

B2238 P0314

CONDOMINIUM DECLARATION

FOR

DRAKE PARK OFFICE CONDOMINIUMS

WHEREAS, CANINO-SMITH-COTTIER PARTNERSHIP, a Colorado limited partnership, (hereinafter called "Declarant") is the owner of all right, title and interest in and to certain real property situated in the County of Larimer and State of Colorado, described as follows:

PARCEL A:

LOT 8, REPLAT OF DRAKE PARK in the City of Fort Collins, County of Larimer, State of Colorado, according to the plat recorded in Book 1666 at Page 327.

PARCEL B:

All that part of Tract A, REPLAT OF DRAKE PARK in the City of Fort Collins, County of Larimer, State of Colorado more particularly described as follows: A part of Tract "A", Replat of DRAKE PARK, Fort Collins, Colorado, which begins at the Northwest corner of Lot 8, DRAKE PARK, and runs thence South 40°44'20" East 79.19 feet; thence East 68.00 feet; thence South 26°06' East 64.59 feet; thence East 88.00 feet; thence South 101.00 feet; thence West 77.24 feet; thence South 19°14' East 122.98 feet; thence South 79°46' West 40.00 feet to a point on the Westerly line of said Tract A; thence along said Westerly line North 10°14' West 124.00 feet, and again North 26°06' West 177.65 feet, and again North 40°44'20" West 86.54 feet; thence East 15.32 feet to the Point of Beginning.

also known as: 383 West Drake Road, Fort Collins, Colorado

hereinafter referred to as the "property;" and

WHEREAS, there has been constructed upon the land described above one building, containing a total of six (6) units, as are shown and depicted upon a Plat thereof entitled "Plat of Drake Park Office Condominiums" filed concurrently herewith, which Plat constitutes a map under the provisions of Section 38-33-105 of Colorado Revised Statutes 1973, as amended, and is incorporated herein by reference; and

WHEREAS, Declarant desires to establish by this Declaration a plan for the individual ownership of the real property estates consisting of the area or space contained in each of the units in said building, and the co-ownership by the individual and separate owners thereof as tenants in common of all of the remaining real property, hereinafter called the General Common Elements, under the Colorado Condominium Ownership Act;

NOW THEREFORE, the Declarant hereby declares that the following divisions, terms, covenants, restrictions, limitations, conditions and uses shall apply to and run with the land described above, and shall be binding upon and inure to the benefit of the Declarant, its successors and assigns, and all subsequent owners of all or any part of said real property and improvements, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns;

1. DEFINITIONS. Unless the context shall expressly provide otherwise, the terms used herein are defined as follows:

A. "Unit" means an individual air space which is contained within perimeter walls in the building as shown and designated on the Plat; including the entrances and exits thereto, together with all improvements and fixtures contained therein, exclusive of any structural components of the building within which such air space is located.

B. "Condominium Unit" means the fee simple interest and title in and to the unit and the appurtenant undivided interest in and to the General and Limited Common Elements and all other rights and burdens created by this Declaration.

C. "Building" means the building as shown on the Plat in which the Condominium Units are located.

D. "Plat" or "Map" means the engineering survey of the property locating thereon all of the improvements and designating the Building, Units, and the General and Limited Common Elements.

E. "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more Condominium Units.

F. "Mortgage" means and includes any mortgage, deed of trust or similar instrument creating a security interest in any Condominium Unit. "Mortgagee" means any grantee, beneficiary or assignee of a Mortgage. "First mortgage" means a Mortgage which is prior or senior in interest to any other Mortgage encumbering a Condominium Unit. "First mortgagee" means any grantee, beneficiary or assignee of a First Mortgage.

G. "General Common Elements" means and includes:

(1) All of the land and easements which are a part of the property;

(2) The foundations, columns, girders, beams, supports, attics, perimeter and supporting walls, main or bearing subflooring and roofs of the Building;

(3) All halls, corridors, stairs, stairways, entrances and exits (other than entrances and exits to a particular Unit), and storage and utility service areas;

(4) The sidewalks and parking areas;

(5) The installations consisting of the equipment and materials making up the central services such as power, light, gas, hot and cold water, air conditioning, and heating; and

(6) All other improvements, apparatus and installations necessary or convenient to the existence, maintenance and safety of the property as a whole, or normally in common use.

H. "Limited Common Elements" means those parts of the General Common Elements which are limited to and reserved for the exclusive use of the Owner of a Condominium Unit adjacent thereto, which are designated on the Plat as Limited Common Elements.

I. "Entire premises" or "Property" means and includes the land, Building, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

B2238 P0316

J. "Common expenses" means and includes:

- (1) All sums lawfully assessed against the common elements by the Association;
- (2) Expenses of administration, maintenance, repair or replacement of the common elements;
- (3) Expenses determined as Common Expenses by the Association; and
- (4) Expenses declared Common Expenses by provisions of this Declaration and the Articles of Incorporation and the Bylaws of the Association.

K. "Association of unit owners" or "Association" means Drake Park Office Condominium Owners Association, a Colorado non-profit corporation, the Articles and Bylaws of which, as hereinafter defined along with this Declaration, shall govern the administration of this condominium project, and the members of which shall be all of the Owners of the Condominium Units. An Owner of a Unit in Drake Park Office Condominiums, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership.

L. "Board of Directors" means the governing body of the Association.

M. "Manager" means the person or entity, if any, employed by the Board of Directors to perform the management and operation functions of the condominium project.

N. "Project" or "Condominium Project" means all of the property, buildings and improvements submitted to this Declaration.

O. "Bylaws" means the Bylaws of the Association.

P. "Articles" means the Articles of Incorporation of the Association.

Q. "Common elements" means the General Common Elements and the Limited Common Elements.

2. **MAP.** There shall be filed for record in the County of Larimer, Colorado, a map, hereinafter referred to as the "Map," which Map may be filed in whole or in part depicting thereon, at a minimum:

A. The legal description of the surface of land described herein; and

B. The linear measurements and location, with reference to the exterior boundaries of said land, of the Building built on said land; and

C. The location of other improvements, parking spaces, sidewalks, driveways, patios, or fencing which location may be general and without limiting dimensions; and

D. Floor plans and elevation plans of the Building on said land, showing the location, the designation (by Condominium Unit number) and the linear dimensions of each Condominium Unit, and the designation of all of the General and Limited Common Elements; and

E. The elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum

B2238 P0317

plane, and the linear measurements showing the thickness of the perimeter and common walls of the Building.

The Map, and any supplement(s) thereto, shall contain a statement of an architect, engineer or registered land surveyor certifying that the Map fully and accurately depicts the location and vertical and horizontal dimensions of the Building and Units, the Building symbol or designation, the Condominium Unit designations by Condominium Unit number, the locations of such Condominium Units, the elevations of the floors and ceilings, and that the Map was prepared after substantial completion of the improvements. Declarant hereby reserves unto itself and the Association, the right, from time to time, without the consent of any Owner being required, to amend the Map and supplement(s) thereto, to conform the Map to the actual location of any of the constructed improvements, to establish, vacate and relocate outside the Building, utility easements, access road easements and parking spaces, and to establish certain General Common Elements as Limited Common Elements. In interpreting the Map (or any supplement or amendment thereto or thereof), the actual thickness, physical boundaries, location, and dimensions of any common on perimeter wall, floor or ceiling, Condominium Unit, or Building or other improvement, as constructed, shall be conclusively deemed to control over any conflict therewith shown, depicted, or indicated on the Map (or any supplement or amendment thereto).

3. DIVISION OF PROPERTY.

A. The real property described above, including the improvements thereon, is hereby divided into six (6) fee simple estates (Condominium Units). Each such estate shall consist of a separately designated Unit and the undivided interest in and the General Common Elements appurtenant to such Unit as set forth on Exhibit A attached hereto and incorporated by reference herein.

B. The respective undivided interests in the General Common Elements appurtenant to the respective Units, as indicated above, cannot be changed, and each Unit and the undivided interest in the General and Limited Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased, rented or encumbered only as a Condominium Unit. Each undivided interest in the General and Limited Common Elements shall be deemed to be conveyed or encumbered with its respective Unit, even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Condominium Unit. Each such description shall be construed to include a non-exclusive right to occupy and use, and an undivided interest in, the General Common Elements for each described Unit calculated as provided in Exhibit A attached hereto.

4. DESCRIPTION OF UNIT. Each Condominium Unit shall be legally described in deeds and other documents in substantially the following form:

Condominium Unit _____, Drake Park Office Condominiums, according to the Declaration recorded _____, in Book _____ at page _____, and the Condominium Map filed _____, under Reception No. _____, County of Larimer, State of Colorado.

5. CONDOMINIUM OWNERSHIP INTEREST.

A. A Condominium Unit may be held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Colorado.

B. The General 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 General Common Elements. Each Owner specifically agrees not to institute any action therefor. Further, each Owner agrees that this subparagraph B may be pleaded 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, except as provided in paragraph 13 below, they shall neither, by act nor omission, seek to abandon, subdivide, encumber, sell or transfer the common elements without first obtaining a written consent of all of the First mortgagees of the individual Condominium Units.

C. Each Owner shall be entitled to exclusive ownership and possession of his Condominium Unit. Each Owner may use the General Common Elements in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners.

D. Each Condominium Unit shall be used and occupied solely for the purpose or purposes permitted by the zoning ordinances of the City of Fort Collins, Colorado.

E. An Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors, and ceilings surrounding his respective Condominium Unit, nor shall such Owner be deemed to own the utilities running through his Condominium Unit which are utilized for, or serve more than one Unit, except as a tenant in common with the other Owners. An Owner, however, shall be deemed to own and shall maintain the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings, and other finishing materials and the interior non-supporting walls contained within his Condominium Unit.

F. Any Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. The Owner of a Condominium Unit may create junior mortgages on the following conditions: (1) that any of such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other obligations created by this Declaration and by the Bylaws; (2) that the Mortgagees under any junior mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises which insurance policies were effected and placed upon the mortgaged premises by the Association. Such releases shall be furnished forthwith by a junior mortgagee upon written request of the Association.

6. EASEMENTS AND ENCROACHMENTS.

A. In the event that any portion of the General 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 General Common Elements, or in the event any encroachment shall occur in the future as a result of: (i) settling of a Building; or (ii) alteration or repair to the General Common Elements; or (iii) repair or restoration of a Building(s) 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 Building(s) stands or encroachment exists. In the event that any one or more of the Units or Buildings or other improvements comprising part of the General 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 General 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 location of such Unit indicated on the Condominium Map.

B. An easement is hereby granted to the Association, its officers, agents, employees and assigns upon, across, over, in and under the General Common Elements to make such use of the General Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain on the General Common Elements maintenance and storage facilities for the use of the Association. Further, an easement is hereby granted to the Declarant to perform any necessary maintenance and/or repairs required of it under the terms and provisions of any Purchase Agreement between Declarant and the Owner of an individual Condominium Unit.

C. 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 all streets and upon the property in the performance of their duties.

D. The Manager or Board of Directors of the Association shall 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 General Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the General Common Elements or to another Condominium Unit.

7. REPAIRS AND MAINTENANCE.

A. Damage to the interior or any part of a Condominium Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the General Common Elements or as a result of emergency repairs within another Unit at the instance of the Association shall be a common expense of all of the Owners; provided, however, that if such damage is the result of the negligence of a Condominium Owner or his guests, invitees, employees, agents, clients, or patients, then such Owner shall be responsible for all of such damage. Restoration of the damaged improvements shall be substantially the same as the condition in which they existed prior to the damage.

B. No labor performed or materials furnished and incorporated in a Condominium Unit with the consent or at the request of the Unit Owner, his agent, his contractor or subcontractor, shall be the basis for filing of a lien against the Condominium Unit of any other Unit Owner not expressly consenting to or requesting the same, or against the General 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 General Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Condominium Unit at such Owner's request.

C. An Owner shall maintain and keep in repair the interior of his own Condominium Unit, including the fixtures thereof, the interior non-support walls, the materials (such as, but not limited to, plaster gypsum drywall, paneling, wallpaper, paint, wall and floor tile, and flooring, but not including the subflooring) making up the finished surfaces of the perimeter walls, ceilings and floors within a Condominium Unit, and the Unit's doors and windows. All fixtures and equipment installed within the Condominium Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereinafter referred to as "utilities") enter the Condominium Unit shall be maintained and kept in repair by the Owner thereof.

D. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the Building or impair any easement or hereditament.

8. COMPLIANCE WITH PROVISIONS OF DECLARATION, ARTICLES, AND BYLAWS OF THE ASSOCIATION. Each Owner shall comply strictly with all of the provisions of this Declaration and the Articles and Bylaws of the Association, and the decisions, rules, regulations and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorneys' fees, maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

9. THE ASSOCIATION.

A. General Purposes and Powers. The Association through the Board or a managing agent shall perform functions and hold and manage property as provided in this Declaration so as to further the interests of Owners of Units in the project. It shall have all power necessary or desirable to effectuate such purposes.

B. Membership. The Owner of record of a Unit shall automatically become a member of the Association. Said membership is appurtenant to the Unit of said Owner and title to the ownership of the membership for that Unit shall automatically pass with fee simple title to the Unit. Each record Owner of a Unit shall automatically be entitled to the benefits and be subject to the burdens relating to the regular membership for his Unit. If the fee simple title to a Unit is held by more than one person, each co-tenant of a Unit shall be a member of the Association. Memberships in the Association shall be limited to record Owners of Units in the project. The Association Bylaws may provide for the setting of record dates for the termination of members entitled to notice of and to vote at any meeting of the members.

C. Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate any portion of its authority to an Executive Committee, or to a director or managing agent for the Association. There shall be not less than three (3) nor more than five (5) members

of the Board of Directors, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners elected by Owners. Regardless of the number of members of the Board of Directors, the terms of at least one-third of such Board shall expire annually except, however, that notwithstanding anything to the contrary provided herein, until the first meeting of the members of the Association, either the members of the Board of Directors shall be appointed by Declarant and need not be Owners of Units, or Declarant shall act as the Board or directly perform and carry out the duties, powers, and functions of the Board.

D. Voting of Owners. Each Owner shall have a vote in the Association. Each Owner shall have that percentage of vote in the Association per unit owned, as is specified on Exhibit A as in the interest in the General Common Elements. Notwithstanding the above provision, however, the Bylaws of the Association may specify an allocation of voting rights which varies from the above, but only for such limited matters and purposes as described therein.

E. Bylaws and Articles. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Articles and Bylaws of the Association.

10. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

A. Association as Attorney-in-Fact for Owners. The Association is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of such Owner in the General Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the project upon its destruction or obsolescence as hereinafter provided and to grant utility easements through any portion of the General Common Elements. The acceptance by any person of any interest in any Unit shall constitute an appointment of the Association as attorney-in-fact as provided above and hereinafter. 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. Notwithstanding the above, unless at least one hundred percent (100%) of the First mortgagees of Units (based upon one vote for each First mortgage owned or held) and Owners of at least three-fourths of the Units have given their prior written approval, the Association shall not be empowered or entitled to:

(1) By act or omission, seek to abandon or terminate the condominium project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(2) Partition or subdivide any Unit;

(3) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any of the General or Limited Common Elements;

(4) Use hazard insurance proceeds for loss to the improvements for other than repair, replacement or reconstruction of such improvements;

(5) Effect any material amendment to the Declaration or the Bylaws of this corporation, including any amendment which would change the percentage interests of the Unit Owners; or

82238 P0322

(6) Effect any decision to terminate professional management and assume self-management of the condominium project.

B. General Common Elements. The Association shall provide for the care, operation, management, maintenance, repair, and replacement of the General Common Elements, except as is otherwise provided for herein. Without limiting the generality of the foregoing, said obligations shall include the keeping of such General Common Elements in good, clean, attractive and sanitary condition, order and repair; removing snow and any other materials from such General Common Elements which might impair access to the project or the Condominium Units; keeping the project safe, attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the General Common Elements.

C. Other Association Functions. The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Owners of Units on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of garbage and trash collection services, and the providing of maid and cleaning service for individual Condominium Units.

D. Labor and Services. The Association:

(1) May, subject to paragraph 10-A hereof, obtain and pay for the services of a managing agent to manage its affairs, or any part thereof, and may, as it deems advisable, secure such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the project, whether such personnel are furnished or employed directly by the Association or by any person with whom or which it contracts;

(2) May obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the project or the enforcement of this Declaration; and

(3) May arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services.

E. Property of Association. The Association may pay for, acquire and hold real and tangible and intangible personal property and may dispose of the same by sale or otherwise. Subject to the rule and regulations of the Association, each Owner may use such property. Upon termination of condominium ownership of the project and dissolution of the Association, if ever, the beneficial interest in any such property shall be deemed to be owned by the then Owners as tenants in common in the same proportion as their respective interest in the General Common Elements. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed unit.

B2238 P0323

F. Mortgagee Inspection. The Association shall grant to each First mortgagee of a Condominium Unit the right to examine the books and records of the Association at any reasonable time. Further, the Association shall notify each First mortgagee of any Condominium Unit of any proposed amendment of the Association's Articles of Incorporation or Bylaws, and of any change in the Association's managing agent at least ten (10) days prior to the effective date of such change.

G. Enforcement by Association and Owner. The Association may suspend any Owner's voting rights in the Association or the right of an Owner to use the General Common Elements during any period or periods during which such Owner fails to comply with the Association's rules and regulations, Bylaws, or the Association, or any aggrieved Owner, may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

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

11. ASSESSMENTS.

A. All Owners of Condominium Units shall be obligated to pay the assessments imposed by the Board of Directors or Manager of the Association to meet the common expenses. The assessments shall be made pro rata according to each Owner's percentage interest in the General Common Elements, set forth on Exhibit A attached hereto and incorporated by reference herein; provided, however, that premiums for insurance shall be allocated among the Owners by the Board of Directors or manager in a manner so that the Owner of a Condominium Unit which is to be used for purposes which increase insurance risks shall bear the cost of any resultant increase in insurance premiums. Assessments shall include the estimated common expenses, or actual expenses, and shall be due monthly in advance on the first day of each month. Any assessment not received by the Association by the tenth day of the month shall be deemed late and shall bear interest at eighteen percent (18%) per annum from the due date until paid. The manager or Board of Directors shall maintain full and complete financial records showing the various estimated and actual expenses and insurance premiums for which the assessments are made. Such financial records, and the books and records of the Association, shall be available for examination by all Owners of Condominium Units and all First mortgagees during convenient weekday business hours.

B. The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the manager or Board of Directors of the Association shall from time to time determine is required to provide for the payment of all estimated expenses growing out of, or connect with the maintenance and operation of the General Common Elements, which sum may include, among other things, expenses of management; taxes and special assessments until separately assessed; premiums for insurance of the types and kinds provided for in subparagraph 12-A below; landscaping, snow removal and care of grounds; repairs and renovations; replacement reserves; trash and garbage collections, water expenses; sewage expenses; legal and accounting fees; management fees; expenses and liabilities incurred by the manager or Board of Directors under or by reason of this Declaration; the payment

of any deficiency remaining from a previous period; as well as other costs and expenses relating to the General Common Elements. Further, it shall be mandatory for the manager or Board of Directors to establish, out of such monthly assessments, a contingency or reserve fund for the maintenance, repair and replacement of those General Common Elements which must be replaced on a periodic basis. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay the amount of the monthly assessment last filed by said Board.

C. 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 Condominium Unit.

D. All sums assessed but unpaid for ten (10) days from due date for the share of common expenses chargeable to any Condominium Unit shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances, except only for:

(1) Tax and special assessment liens on the Unit in favor of any assessing unit; and

(2) All sums unpaid on a First mortgage of record, including all unpaid obligatory sums as may be provided by such encumbrance.

E. To evidence such lien the Board of Directors or manager may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, accrued and accruing interest, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Directors or by the manager and may be recorded in the office of the Clerk and Recorder of Larimer County, Colorado. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the recording of a notice or claim thereof. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the Association the monthly assessments and interest 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 to bid on the Condominium Unit at foreclosure sale, and to acquire and hold, lease, mortgage, and convey same.

F. The Declarant shall be obligated as any other Owner to pay the common expense assessments imposed with respect to Condominium Units owned by it.

G. The amount of the common expenses assessed against each Condominium Unit shall also be a debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid common expenses together with interest, reasonable attorney fees, and costs incurred in such suit shall be maintainable without foreclosing or waiving the lien securing same.

H. Any encumbrancer holding a Lien on a Condominium Unit may pay any unpaid common expense payable with respect to such Unit, and upon such payment such encumbrancer shall have a Lien on such Unit for the amounts paid of the same rank as

B2238 P0325

the lien of his encumbrance. Any First mortgagee who obtains title to a Condominium Unit pursuant to the remedies provided in its mortgage or foreclosure of its mortgage shall acquire title to such Unit free and clear of any lien for unpaid common expenses which accrued prior to the acquisition of title to such Unit by the First mortgagee.

I. Upon ten (10) days' written notice to the manager or Board of Directors and payment of a reasonable fee not to exceed Twenty-five Dollars (\$25), any Owner, prospective Owner, mortgagee or prospective mortgagee of a Condominium Unit may request a statement of account with respect to such Unit. Within ten (10) days after receipt thereof, the manager or Board of Directors shall furnish the requesting party with a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, and any credits for advance payments or for prepaid items, including, but not limited to insurance premiums, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the line of the person requesting such statement.

J. The 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 the taking of a deed in lieu thereof, shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

K. A First mortgagee, upon request, shall be entitled to written notification from the manager or Board of Directors of any default in the payment of assessments or other charges or in the performance of any other obligation hereunder by the Owner of the Condominium Unit in which such mortgagee holds a security interest which default is not cured within sixty (60) days.

12. INSURANCE.

A. The Board of Directors of 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, covering the risks set forth below. The Board of Directors of the Association shall not obtain any policy where: (i) under the terms of the insurance company's charter, bylaws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (ii) by the terms of carrier's charter, bylaws 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.

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 and fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by Unit Owners) 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 Drake Park Office Condominium Owners Association for the use and benefit of mortgagees as their interests may appear.

(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 Act of 1968, 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 Act or the aggregate of the unpaid principal balances of the mortgages on the Condominium Units comprising the condominium 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 \$500,000.00 per injury, per person, per occurrence and umbrella liability limits of \$1,000,000.00 per occurrence, covering 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.

(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 purchase adequate fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(6) 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 of all of the insureds, including 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 to expiration of the then current policies. The insurance shall be carried in blanket form naming the Drake Park Office Condominium Owners 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. Unit Owners may carry other insurance for their benefit 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 Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

D. Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of person 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 manager shall have no responsibility therefor.

E. In the event that there shall be any damage or destruction to, or loss of or taking of a Unit which exceeds \$1,000.00 or any damage or destruction to, or loss to or taking of the General Common Elements which exceeds \$10,000.00, 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.

13. 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 or improvement of any Condominium Units, buildings, common elements or other portion of the project which has been so destroyed, damaged, condemned or becomes 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 Drake Park Office Condominiums Owners Association as their true and lawful attorney 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 are 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 percent (70%) or more of the General Common Elements and at least eighty percent (80%) of the First mortgagees of the Condominium Units. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which they existed prior

B2238 P0328

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 purpose 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 interest in the General Common Elements 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 subparagraph 11-E. 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 assessments liens in favor of any assessing entity and the customary expenses of sale;
- (3) For payment of unpaid common expenses and all costs, interest, 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 sixty-six and sixty-seven one hundredths percent (66.67%) or more of the General Common Elements and at least eighty percent (80%) of the First mortgagees 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 Bylaws. 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 percentage interest in the General 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 amount of each of such accounts, without contribution from one account to another, 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 percentage interest in the common elements. The total funds of each account shall be used and disbursed, without contribution, from one account to another by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs B-1 through B-5 of this paragraph. In the event that the damage is to be repaired or reconstruction is to be made, then the provisions of subparagraph 13-B shall apply.

D. The Owners representing an aggregate ownership interest of sixty-six and sixty-seven one hundredths (66.67%) or more, of the General Common Elements in this project may agree that the General Common Elements are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of at least eighty percent (80%) 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 according to each Owner's percentage interest in the General Common Elements, 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

B2238 P0330

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 subparagraphs B-1 through B-5 of this paragraph.

E. The Owners representing an aggregate ownership interest of eighty-three and thirty-three one hundredths percent (83.33%) or more, of the General 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 all 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 Bylaws. The sale proceeds shall be apportioned among the Owners on the basis of each Owner's interest in the General Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one 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. 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 account to another, for the same purposes and in the same order as is provided in subparagraphs B-1 through B-5 of this paragraph.

14. CONDEMNATION. In the event that any of the property is taken or condemned by any public authority, or sold or otherwise disposed of in lieu thereof, the provisions of this paragraph 14 shall apply. All compensation, damages or other proceeds therefrom (the "condemnation proceeds") shall be paid to the Association and distributed by it as herein provided.

A. If all of the condominium property is taken or condemned, or sold or otherwise disposed of in lieu thereof, condominium ownership subject to this Declaration shall terminate. The condemnation proceeds shall be divided by the Association according to each Condominium Unit Owner's interest in the General Common Elements; provided, however, that if a standard different from the value of the condominium property as a whole is used to arrive at the amount of the condemnation proceeds in the negotiations, court decree, or otherwise, then the condemnation proceeds shall be divided in accordance with such standard, to the extent it is applicable. Such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. The amount of each of such accounts, without contribution from one account to another, shall be disbursed by the Association, as attorney-in-fact for the same purposes and in the same order as provided in subparagraphs B-1 through B-5 of paragraph 13 above.

B. If less than all of the condominium property is taken or condemned, or sold or otherwise disposed of in lieu thereof, condominium ownership shall not terminate. The Association shall reasonably and in good faith, allocate the condominium proceeds in the following manner:

B2238 P0331

(1) That portion thereof representing compensation or damages for the taking of or injury to the General Common Elements shall be allocated among the Condominium Unit Owners according to their respective interests in the General Common Elements;

(2) That portion thereof representing compensation or damages for the taking of or injury to a particular Condominium Unit and its improvements shall be allocated to the Owner of that Unit;

(3) That portion thereof representing damages for injury to property not taken shall be allocated among the Owners of Condominium Units which were not taken, according to their respective interests in the General Common Elements; and

(4) Any balance thereof remaining shall be allocated in such manner as the Association deems equitable in the circumstances.

Notwithstanding the foregoing, if an allocation of the condemnation proceeds is established in the negotiations, court decree, or otherwise, then such allocation shall be used by the Association to the extent it is applicable. Upon completion of the allocation, the Association shall disburse the condemnation proceeds by checks payable jointly to the Owners and their respective mortgagees.

In the event of a partial taking resulting in the taking of an entire Condominium Unit, the Owner of such Unit shall automatically cease to be a member of the Association and such Owner's interest in the General Common Elements shall thereupon terminate. The Association, as attorney-in-fact, for such Owner, may execute and record such documents and take such other actions as it deems necessary to reflect such termination and to reallocate the remaining Owners of Condominium Units in proportion to their respective interests therein.

15. MISCELLANEOUS.

A. Duration of Declaration. All of the provisions contained in this Declaration shall continue and remain in full force and effect until condominium ownership of the project and this Declaration are terminated, revoked or amended as hereinafter provided.

B. Amendment and Termination. Any provision contained in this Declaration may be amended or additional provisions may be added to this Declaration, or this Declaration and condominium ownership of the project may be terminated or revoked, by the recording of a written instrument or instruments specifying the amendment or addition or the fact of termination and revocation, executed by the owners, as shown by the records in the office of the Clerk and Recorder of the County of Larimer, Colorado, of Units representing an aggregate ownership interest of eighty-three and thirty-three one hundredths percent (83.33%), or more, of the General Common Elements and not less than one hundred percent (100%) of the First mortgagees; provided, however, that in no event shall the undivided interest of an Owner be decreased without the unanimous consent of each Owner and each First mortgagee. The consent(s) of any junior mortgagees shall not be required under the provisions of this paragraph.

C. Effect of Provisions of Declaration. Each provision of this Declaration, and any agreement, promise, covenant, and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration shall:

(1) By virtue of acceptance of any right, title or interest in the project or in any Unit by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner;

(2) Be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the project and each Unit and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the project and each Unit; and

(3) Be deemed a covenant, obligation, and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the project and each Unit in favor of the Association.

D. Protection of Encumbrances. Subject to the provisions of paragraph 5-F above, no violation, breach of or failure to comply with any provision of this Declaration and no action to enforce any such provision shall effect, defeat, render invalid or impair the lien of any First mortgage, or other lien on any unit taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of the County of Larimer, Colorado, prior to the time of recording in said office of an instrument describing the Unit and listing the name or names of the Owner or Owners of fee simple title to the Unit and giving notice of such violation, breach, failure to comply; nor shall such violation, breach, failure to comply or action to enforce effect, defeat, render invalid or impair the title or interest of the holder of any such First mortgage, or other lien or the title or interest acquired by any purchaser upon foreclosure of any such First mortgage or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration; provided, however, that violations or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

E. Supplemental to Law. The provisions of this Declaration shall be in addition and supplemental to the condominium ownership act of the state of Colorado and to all other provisions of law.

F. Numbers and Genders. 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.

G. Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, which shall be personally delivered or sent by regular mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to Drake Park Office Condominium Owners Association, 383 West Drake Unit #207, Fort Collins, CO 80526

B2238 P0333

agent for service, until such address is changed by a notice of address duly recorded with the office of the Secretary of State of Colorado.

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

I. Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

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

K. No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision of this Declaration.

L. Sales and Construction Facilities and Activities of Declarant. Notwithstanding any provision to the contrary contained herein, Declarant, its agents, employees and contractors shall be permitted to maintain during the period of any construction on and sale of the Units in the project, upon such portion of the property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Units, including without limitation, a business office, storage area, construction yards, signs, model Condominium Units, sales office, construction office, parking areas and lightin and temporary parking facilities for all prospective tenants or purchasers of Units. In addition, Declarant, its agents, employees, and contractors shall have the right to ingress and egress over the General Common Elements and Limited Common Elements as in Declarant's discretion may be necessary to complete the construction of the project. For the purposes of this paragraph 15, "construction" includes, without any limitation being thereby made or intended, betterment, fixup, landscaping, painting, repair, additions to, striping, cleaning, carpeting, asphalt sealing, and other activities not involving the erection or construction of a new building or other structure.

M. Indemnification of Officers or Association. The Association shall indemnify every officer, member of the Board of Directors, and manager, his heirs, executors and administrators, against any loss or liability, and against any expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be a party, by reason of his being or having been an officer, member of the Board of Directors, or manager of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct; and in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified did not commit such a breach of duty.

N. Leasing of Units. So long as Declarant shall own any of the Condominium Units, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest. It is provided, however, that this condominium project and office building is intended to be owned and/or occupied by those in the medical sciences, medical allied sciences, professionals or development oriented businesses, and care shall

be taken in the leasing and/or sale of the Condominium Units to preserve the integrity and plan for the project.

O. Any representative of the Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself upon any vote upon any matter between the Declarant and the Association where the Declarant may have a pecuniary or other interest. Similarly, the Declarant, as members of the Association, shall not be required to disqualify themselves in any vote which may come before the membership of the Association upon any matter between the Declarant and the Association, notwithstanding that the Declarant may have a pecuniary or other interest therein.

P. Annual Audited Reports. The Association shall cause an annual audited financial statement (not necessarily certified) for the Association. A copy of each such annual audited financial statement shall be mailed to each Owner, and, upon request, shall be furnished to any First mortgage.

Q. Notice to First Mortgagees:

(1) Upon request, each First mortgagee shall be entitled to written notice of all meetings of the Association members, and shall be permitted to designate a representative to attend all such meetings.

(2) The Association will give any institutional holder of any First mortgage on a Condominium Unit written notice of any loss, damage, destruction, or taking of a Condominium Unit, which exceeds \$10,000.00. Such notice shall be given by the Association within ten (10) days after the occurrence of such event.

R. First Year Taxes. If, for the year in which the Declaration and the Map are recorded, the assessor of the County of Larimer, Colorado, does not separately assess for taxation the individual Condominium Units, then the Condominium Unit Owners shall be assessed by the Association an amount which the Association shall reasonably deem necessary to accumulate and pay the total taxes on the condominium project for such year ("total taxes"). The amount assessed by the Association to each Owner shall be a percentage of the total taxes equal to such Owner's appurtenant percentage interest in and to the General Common Elements as set forth in Exhibit A. One-twelfth (1/12) of such amount shall be assessed to an Owner for each month of the year in which this Declaration is recorded (commencing with the month in such year that such recorded occurs), and shall be payable and collected monthly, at the same time as the assessment for Common Expenses. Such amounts shall be Owner obligations, and the Association shall have all rights and liens in aid of collection, as if such amounts were Common Expenses, EXCEPT, that the lien of the Association for such amounts shall have a priority subordinate only to the lien of the taxing authority for such taxes. The accumulated amounts collected shall be set aside in a tax reserve and be paid to the taxing authority in payment of tax billings for the condominium project prior to delinquency. Any deficit between amounts so collected and set aside, except any deficit due to failure of payment by a grantee of the Declarant or such grantee's successors in interest, and the actual total taxes, shall be assessed to each Condominium Unit Owner on the basis of their percentage interest in the General Common Elements and paid within ten (10) days of such assessment. The Association may waive the collection of such amounts in favor of the holder of any First mortgage on any Unit if such First mortgagee elects to collect such amounts under

B2238 P0335

applicable First mortgage provisions and to timely pay such collected amounts to the Association for use in paying the actual total taxes.

16. EFFECTIVE DATE. Notwithstanding the submission of the project to the condominium form of ownership pursuant to the other provisions of this Declaration, this Declaration shall not be effective as to Declarant until the date of recording in the office of the Clerk and Recorder of Larimer County, Colorado, of a deed by which Declarant (or its assigns, or successors by merger or consolidation), as grantor, has conveyed the first Unit to the purchaser of such Unit, except that this limitation upon the effective date hereof as to Declarant shall not be construed as permission to or a retained right in Declarant to amend this Declaration prior to such effective date except by a written instrument executed by Declarant and the mortgagee or deed of trust beneficiary (or their assignees of record) of any mortgage or deed of trust then of record in Larimer County, Colorado.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 30th day of August, 1983.

CANINO-SMITH-COTTIER PARTNERSHIP,
a Colorado limited partnership

By Charles G. Smith
Charles G. Smith, general partner

By Peter M. Cottier
Peter M. Cottier, general partner

STATE OF COLORADO)
County of Larimer) ss.

The foregoing instrument was acknowledged before me this 30th day of August, 1983, by Charles G. Smith and Peter M. Cottier, as general partners of Canino-Smith-Cottier Partnership, a Colorado limited partnership.



Witness my hand and official seal.

Laura M. Kelvey
Notary Public
My commission expires: 8-12-87
Notary address:
315 W. Oak St. Suite 102
Ft Collins, CO 80521

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COUNTY OF LARIMER

STATE OF COLORADO

DRAKE PARK OFFICE CONDOMINIUMS

CORRECTIVE EXHIBIT A

TO: Condominium Declaration for Drake Park Office Condominiums recorded September 21, 1983, in Book 2238 at Pages 313 through 336 inclusive, of the Larimer County Clerk and Records Records.

This document corrects Exhibit A recorded in Book 2238 at Page 336.

CONDOMINIUM UNIT NO.	INTEREST IN GENERAL COMMON ELEMENTS
No. 101	14.96%
No. 102	13.18%
No. 103	22.57%
No. 201	11.51%
No. 202	11.58%
No. 203	26.20%
Total.....	100.00%

Amended

DATED this 5th day of October, 1983, by Declarant, CANINO-SMITH-COTTIER PARTNERSHIP, a Colorado limited partnership.

CANINO-SMITH-COTTIER PARTNERSHIP,
a Colorado limited partnership,

By *Charles G. Smith*
Charles G. Smith, General Partner

By *Peter M. Cottier*
Peter M. Cottier, General Partner

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing was subscribed and sworn to before me this 5th day of October, 1983, by Charles G. Smith and Peter M. Cottier as General Partners of Canino-Smith-Cottier Partnership, a Colorado limited partnership.



Singer Blatten
Notary Public
315 West Oak, Suite 102
Fort Collins, CO 80521
My Commission Expires February 7, 1984

B2238 P0336

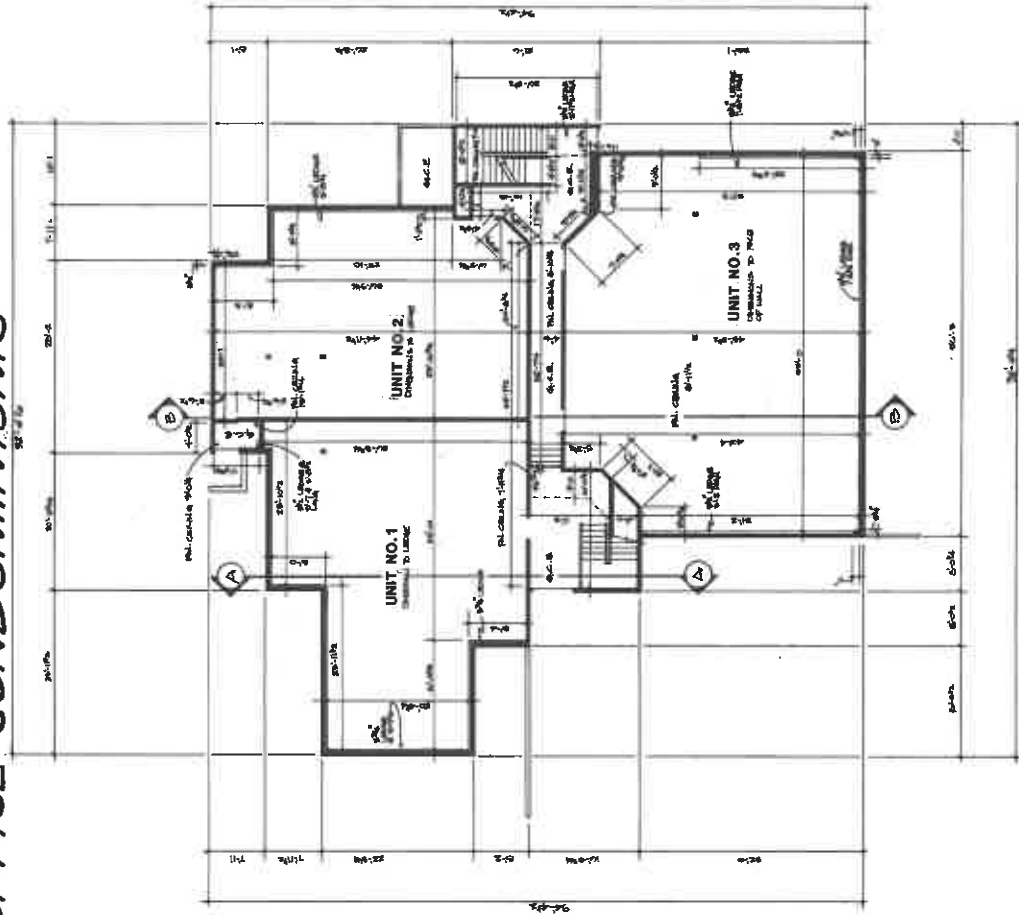
DRAKE PARK OFFICE CONDOMINIUMS

EXHIBIT A

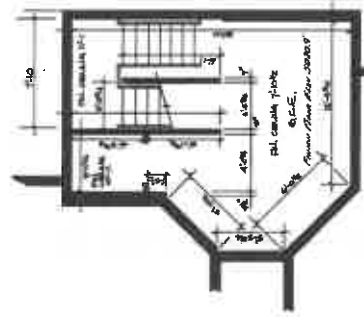
Condominium Unit No.	Interest in General Common Elements
101	15.69%
102	12.64%
103	22.40%
201	11.51%
202	11.54%
203	26.22%
Total.....	100.00%

DRAKE PARK OFFICE CONDOMINIUMS

A MAP OF

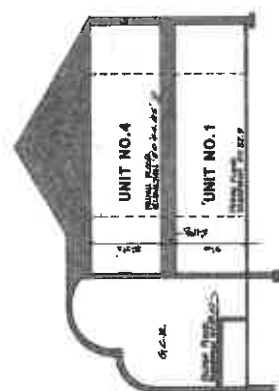
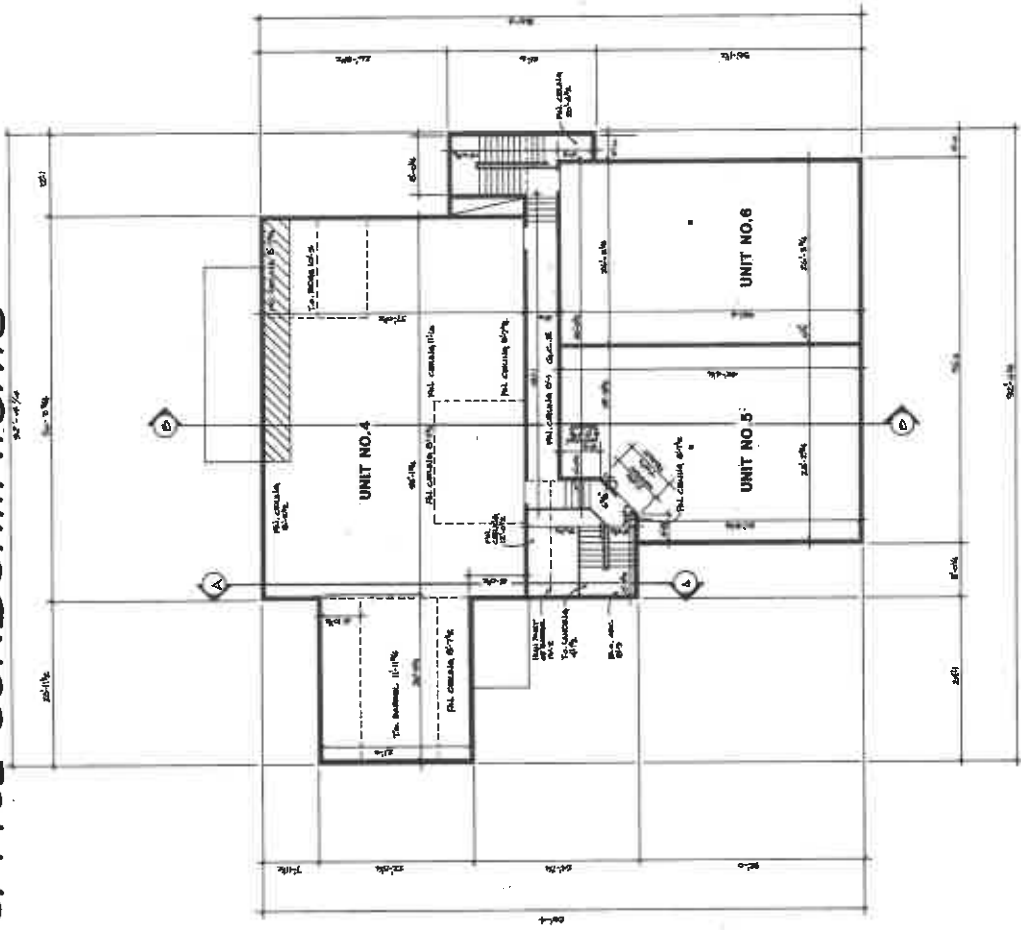


FIRST FLOOR PLAN
 SCALE: 1/8" = 1'-0"
 NORTH

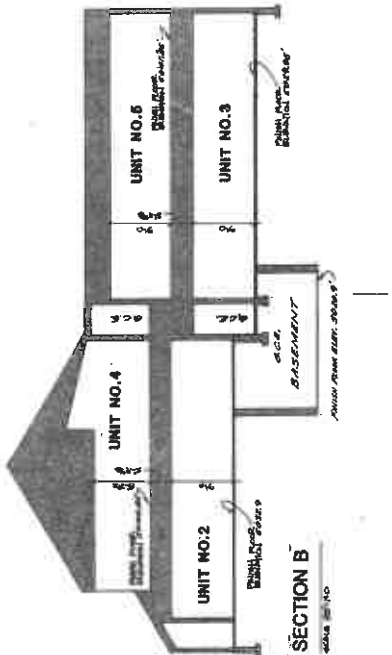


BASEMENT PLAN
 SCALE: 1/8" = 1'-0"
 NORTH

A MAP OF DRAKE PARK OFFICE CONDOMINIUMS



SECTION A
SCALE 1/8" = 1'-0"



SECTION B
SCALE 1/8" = 1'-0"



SECOND FLOOR PLAN

SCALE 1/8" = 1'-0"
NOTES:
1. SEE EXISTING CONCRETE SUPPORT