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in BK. 1975 pg. 475

CONDOMINIUM DECLARATIONS
FOR
PARKWOOD GARDENS CONDOMINIUM
FORT COLLINS, COLORADO

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, TRANSAMERICA TITLE INSURANCE COMPANY, TRUSTEE, is the owner of Tract "J", Replat of Tract "H", a part of Tract "G" and Lot 166, Parkwood Fifth Filing, in the City of Fort Collins, said property being hereinafter referred to as "the property; and

WHEREAS, owners desire to establish, by this Declaration, a plan for the individual ownership of that part of the property consisting of the area or space contained in each of the condominium units in said buildings and the co-ownership, as tenants in common, of all the remainder of the property and improvements thereon, which are hereinafter defined and referred to as the "common elements". Such plan is hereby declared to be for the benefit of the property and the owners thereof, their heirs, successors, administrators, grantees and assigns, and is for the purpose of designating the property as condominium property under the provisions of the Condominium Ownership Act of the State of Colorado, Article 33 of Chapter 38 of 1973 Colorado Revised Statutes, as amended.

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

1. Definitions:

A. All applicable portions of definitions as contained in 1973 Colorado Revised Statutes, Chapter 38-33-103 shall apply to this Declaration and the property except as particularly modified or changed by individual definitions hereinafter contained.

B. "Unit" means an individual air space unit contained within the perimeter walls, floors, ceilings, windows and doors of a unit, or other boundary lines shown on the condominium map, in a building situated on real property that is subject to the provisions of this Declaration, and as shown and described on a condominium map recorded in the real property records of Larimer County, together with (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such unit's perimeter walls, floors and ceilings; and (iii) the interior non-supporting walls within the unit. The term does not include, however, the undecorated or unfinished surfaces of the perimeter walls, floors or ceilings of a unit, any utilities running through the unit that serve more than one unit, or any other common element or part thereof located within the unit.

C. "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.

D. "Building" means one of the building improvements containing units as shown on the map.

E. "Map or Condominium Map or Supplemental Map" means and includes the engineering survey of the land depicting and locating thereon all of the improvements, the floor and elevation plans and any other drawings or diagrammatic plan depicting a part of or all of the land and improvements thereon.

F. "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more condominium units.

G. "General Common Elements" means that portion of the lands first hereinabove described as is shown and described on the map; the structural components of the buildings thereon, and all other parts of such land and improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in common use; all of which shall be owned as tenants in common by the owners of the separate units in equal undivided interests; and including the air space above such land, except those air spaces identified on the map as units.

H. "Mortgagee" shall mean and include Mortgagee, holder of Deed of Trust, or any other legally recognized real property security interest in a unit.

I. "Limited Common Elements" are those portions of the general common elements which are reserved for the exclusive use of the individual owners of the respective units. The limited common elements so reserved shall be identified on the Map as a court, terrace, patio, lobby, balcony, deck, garage space, fenced area, storage lockers, or by being designated on the Map as a limited common element. Any Court, terrace, patio, lobby, balcony, deck, garage space, fenced area, storage lockers, which is accessible from, associated with and which adjoins a unit and any other limited common element shall, without further reference thereto, be so identified in connection with such unit to the exclusion of the use thereof by the other owners of the general common elements, except by invitation. All of the owners of condominium units in the condominium project shall have a non-exclusive right in common with all of the other owners to the use of sidewalks, pathways, driveways and streets located within the entire condominium project. No reference thereto whether such limited common elements are exclusive or non-exclusive, need to be made in any deed, instrument of conveyance or other instrument, and reference is made to the provisions of Paragraph 4 of this Declaration.

J. "Entire Premises or Property" means and includes the land, the buildings, all improvements and structures thereon and all rights, easements and appurtenances belonging thereto.

K. "Common Expenses" means and includes expenses for maintenance of the common elements, limited trash removal, as more fully provided in Paragraph 19 following, water, sewage, insurance, snow removal, repair, operation, management and administration, expenses declared common expenses by the provisions of this Declaration and by the Bylaws and Articles of Parkwood Gardens Condominium Association, and all sums lawfully assessed against the general common elements by the Association.

Assessment of the unit owners shall be as determined by the Board of Directors of the Association from time to time, and each unit owner shall be responsible for that proportion of the total assessment in accordance with the following schedule: (i) owner of a one bedroom Unit (there being a total of 34) shall be responsible for 1.30% of the total assessment; and (ii) owner of a two bedroom unit (there being a total of 36) shall be responsible for 1.55% of the total assessment.

L. "Association of Unit Owners" or "Association" means Parkwood Gardens Condominium Association, a Colorado corporation, not for profit, the Articles and Bylaws of which shall govern the administration of this and other condominium property, the members of which shall be all of the owners of the condominium units in the entire premises

and all of the owners in other property which Declarants may commit to condominium purposes all as is hereinafter provided.

2. Condominium Map: The map shall be filed for record prior to the conveyance of any condominium unit to a purchaser. The map shall depict and show at least the legal description of all of the property, together with a survey thereof, and the outside perimeter boundary of each building within which units shall be located. There shall be filed for record as part of any map the certificate of a Registered Professional Land Surveyor, certifying that the data and information shown on such map is a survey of the condominium property, that it was made under his supervision, and that it is an accurate delineation of the survey. In interpreting the map, the existing physical boundaries of each separate unit as constructed shall be conclusively presumed to be its boundaries. Declarants reserve the right to conform such map to the actual location of any of the constructed improvements, and Declarants further reserve the right, for a period of five years from the date hereof, to amend any plat or map in order to vacate, extend the use to other property, establish or relocate easements, access roads and off-site parking areas including, but not limited to, easements constructed as provided at paragraphs 12 and 19. All easements shown on any map are reserved to Declarants for such use and disposition as Declarants deem appropriate, provided ingress and egress easements are granted as stated in paragraph 7.

3. Limited Common Elements: A portion of the general common elements is set aside and reserved for the use of the individual owners of units as follows: parking spaces and storage unit. Each owner shall be responsible for keeping his parking space and storage unit in a slightly condition. Removal of snow, ice or debris shall be done by the Association.

4. Division of Property Into Condominium Units: The property is hereby divided into separate fee simple estates, each estate consisting of the following:

A. The unit, each such unit to be identified and located on the condominium map.

B. An appurtenant 1.30% undivided interest for one bedroom units and 1.55% undivided interest for two bedroom units, in the general common elements as shown on the map.

C. The limited common elements allocable to each such unit as described at Paragraph 3.

D. No change in the interest of an owner in the general common elements or a limited common element shall be permissible without the written consent of 100% of all owners and 100% of all first mortgagees.

5. Inseparability of a Condominium Unit: 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.

6. Non-Partitionability of General Common Elements: The general common elements shall remain undivided and no owner shall bring any action for partition or division thereof.

7. Description of Condominium Unit: Every contract for the sale of a condominium Unit written prior to the filing of the map may legally describe a condominium unit by its identifying unit and building designation followed by the words "Parkwood Gardens Condominium, Fort Collins, Colorado, a Condominium," with further reference to the map hereof to be filed for record and the recorded Declarations. Subsequent to the filing of the map on which such unit is designated, every contract, deed, lease, mortgage, trust deed or other instrument may legally describe such condominium unit by its identifying unit designation and building designation as shown on the map or maps followed by the words "Parkwood Gardens Condominium, Fort Collins, Colorado, a Condominium," with further reference to the map filed for record and the recorded Declarations. Where the condominium unit to be conveyed is shown on a "Supplement" map, as provided in Paragraph 2 above, it shall be so stated.

Every such description shall be deemed good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect the unit, the general common elements, and the limited common elements appurtenant thereto. The initial deed conveying a condominium unit may contain reservations and exceptions which the Declarants deem to be consistent with the best interests of all condominium unit owners and the Association.

8. Ownership - Title: 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

9. Separate Assessment and Taxation - Notice to Assessor: Declarant shall give written notice to the Assessor of the County of Larimer, State of Colorado, of the creation of condominium ownership of this property as is provided by law, so that each unit and the undivided interest in the general common elements appurtenant thereto shall be deemed a separate parcel and subject to separate assessment and taxation.

10. Use of General and Limited Common Elements: Each owner may use the general common elements in common with the other condominium unit owners, and the limited common elements in accordance with the purpose for which they are intended. The Association may adopt rules and regulations governing the use of general and limited common elements, and pursuant to which general common elements are allocated to the exclusive use of the owners of particular units as limited common elements, provided such rules and regulations shall be uniform and non-discriminatory.

11. Use and Occupancy: Each unit shall be used for residential purposes only as more fully hereinafter defined and restricted in Paragraph 33.

12. Easements for Encroachments: The owners of the respective condominium units agree that if any portion of the common areas and facilities encroaches upon units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. The owners of the respective units agree that if any portion of a unit encroaches upon the common area a valid easement for the encroachment and for the maintenance of same shall and does exist. In the event a structure is partially or totally destroyed and then rebuilt, the owners of condominium units therein agree that minor encroachment of parts of the common areas and facilities due to construction shall be permitted and that valid easement for said encroachment and the maintenance thereof shall exist.

There is hereby created a blanket easement upon, across, over and under the above described premises for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, and electricity, and antenna systems. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said condominiums. Notwithstanding anything to the contrary contained

in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said premises except as approved by the Association's Board of Directors. This easement shall in no way affect any other recorded easement on said premises.

An easement is also reserved in, on and over each condominium unit to permit the Association or its designees to effect any desired or necessary maintenance or repairs to a building.

13. Mechanic's Lien Rights and Indemnification: Subsequent to the completion of the improvements described on the map, no labor performed or materials furnished and incorporated in a unit with the consent of or at the request of the owner thereof, or his agent, or his contractor or subcontractor, shall be the basis for filing a lien against the condominium unit of any other owner not expressly consenting to or requesting the same. Each owner shall indemnify and hold harmless each of the owners from and against all liability arising from the claim of any lien against the condominium unit of any other owner for construction performed, or for labor, materials, service or products incorporated in the owner's unit at such owner's express or implied request. The provisions herein contained are subject to the rights of the Association as set forth in Paragraph 15.

14. Administration and Management: The administration of this condominium property shall be governed by this Declaration, the Articles of Incorporation, and the By-laws of Parkwood Gardens Condominium Association, a Colorado corporation not for profit, hereinafter referred to as the "Association". An owner of a condominium unit shall become a member of the Association upon conveyance to him of his condominium unit and shall remain a member for the period of his ownership. As shown and reserved to Declarants in the Articles of Incorporation and By-Laws for Parkwood Gardens Condominium Association, until January 1, 1982, or until 80% of all units are sold and closed, whichever occurs first, the designation and appointment of a Board of Directors for the Association may, at Declarants' option, be exercised by the Declarants.

Any agreement entered into by the Association for professional management of the condominium project, or any other contract providing for services by the developer and builder, shall not exceed three years. Any such management agreement must provide for termination by either party without cause and without payment of a termination fee on not more than 90 days' written notice.

The Association shall have all of the powers conferred by law, but notwithstanding, the Association, without the prior written consent of 75% of the owners and 100% of the first mortgagees, shall not be entitled to:

By act or omission, seek to abandon or terminate the condominium project.

insurance proceeds or condemnation awards or determining pro-rata share of ownership in common elements.

c. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements.

d. Use hazard insurance proceeds for losses to any condominium property for other than repairing, replacement, or reconstruction, except as provided by Statute or in this Declaration in case of substantial loss.

15. Reservation for Access - Maintenance, Repair and Emergencies: The Association shall have the irrevocable right to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the general common elements therein, for making emergency repairs therein necessary to prevent damage to the general or limited common elements or to another unit. Damage to the interior or any part of a condominium unit resulting from the emergency repairs within another unit, at the instance of the Association, shall be a common expense of all of the owners of units in the building where the repairs and damages to units was occasioned. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of a governmental authority. Restoration of the damaged improvements shall be substantially the same as the condition in which they existed prior to the damage. Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any owner, then such owner shall be solely responsible for the costs and expense of repairing such damage.

16. Owners' Maintenance Responsibility of Unit: For purposes of maintenance, repair, alteration and remodeling, an owner shall be deemed to own the interior non-supporting walls, the material (such as, but not limited to, plaster, gypsum, dry wall, paneling, wallpaper, paint, wall and floor tile, and floorings, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the unit and the unit doors and windows. The owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as utilities) running through his unit which serve one or more other units except as a tenant in common with the other owners. Such utilities shall not be disturbed or relocated by any owner without the written consent and approval of the Association. Any right to repair, alter and remodel shall carry the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An owner shall maintain and keep in repair the interior of his unit, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the utilities enter the unit shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. The Association shall not be liable for any failure of water supply, or other service to be obtained and paid for by the Association hereunder, or for injury or damage to person or property caused by the elements, or by another owner or person in the project, or resulting from electricity,

water, rain, dust or sand which may leak or flow from outside or from any parts of the buildings or from any of its pipes, drains, conduits, appliances or equipment or from any other place, unless caused by gross negligence of the Association or its agents.

17. Compliance with Provisions of Declaration, By-Laws of Association: Each owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and the decisions 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, maintainable by the Association on behalf of the owners, or, in a proper case, by an aggrieved owner.

18. Revocation or Amendment to Declaration: Except as is otherwise provided herein, this Declaration shall not be revoked nor shall any of the provisions herein be amended unless: (A) the prior written consent and permission of the Association be first obtained, and (B) the prior written consent of owners representing an aggregate ownership interest of 75% or more in the general common elements be first obtained, EXCEPT, that no amendment to or revocation of these Declarations affecting the unit owners' undivided interest in the general common elements shall be made without 100 percent prior written consent of the unit owners, and (C) the prior written consent of all of the holders of any recorded mortgages or trust deeds be first obtained. Such consents, and each of them, shall be evidenced by recorded instruments. Notwithstanding anything to the contrary contained herein, Declarant shall have the right to amend the provisions hereof at any time and from time to time prior to the Declarant having sold 51% of the Condominium Units; provided, no such amendment shall substantially alter or change the rights or liabilities of the Unit Owners as initially set forth herein.

19. Assessment for Common Expenses: All owners shall be obligated to pay the estimated assessments imposed by the Association to meet the common expenses attributed to the property included in this Declaration. The owners shall at all times maintain with the Association or its designated agent a sum on deposit equal to the estimated maintenance fee for the next following two months. On new units sold, the two months estimated maintenance fee shall be paid at the time of closing. All assessments shall be fixed at a uniform rate for all condominium units. Assessments for the estimated common expenses, including insurance, water, trash removal, snow removal, maintenance and sewage, shall be due monthly, in advance, on the first day of each month. The Association shall prepare and deliver by mail to each owner a monthly statement for the estimated actual expenses.

The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of those common elements that must be replaced periodically and such reserve fund shall be funded through monthly payments of the common expenses and not be extraordinary special assessments.

Contributions for monthly assessments shall be prorated if the ownership of a condominium unit commences on a day other than the first day of a month.

The assessments made for the common expenses shall be based upon the cash requirements deemed to be the aggregate sum the Association shall from time to time determine is to be paid by all of the owners, including Declarants, to provide for payment of all estimated expenses growing out of or connected 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, fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all of the condominium units, including all fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors and ceilings, doors, windows and elements or materials comprising a part of the unit; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting; repairs and renovations; trash and garbage collections; wages, water charges, legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; the payment of any deficit remaining from a previous period; the creation of reasonable contingency or other reserve sinking or surplus funds, as well as other costs and expenses relating to the general common elements.

The property described herein is a portion of Parkwood Fifth Filing, in the City of Fort Collins, Colorado, and Parkwood Gardens Apartments are included in the Parkwood Property Owners' Association, and the owner of each unit is included within the Parkwood Property Owners' Association. The owner of a condominium unit shall have all of the rights in the common areas owned by Parkwood Property Owners' Association as provided in the Protective Covenants and Property Owners' Association Agreement recorded July 7, 1965, under Reception No. 894815, as amended, in the office of the Clerk and Recorder of Larimer County. The assessments by Parkwood Property Owners' Association shall be included in any assessments levied by Parkwood Gardens Condominium Association.

20. 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 Declarants 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 first mortgagee of a condominium unit, which shall provide that the loss, if any, thereunder, shall be payable to the Parkwood Gardens Condominium Association, for the use and benefit of mortgagees as their interests may appear.

(2) 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.

(3) 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.

(4) The Association shall purchase and be the owner of fidelity coverage in an amount no less than 150% of the estimated annual operating expenses and reserves of the Association 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.

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

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit

owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days prior written notice to all of the insureds, including 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 the expiration of the then current policies. The insurance shall be carried in blanket form naming the Parkwood Gardens Condominium 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 and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the 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 the managing agent 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 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.

21. Lien for Non-Payment of Assessments: It shall be the duty of the owner of each condominium unit to pay his proportionate share of the common expenses, expenses of administration, maintenance and repair of the common elements, water, sewage, trash removal, taxes, insurance and fixed charges allocated or assessed to such unit and its corresponding condominium interest, and of any other expense, damage or penalty set forth in these Declarations. Payment thereof shall be in such amounts and at such times as may be determined by the Association.

If any condominium unit owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien on the condominium interest of such owner as set forth in the deed of conveyance to him, together with his interest in common elements, and upon the recording of the notice thereof by the Association with the Clerk and Recorder of Larimer County, Colorado, the lien shall concomitant with said recording attach and constitute a lien upon such owner's interest in the condominium property. Such lien shall be subordinate to the lien of any first mortgagee. Any first mortgagee who obtains title to a condominium unit pursuant to the remedies provided in the collection or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrued prior to the acquisition of title to such unit by the mortgagee.

To evidence such lien for unpaid assessments, the Association shall prepare a written notice setting forth the amount, the name of the owner of the condominium unit and a description of the condominium unit. Such notice shall be signed on behalf of the Association by an officer of the Association or by the Managing Agent acting on behalf of the Board of Directors and shall be recorded in the office of the Clerk and Recorder of the County of Larimer. The lien shall attach from the date of the recording. Such lien may be enforced by foreclosure by the Association of the defaulting owner's condominium unit in like manner as mortgages on real property. The lien provided herein shall be in favor of the Association and for the benefit of all of the condominium owners who are members of the Association. In any such foreclosure, the owner shall be required to pay the costs and expenses of such proceedings and attorney's fees for filing the notice or claim of lien and all reasonable attorney's fees in connection with such foreclosure. The owner shall also be required to pay to the Association the monthly assessment for the condominium unit during the period of foreclosure and the Association shall be entitled to a Receiver to collect the same. The Association, on behalf of the unit owners, shall have the power to bid on the condominium unit at foreclosure sale and to acquire, hold, lease, mortgage and convey same. The Association shall send to each first mortgagee a copy of the notice of lien provided for herein. Any encumbrancer holding a lien on a condominium unit may, but shall not be required to, pay any unpaid common expense payable with respect thereto and upon such payment, such encumbrancer shall have a lien on such unit for the amounts paid, of the same rank as the lien of his encumbrance. Upon request of a mortgagee, the Association shall report in writing to the mortgagee of a condominium unit any unpaid assessment remaining unpaid for thirty (30) days after the same is due, or other default in any covenant, condition, obligation or term of this Declaration not cured within thirty (30) days; provided, however, that a mortgagee shall have furnished to the Association notice of such encumbrance.

22. Owners' Obligation for Payment of Assessments: The amount of the expenses assessed by the Association against each condominium unit shall be the personal and individual debt of the owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same. No owner may exempt himself from liability for his contribution toward the common expenses by a waiver of the use or enjoyment of any of the common elements, or by abandonment of his unit.

23. Liability for Common Expenses Upon Transfer of Condominium Unit is Joint: Upon payment of a reasonable fee not to exceed \$20.00 and upon the written request of any owner, any Mortgagee, or any prospective Mortgagee of a condominium unit, the Association shall issue a written statement setting forth the amount of the unpaid expenses assessed to such unit, if any, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which statement 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 lien of the person requesting such statement.

The grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of 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; provided, however, that upon payment of a reasonable fee not to exceed \$20.00, and upon written request any such prospective grantee shall be entitled to a statement from the Association setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association, unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, then such grantee shall not be liable for, nor shall the condominium unit conveyed be subject to lien for any unpaid assessments against the subject unit.

24. Mortgaging a Condominium Unit - Priority: Any owner shall have the right from time to time to mortgage or encumber his interest by Deed of Trust, Mortgage or other security interest. A first mortgage shall be one which has first and paramount priority under applicable 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 all terms, conditions, expenses, and other obligations created by this Declaration and by the By-Laws; (2) That the Mortgages 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 the mortgaged premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if not granted, may be executed by the Association as attorney in fact for such junior mortgagee.

25. Destruction, Damage or Obsolescence - Association as Attorney-in-Fact: This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the project in the event of its destruction, damage, obsolescence or condemnation, including the repair, replacement and improvement of any condominium units, buildings, common elements or other portion of the project which has been so destroyed, damaged, condemned or 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 Parkwood Gardens Condominium 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 of such event. At such meeting a new attorney--in-fact, to deal with the project upon its destruction, damage, obsolescence, or condemnation shall be appointed. Said appointment must be approved by the owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the common elements and at least seventy-five percent (75%) 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 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 responsibility and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power as attorney-in-fact, to cause the repair, replacement or restoration of the improvement(s) using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his condominium unit and may be enforced and collected as is provided in Section 21. 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 10% 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, expenses and fees incurred by the Association;

(4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

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

(c) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is more than seventy percent (70%) of the total replacement cost of all of the condominium units in this project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Owners and their condominium units, provided, however, that Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the common elements and all 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 By-Laws. Assessments for common expenses shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's interest in the common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall forthwith use and disburse the total 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 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 subsection b(1) through (5) of this section. In the event that the damage is to be repaired or reconstruction is to be made then the provisions of Section 25 (b) shall apply.

(d) The owners representing an aggregate ownership interest of seventy-five percent, or more, of the general common elements may agree that the condominium units are obsolete and that the same should be sold. Such plan (agreement) must have the approval of the Association and the unanimous approval of every first mortgagee of record at the time of the adoption of such plan. 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 the entire premises 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 and the By-laws. The sales proceeds shall be apportioned between the owners evenly, and such apportioned proceeds shall be paid into separate accounts, each such account representing one condominium unit. Each account shall be in the name of the Association, and shall be further identified by number of the unit, building symbol, and the name of the owner. 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 subparagraph (b) of this paragraph.

(e) The provisions of subparagraphs (a) through (d) of this paragraph 25 shall be applicable to all condominium units committed to and covered by the Association.

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

(f) The Homeowners' Association shall give to the holder of any first mortgage, or its assigns, written notice of any loss of common elements exceeding \$10,000.00, or loss in an individual condominium unit in excess of \$1,000.00. Such notice shall be given within ten (10) days of loss.

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

(a) Proceeds: All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation award" shall be payable to the Association.

(b) Complete Taking:

(1) In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The condemnation award shall be apportioned among the Owners on the same basis of each condominium unit owner's interest in the common elements, provided however, that if a standard different from the value of the property as a whole is employed as the measure of the condemnation award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

(2) On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the condemnation award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 25 (b) (1) through (5).

(c) Partial Taking: In the event that less than the entire condominium project is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined in the following manner: as soon as practicable the Association shall reasonably and in good faith, allocate the condemnation award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners as follows: (i) the total amount allocated to taking of or injury to the common elements, shall be apportioned among the Owners on the basis of each owner's interest respectively in the common elements; (ii) the total amount allocated to severance damages shall be apportioned to those condominium units which were not taken or condemned; (iii) the respective amounts allocated to the taking of or injury to a particular unit and to the improvements an Owner has made within his own unit shall be apportioned to the particular unit involved, and (iv) the total amount allocated to

consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If the allocation of the condemnation award is already established in negotiations, judicial decree or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Section 25 (b) (1) through (5).

(d) The Association shall timely notify each first mortgagee of any condominium unit of the commencement of the condemnation proceedings or eminent domain proceedings and shall notify said mortgagees in the event of the taking of all or any part of the common elements, if the value of the common elements taken exceeds \$10,000.00.

27. Reorganization: In the event a partial taking results in the taking of a complete unit, the Owner thereof automatically shall cease to be a member of the Association, shall cease to hold any right, title or interest in the remaining common elements and shall execute any and all documents necessary to accomplish the same. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratio in accordance with this Declaration at its inception and shall submit such reallocation to the owners and the first mortgagees of remaining units for amendment of this Declaration as provided in Section 18.

28. Reconstruction and Repair: Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 25.

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

30. Period of Condominium Ownership: The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as provided in Section 18 of this Declaration or until terminated

in the manner and as is provided in this Declaration.

31. Assessment Reserves and Working Capital Account: Each Owner other than the Declarant, shall be required to deposit at the time of initial purchase and thereafter to maintain with the Association a sum equal to two (2) times the amount of the original estimated monthly common expense assessments, which sum shall be used by the Board of Directors as a reserve for paying such owner's common expense assessment, for capital repairs and/or replacements, purchase of equipment and for extraordinary common expenses. Such advance payment shall not relieve an Owner from making the regular monthly common expense assessment as the same come due. Upon the sale of his condominium unit, an Owner shall be entitled to a credit from his grantee for any unused portion thereof. Failure to so maintain said fund shall constitute a default on behalf of an Owner and the Association shall be entitled to proceed under the remedies granted to it in Section 17, supra. Any interest accruing on such deposit shall not be required to be distributed by the Association. However, such interest if any, for tax purposes is hereby recognized and declared to be a constructive receipt received by an Owner.

32. Property for Common Use: The Association may acquire and hold for the benefit of the condominium owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned by the condominium owners in the same proportion as their respective interests in the general common elements and shall not be transferable except with a transfer of a condominium unit. A transfer of a condominium unit shall transfer to the transferee ownership of the transferor's beneficial interest in such real or personal property without any reference thereto or execution of a bill of sale. Each owner may use such real and personal property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other owners. Sale of a condominium unit under foreclosure shall thereby entitle the purchaser thereof to the beneficial interest in the real and personal property associated with the foreclosed condominium unit.

33. Restrictive Covenants and Obligations:

(a) The property is hereby restricted to residential units for residential use and uses related to the convenience and enjoyment of such residential use. 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, trailer, basement, 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) Notwithstanding any other provisions expressly or impliedly to the contrary contained herein, it shall be expressly permissible for the Declarant, his agent, employees and contractors to maintain during the period of improvement and sale of the condominium units, upon such portion of the property as Declarant may be reasonably required, convenient or incidental to the construction and sale or rental of condominium units and interests, including, but without limitation, a business office, storage areas, construction yards, signs, model units, sales office, construction office, parking areas and lighting.

(c) 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 fifteen pounds may be kept; provided, however, that 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. The Association shall have the right to promptly remove any pet not kept in accordance with these conditions.

(d) No advertising signs, 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 whatsoever shall be conducted in any building or in any portion of the property; provided, further, that the foregoing covenants shall not apply to the business activities, signs and billboards, if any, of the Declarant, its agents, contractors and assigns during the construction and sale and rental period and of the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

(e) 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. No one shall play or loiter in the common hallways and stairways. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard to exist. No unit owner shall permit any user of his unit to make use of the common elements which will increase the rate of insurance upon the condominium property. The Association may adopt By-Laws and Rules and Regulations relative to abatement and enjoinder of nuisances.

(f) 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.

(g) Rules and regulations may be adopted by the Board of Directors 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. Such Rules and Regulations shall provide that all books and records showing expenses and disbursements of the Homeowners' Association shall be open to the holders of any first mortgage upon request.

(h) Except for those improvements erected or installed by Declarant, no exterior additions, alterations to or decorating of any buildings, nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained in or on the project until the plans and specifications showing the nature, kind, shape, heights, materials, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the condominium project by the Association or by a representative

R E S O L T I O N

WHEREAS, contradictory language exists in the Condominium Declaration for the Parkwood Gardens Condominium Association regarding insurance coverage:

Article 20, para. a(1) states - "Said casualty insurance shall insure ... (including all of the units and fixtures therein initially installed by the Declarant...)..."

Article 20, para. 5(d) states - "Insurance coverage on furnishings including carpet, draperies, oven, range, refrigerator... shall be the sole and direct responsibility of the unit owner..."

WHEREAS, the blanket insurance coverage purchased by and for the Condominium Association is full replacement cost insurance, with policy limits based upon values established by the carrier, which are not adjusted downward to reflect lack of coverage on appliances and carpeting; and

WHEREAS, it was never the intention to exclude from insurance these standard, originally installed portions of the real estate when they are part of a larger claim - but rather, to keep owners from attempting to file a claim relative to just a specific item.

THEREFORE, be it resolved that regardless of wording (or interpretations thereof) to the contrary, the initially installed (or comparable replacement) carpet, oven, range, refrigerator and disposal are to be included in the blanket insurance coverage maintained by the Association.

DATED this 22nd day of February, 1989.

PARKWOOD GARDENS CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS

Arthur T. Gray
Loren Luntz
John Ambrose
Sumner L. DeFreece
Doris Dodson by proxy

Recorded SEP 10 1979 at 12:08 o'clock P.M.
Receipt No. 326283 Book P. Thompson

AMENDMENT TO
CONDOMINIUM DECLARATIONS
FOR
PARKWOOD GARDENS CONDOMINIUM
FORT COLLINS, COLORADO

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Transamerica Title Insurance Company, Trustee, executed Condominium Declarations for Parkwood Gardens Condominium, Fort Collins, Colorado, covering Tract "J", Replat of Tract "H", a part of Tract "G" and Lot 166, Parkwood Fifth Filing, in the City of Fort Collins, Colorado, which Declarations were recorded on the 7th day of August, 1979, in Book 1975 at Page 475 of the records in the office of the County Clerk and Recorder of Larimer County, Colorado; and

WHEREAS, Transamerica Title Insurance Company, Trustee, as Declarant, reserved the right, under Paragraph 18 of said Declarations, to amend the provisions of said Declarations at any time, and from time to time, prior to the Declarant having sold 51% of the condominium units, provided that no such amendment shall substantially alter or change the rights or liabilities of the unit owners as initially set forth in said Declarations; and

WHEREAS, Declarant has not sold 51% of the condominium units and desires to amend said Declarations, which amendments are herein-after set forth, and which do not alter or change the rights and liabilities of the unit owners as initially set forth in said Declarations;

NOW THEREFORE, Declarant does hereby amend the above described Condominium Declarations in the following particulars:

1. Paragraph 1 (H) is deleted in its entirety, and there is substituted therefor the following:

"1 (H). "Mortgage" shall mean and include any person, corporation, partnership, trust company, association, or other legal entity which holds or receives a mortgage or deed of trust as security for the payment of a debt or obligation."

2. Paragraph 5. Inseparability of a Condominium Unit: is deleted in its entirety, and there is substituted therefor the following:

"5. Inseparability of a Condominium Unit: 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 common unit. No owner shall bring any action for partition or division of a condominium unit."

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3. Paragraph 12. Easements for Encroachments: is deleted in its entirety, and there is substituted therefor the following:

"12. Easements for Encroachments: The owners of the respective condominium units agree that if any portion of the common elements encroaches upon units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. The owners of the respective units agree that if any portion of a unit encroaches upon the common area a valid easement for the encroachment and for the maintenance of same shall and does exist. In the event a structure is partially or totally destroyed and then rebuilt, the owners of condominium units therein agree that minor encroachment of parts of the common areas due to construction shall be permitted and that valid easement for said encroachment and the maintenance thereof shall exist.

There is hereby created a blanket easement upon, across over and under the above described premises for ingress, egress, installation, replacing, repairing and maintaining all utilities, included, but not limited to water, sewer, gas, telephone and electricity, and antenna systems. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said condominiums. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said premises except as approved by the Association's Board of Directors. This easement shall in no way affect any other recorded easement on said premises.

An easement is also reserved in, on and over each condominium unit to permit the Association or its designees to effect any desired or necessary maintenance or repairs to a building."

4. Paragraph 19. Assessment for Common Expenses: is deleted in its entirety, and there is substituted therefor the following:

"19. Assessment for Common Expenses: All owners shall be obligated to pay the estimated assessments imposed by the Association to meet the common expenses attributed to the property included in this Declaration. The owners shall at all times maintain with the Association, or its designated agent, a sum on deposit equal to the estimated maintenance fee for the next following two months. On new units sold, the two months estimated maintenance fee shall be paid at the time of closing. All assessments shall be fixed at a uniform rate for one bedroom units and a uniform rate for two bedroom units based upon the proportionate interest in Parkwood Gardens Condominium as set forth in Paragraph 1 (K) hereof. Assessments

for the estimated common expenses, including insurance, water, trash removal, snow removal, maintenance and sewage, shall be due monthly, in advance, on the first day of each month. The Association shall prepare and deliver by mail to each owner a monthly statement for the estimated actual expenses.

The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of those common elements that must be replaced periodically and such reserve fund shall be funded through monthly payments of the common expenses and not be extraordinary special assessments.

Contributions for monthly assessments shall be prorated if the ownership of a condominium unit commences on a day other than the first day of a month.

The assessments made for the common expenses shall be based upon the cash requirements deemed to be the aggregate sum the Association shall from time to time determine is to be paid by all of the owners, including Declarant, to provide for payment of all estimated expenses growing out of or connected 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, fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all of the condominium units, including all fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors and ceilings, doors, windows and elements or materials comprising a part of the unit; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting; repairs and renovations; trash and garbage collections; wages, water charges, legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; the payment of any deficit remaining from a previous period; the creation of reasonable contingency or other reserve sinking or surplus funds, as well as other costs and expenses relating to the general common elements.

The property described herein is a portion of Parkwood Fifth Filing, in the City of Fort Collins, Colorado, and Parkwood Gardens Apartments are included in the Parkwood Property Owners' Association, and the owner of each unit is included within the Parkwood Property Owners' Association. The owner of a condominium unit shall have all of the rights in the common areas owned by Parkwood Property Owners' Association as provided in the Protective Covenants and Property Owners' Association Agreement recorded July 7, 1965, under Reception No. 894815, as amended, in the office of the Clerk and Recorder of Larimer County. The assessments by Parkwood Property Owners' Association shall be included in any assessments levied by Parkwood Gardens Condominium Association."

