Regulations related to abatement and enjojment of nuisances.

E. No immoral, improper, offensive or unlawful use shall be permitted or made of the condominium property or any part thereof.

All valid laws, ordinances, and regulations of all governmental bodies having jurisdiction shall be observed.

F. Rules and regulations may be adopted by the Board of Directors of Leisure Village Condominium Association, Inc. concerning and governing the use of the general and limited common elements; provided, however, that such rules and regulations shall be available to unit owners prior to the time that they become effective and that such rules and regulations shall be uniform and non-discriminatory.

G. The condominium units are restricted to single-family residential dwelling and occupancy and use only. All lease and rental agreements shall be for no less than sixty days. All lease and rental agreements shall be in writing and subject to the reasonable requirements of the Board of Directors.

H. No trash or rubbish shall be stored on the outside of any Unit.

I. No recreational vehicle shall be kept by any unit owner upon any of the condominium property. No more than two motor vehicles, shall be kept per unit, by any unit owner upon any of the condominium property. No non-operating motor vehicle whatsoever shall be kept upon any of the property. Recreational vehicles include boats, utility or horse trailers, motor homes, camping trailers, and the like.

J. No antenna or satellite dishes of any nature whatsoever shall be placed or kept upon the exterior of any unit or building, unless it and the screening from view thereof are first approved by the Association Board.

K. No unit owner shall permit any use of his unit or make use of the common elements which will increase the cost of or invalidate the Association's insurance upon the condominium property.

L. Owners shall keep their thermostats set no lower than 50 degrees, so that water lines will not freeze.

27. Membership.

Every person or entity who is a record owner of a fee or undivided fee interest in any unit shall be a member of the Corporation, and there shall be only one class of membership. Such membership shall be mandatory upon unit owners, and shall be automatic upon the purchase of a unit. Membership shall be appurtenant to and may not be separated from ownership of any unit. When more than one person or entity holds an ownership interest in any one unit, all such persons shall be members; provided, however, the vote for such unit shall be exercised as said owners themselves

determine, but in no event shall more than one vote be cast per unit except that initially Oasis Development LLC shall have more than one vote per unit.

28. Personal Property for Common Use.

The Association (by vote of the membership) may acquire and hold and transfer for the benefit of the condominium owners, tangible personal property (as general common element) and the interest in any such property shall be owned by the condominium owners in the same proportion as their respective interest in the common elements. A conveyance of a condominium unit shall transfer to the grantee ownership of the grantor's interest in such personal property without any reference thereto or execution of a bill of sale. Each owner may use such personal property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other owners. The Association Board may adopt reasonable rules and regulations pertaining to the use thereof, so long as the same are non-discriminatory.

29. Registration by Owner of Mailing Address.

A. Each owner shall register his mailing address with the Association Board, and all notices or demands intended to be delivered to an owner shall be sent by regular mail, postage prepaid, addressed in the name of the owner at such mailing address.

B. All notices or demands intended to be served upon the Association shall be sent by certified mail, postage prepaid, to the registered agent of the Association, pursuant to the record of the Secretary of State of Colorado, and to the Association President or Secretary at the address on the Association records.

30. Acceptance of Provisions of all Documents.

The acceptance of a conveyance or encumbrance of or against a condominium unit shall be deemed to include the acceptance of all of the provisions of this Declaration, and the Association Articles of Incorporation, Bylaws and duly adopted Rules & Regulations, and shall be binding upon each grantee or lienholder without the necessity of inclusion of such as an express provision in the instrument of conveyance or encumbrance.

31. Phase I; Future Development Rights; and other Special Declarant Rights.

This will be a phased project. Phase I will consist of 5 units as depicted on the Condominium Map, and said Phase I is hereby declared as Building 1, Units A through E.

The Declarant reserves the following development rights and other special declarant rights until the date upon which the condominium project is fully developed or until seven years subsequent to the date of the recording of this Declaration in the Larimer County records, whichever date first occurs:

A. The right to complete this condominium project, in the area indicated on the Condominium Map, not to exceed a maximum of 13 units and 3 buildings (there may be less buildings or units). Phase I is declared hereby as set forth above. Additional phases will be developed. The declarant may, acting alone for this purpose, sign and record amendments to this Declaration and supplemental Condominium Maps for the purpose of depicting additional phases. Furthermore, except as shown on the initial Condominium Map, the undeveloped portion of the land within the project will not be part of the general common elements except as additional phases are developed, and then as shown on supplemental Condominium Maps; provided, however, general common elements will be expanded and not diminished as the project is developed and completed.

B. The right to maintain a sales office and/or management office and models, in a unit or units and/or on general common elements. Any such sales and/or management office shall be shown on the Map. Models need not be shown on the Map.

C. The right to maintain signs on the general common elements to advertise condominium units for sale.

D. The right to use, and to permit others to use, easements through the common elements as may reasonably necessary for the purpose of discharging Declarant's obligations and as may be reasonably necessary for the purpose of completing the project as herein provided.

The Declarant shall initially have 39 votes in all Association membership matters, which will diminish as the Declarant sells the units at the rate of 3 votes per unit sold. Provided, however, the foregoing notwithstanding, the Declarant will not retain a majority vote in Association membership matters after ten units have sold and been conveyed to third parties by Declarant; two years subsequent to the date of the last conveyance by Declarant; or two years after Declarant's right to add additional units was last exercised, whichever first occurs. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Association Board of Directors before termination of its control. In that event, the Declarant may require, for the duration of the period which it would have had control, that specified actions of the Association or Board of Directors, be approved by the Declarant before they become effective. Not later than sixty days subsequent to the conveyance by Declarant of a unit to a third party, an owner of that unit shall become a member of

the Association Board of Directors, and this process shall continue until the Board of Directors has the number of members as set forth in the Association Bylaws.

32. Recorded Easements and Licenses.

The easements which affect the condominium property are shown on the Condominium Map. There are no licenses.

33. General Provisions.

A. If any of the provisions of this Declaration in any circumstance are invalidated by a Court of competent jurisdiction, such invalidity shall not affect the validity of the remainder of this Declaration.

B. 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 gender.

C. Section and paragraph titles are for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents thereof.

D. No waiver of a breach of any of the terms of this Declaration shall be construed to be a waiver of any other breach of the same or other terms hereof by the same or different party.

34. Revocation of or Amendment to Declaration.

This Declaration and the Map, as amended or supplemented, shall not be revoked unless all of the voting Association members and all of the holders or any recorded first deeds of trust or first mortgages affecting any of the units consent in writing to such revocation, which instrument shall be duly recorded in the Larimer County real estate records. Except as set forth in Section 31 hereof, this Declaration may be amended only in writing, which written amendment must include the signatures of all of the owners of at least sixty-seven percent (67%) of the units then completed and for which a Map or Supplemental Map has been recorded, together with the signatures of all holders of any recorded first deed of trust or first mortgage.

6/23

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 6 day of SEPTEMBER, 1994.

OASIS DEVELOPMENT LLC

BY Stephen Slezak
Stephen Slezak, Manager

BY AS MANAGER

FIRST NATIONAL BANK

BY James H. Teupp
Vice President

STATE OF COLORADO)
 : ss
COUNTY OF LARIMER)

SUBSCRIBED AND SWORN to before me this 6th day of September, 1994 by Stephen Slezak, the managing member of Oasis Development Limited Liability Company. manager

Witness my hand and official seal.

My commission expires:

My Commission Expires April 19, 1997

Mindy Lee Daen
Notary Public



STATE OF COLORADO)
 : ss
COUNTY OF LARIMER)

My Commission Expires April 19, 1997

SUBSCRIBED AND SWORN to before me this 9th day of September, 1994 by James H. Teupp, the VICE PRESIDENT of First National Bank.

Witness my hand and official seal.

My commission expires: 5/4/95

J. K. [Signature]
Notary Public

