

**Condominium Declaration
for
Collindale Offices at the Fairways
(A Common Interest Community)**

THIS DECLARATION is made and entered into this ____ day of _____, 2000 by Chapter 7, Ownership Group, Inc., a Colorado Corporation ("Declarant").

RECITALS

1. Declarant is the owner of that certain real property located in the County of Larimer, State of Colorado legally described on Exhibit "A" attached hereto and incorporated herein by reference ("the Real Estate").
2. Declarant desires to create condominium ownership of the Real Estate pursuant to the Condominium Ownership Act (C.R.S. §38-33-101, et seq.) and the Colorado Common Interest Ownership Act (C.R.S. §38-33.3-101, et seq.), as they may be amended from time to time ("the Acts"), in which portions of the Real Estate will be designated for separate ownership and the remainder shall be designed for common ownership solely by the Owners of the separate ownership interests.
3. Declarant has caused to be incorporated under the laws of the State of Colorado Collindale Offices at the Fairways Condominium Association, a nonprofit corporation, for the purpose of exercising the functions herein set forth.
4. This Declaration has been recorded upon the completion of the construction of the _____ Buildings depicted on the initial Map. Such Buildings contain a total of ____ Units. Declarant intends to construct additional Buildings, each containing four Units, until six Building containing a total of twenty-four Units have been built on the Real Estate. Supplementary Maps and Supplements to this Declaration shall be filed, when each Building has been completed.

**ARTICLE I
SUBMISSION OF REAL ESTATE**

Declarant hereby publishes and declares that the Real Estate shall be and is hereby submitted to condominium ownership and shall be held, sold, conveyed, transferred, leased, subleased, and occupied subject to the following easements, covenants, conditions, and restrictions which shall run with the Real Estate and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in the Real Estate or any portion thereof, their heirs, grantees, personal representatives, successors, and assigns. Additionally, Declarant hereby submits the Real

Estate to the provisions of the Acts. In the event either Act is repealed, the repealed Act on the effective date of the Declaration shall remain applicable.

ARTICLE II
DEFINITIONS

- Section 1: "Allocated Interests" shall mean and refer to the Common Expense Liability and votes in the Association, which shall be allocated among the Owners as follows:
- (a) Until all six of the Buildings have been completed, Common Expense Liability shall be allocated among the Owners of the completed Units, in the ratio that the number of Units owned by each Owner bears to the total number of completed Units. When all six Buildings have been built, the Common Expense Liability shall be allocated one-twenty fourth (4.1667%) to the Owner of each Unit.
 - (b) Except for the Declarant, which shall have two (2) votes for each Unit owned by it during the period of Declarant Control, each Owner shall be entitled to one (1) vote for each Unit owned.
 - (c) Certain expenses related to the Units shall not be a Common Expense Liability. Such expenses shall be collected solely from the Owner(s) of the Unit(s) involved.
- Section 2: "Approval" or "Consent" shall mean securing the prior written approval or consent as required herein before doing, making, or suffering that for which such approval or consent is required.
- Section 3: "Association" or "Unit Owners' Association" shall mean and refer to a unit owners' association organized and existing under Section 38-33.3-301 of the Act.
- Section 4: "Buildings" shall mean and refer to the buildings as constructed on the Real Estate.
- Section 5: "Bylaws" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including amendments to those instruments.
- Section 6: "Common Elements" shall mean and refer to all portions of the Common Interest Community other than the Units.
- Section 7: "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Unit pursuant to this Declaration.
- Section 8: "Common Expenses" shall mean and refer to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocation to reserves. Such expenses shall include, but shall not be limited to, expenses for maintaining, remodeling, repairing, and replacing the exterior of each Building and its roof, and of the common entranceways, common hallways and lobbies, and public restrooms within each Building; trash removal;

exterior window washing; janitorial services for General Common Elements; installation, care, maintenance and replacement of landscaping (whether such landscaping is located within a General Common Element or a Limited Common Element); all utilities serving the General Common Elements or any part hereof, that are not separately metered or otherwise charged to just one Unit; hazard and public liability insurance coverage on the Buildings and the Real Estate; legal, accounting and other professional fees related to Common Expenses; all costs of maintaining, repairing, restriping, cleaning, and replacing the sidewalks and parking areas located on the Real Estate; the fees of any professional management firm retained by the Association; and any and all other expenses declared Common Expenses by the provisions of this Declaration or hereinafter agreed to be such by the Owners of all Units. Except as otherwise stated above, all costs of maintaining, remodeling, repairing and replacing Limited Common Elements shall be borne solely by the Owner of the Unit having the exclusive use thereof.

- Section 9: "Common Interest Community" shall mean and refer to the Real Estate and all improvements constructed thereon.
- Section 10: "Declarant" shall mean and refer to Chapter 7, Ownership Group, Inc., a Colorado Corporation, and to any other Person or group of Persons acting in concert who, as a part of a common promotional plan, offers to dispose of to a Purchaser such Declarant's interest in a Unit not previously disposed of to a Purchaser.
- Section 12: "Declaration" shall mean and refer to this Declaration, including any amendments hereto and also including, but not limited to, plats and maps of the Real Estate recorded in the Clerk and Recorder's office of Larimer County, Colorado.
- Section 13: "Dispose" of "Disposition" shall mean and refer to a voluntary transfer of a legal or equitable interest in a Unit, but the term does not include the transfer or release of a security interest.
- Section 14: "Executive Board" shall mean and refer to the Executive Board of the Association.
- Section 15: "Identifying Number" shall mean and refer to a symbol or address that identifies only one (1) Unit in the Common Interest Community.
- Section 16: "Insurer" shall mean and refer to any governmental agency or authority that insures or guarantees a mortgage.
- Section 17: "Limited Common Elements" shall mean and refer to a portion of the Common Elements allocated by this Declaration or by the operation of C.R.S. § 38-33.3-202 (1) (b) or (1) (d) for the exclusive use of one or more Units but fewer than all of the Units.
- Section 18: "Mortgagee" shall mean and refer to any Person who has a security interest in a Unit and who has provided written notice of such interest to the Association.

- Section 19: "Person" shall mean and refer to a natural person, a corporation, a limited liability company, a partnership, an association, a trust, or any other entity or combination thereof.
- Section 20: "Plat" or "Map" shall mean and refer to the Plat or Map of the Real Estate, or portions thereof, recorded in the office of the Clerk and Recorder of Larimer County, Colorado, and all recorded amendments thereto. The Plat and Map shall contain information regarding the Units required by the Acts. A series of Plats or Maps will be filed for the Real Estate, as and when Buildings are constructed. References in this Declaration to "Plat" or "Map" shall refer to the Map recorded at the time of recording this Declaration, together with all subsequently-recorded supplements.
- Section 21: "Purchaser" shall mean and refer to a Person, other than a Declarant, who, by means of a transfer, acquires a legal or equitable interest in a Unit, other than:
- (a) A leasehold interest in a Unit of less than forty (40) years, including renewal options, with the period of the leasehold interest, including renewal options, being measured from the date the initial term commences; or
 - (b) A Security Interest.
- Section 22: "Real Estate" shall mean and refer to the Real Estate described on Exhibit "A" attached hereto and incorporated herein by reference, including structures, fixtures, and other improvements and interests that, by custom usage or law, pass with a conveyance of land, though not described in the contract of sale or instrument of conveyance.
- Section 23: "Rules and Regulations" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Common Interest Community, including any amendments to those instruments.
- Section 24: "Security Interest" shall mean and refer to an interest in real estate or personal property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation. "First Security Interest" shall mean and refer to a Security Interest in a Unit prior to all other Security Interests except the Security Interest for real property taxes and assessments made by Larimer County, Colorado, or other governmental authority having jurisdiction over the Common Interest Community.

- Section 25: "Unit" shall mean and refer to a physical portion of the Common Interest Community which is designated for separate ownership or occupancy and the boundaries of which are contained within the windows, doors, unfinished perimeter walls, floors, and ceiling of each Unit as described in or determined from the Map.
- Section 26: "Unit Owner" shall mean and refer to the Declarant or other Person who owns a Unit but does not include a Person having an interest in a Unit solely as security for a obligation. Declarant is the Owner of any Unit created in the Declaration until that Unit is conveyed to another person.
- Section 27: "Unit Sign" shall refer and mean the allowable sign assigned with each Unit as part of the comprehensive sign requirements for the Buildings, including specifications of materials, size of text, graphics, color and assigned area.

ARTICLE III COMMON INTEREST COMMUNITY

- Section 1: Name. The name of the Common Interest Community is COLLINDALE OFFICES AT THE FAIRWAYS.
- Section 2: Association. The name of the Association is COLLINDALE OFFICES AT THE FAIRWAYS CONDOMINIUM ASSOCIATION.
- Section 3: Condominium. The Common Interest Community is a condominium.
- Section 4: County. The name of every county in which any part of the Common Interest Community is situated is Larimer County, Colorado.
- Section 5: Legal Description. A legal description of the Real Estate included in the Common Interest Community is set forth on Exhibit "A" attached hereto and incorporated herein by reference.
- Section 6: Maximum Number of Units. The maximum number of Units that the Declarant reserves the right to create within the Common Interest Community is twenty four (24).
- Section 7: Boundaries of Units. The boundaries of each Unit are located as shown on the Map and are more particularly described as follows:
- (a) Windows; doors; and the interior side of unfinished perimeter walls, floors and ceiling are designated as boundaries of a Unit.
 - (b) Each Unit shall include, as a Limited Common Element, the heating, ventilating, and air-conditioning apparatus exclusively serving the Unit whether or not located within the boundaries of the Unit.

- Section 8: Identification of Units. The Identification Number of each unit is shown on the Map.
- Section 9: Subdivision of Units. Units may not be subdivided.
- Section 10: Allocated Interests. Allocated interests shall have the meaning set forth in Article II, Section 1, of this Declaration.
- Section 11: Recording Data. All easements and licenses to which the Common Interest Community is presently subject are described on the Plat. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to the terms of this Declaration.
- Section 12: Notice. Notice of matters affecting the Common Interest Community may be given to Unit Owners by the Association or by other Unit Owners in the following manner: notice shall be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. Such notice shall be deemed given when hand delivered or when deposited in the United State mail.
- Section 13: Limited Common Elements. The Limited Common Elements shall be defined as set forth in Article II, Section 17., of this Declaration. Limited Common Elements are described on the Map.
- Section 14: General Common Elements. The General Common Elements are described on the Map. Except as provided in the Acts, no General Common Elements may be conveyed to any person or entity other than the Condominium Unit Owners, and no General Common Elements may be allocated subsequently as Limited Common Elements.
- Section 15: Division of Real Estate Into Condominium Units. The Real Estate, including the improvements thereon, shall be divided into a maximum of twenty four (24) fee simple estates (Condominium Units). Each such estate shall consist of a separately designated Unit as indicated on the Map and the undivided interest in and to the Common Elements appurtenant to such Unit. Each Unit, the appurtenant undivided interest in the Common Elements, as well as all other appurtenances, rights, and burdens shall together comprise one Condominium Unit.
- Section 16: Description of Unit. A Unit may be legally described as follows:
- Condominium Unit No. _____, Collindale Offices at the Fairways , according to the Declaration recorded _____, 200_, at Reception No. _____, and the Condominium Map recorded _____, 200_, at Reception No. _____ of the Larimer County, Colorado, records.
- Such description shall be sufficient for all purposes to sell, convey, transfer, encumber, or

otherwise affect not only the Unit but also the undivided interest in the General and Limited Common Elements appurtenant to said Unit and all other appurtenant property rights and shall incorporate all of the rights and burdens incident to ownership of a Unit and all of the limitations thereon as described in this Declaration. Each such description shall be construed to include a nonexclusive easement for ingress and egress to and from a Unit and the use of all General and Limited Common Elements appurtenant to such Unit. Reference to the Map and Declaration in any instrument shall be deemed to include any supplements or amendments thereto.

ARTICLE IV

DECLARANT'S RESERVED RIGHTS

Section 1: **Declarant's Rights.** Declarant hereby reserves the right for a period of ten (10) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado, or until such earlier date as Declarant is no longer an Owner, to perform the acts and exercise the rights set forth below:

- (a) **Completion of Improvements.** The right to complete improvements on the Real Estate and Common Elements, including, but not limited to, additional Buildings and Units, in accordance with all applicable governmental requirements and contractual or other commitments made by Declarant.
- (b) **Construction Easements.** The right to use easements through the Real Estate and Common Elements for the purpose of making improvements within the Real Estate. Declarant expressly reserves the right to perform construction work and store materials on the Real Estate and the Common Elements, and the future right to control such work and the right of access to such work and materials, for each Office Building and any common improvement until its completion. All work may be performed by Declarant without the consent or approval of any Owner or Mortgagee. Declarant shall have such easements through the Real Estate and Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration include the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Real Estate and Common Elements for the purpose of furnishing utility and other services to or for the benefit of the Units. Such construction easements include the right to grant easements to public utility companies and to convey improvements within those easements. If Declarant grants any such easements, the Plat will be amended if necessary, to include reference to the recorded easement.
- (c) **Dedications.** The right to establish, from time to time, by dedication or otherwise, utility and other easements over, across, and upon the Real Estate and Common Elements for purposes including, but not limited to,

utilities, streets, paths, walkways, drainage, landscaping, parking areas, and to create other reservations, exceptions, and exclusions over, across, and upon the Real Estate and Common Elements for the benefit of and to serve the Owners within the Office Park.

- (d) **Use Agreements.** The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of the Real Estate and Common Elements, for the benefit of the Owners within the Office Park.

Section 2: Rights Transferable. Any right created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in Larimer County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee. Such transfer of rights may be made only to a transferee who has assumed and agreed to perform the duties and obligations of Declarant as the developer of the Office Park.

ARTICLE V

ASSOCIATION

Section 1: **Authority.** The business and affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by its Bylaws as amended from time to time.

Section 2: **Powers.** The Association shall have all of the powers, authority, and duties necessary to manage the business and affairs of the Common Interest Community. The Association may assign its future income, including its rights to receive the Common Expense Assessments, only the affirmative vote of the Unit Owners of Units to which a majority of the votes in the Association are allocated at a meeting called for that purpose.

Section 3: **Declarant's Control.** Declarant, or persons designated by it, may appoint and remove the offices and members of the Executive Board of the Association through the earlier of: (a) December 31, 2010, or (b) the date on which twenty one of the Units have been conveyed to Owners other than Declarant. Such period of time is sometimes referred to herein as the period of Declarant Control.

ARTICLE VI

ASSESSMENTS FOR COMMON EXPENSES

Section 1: **Separate Owners' Expenses.** Each Owner shall be separately liable for real property taxes and assessments on all Units owned by such Owner. Each Owner shall be separately

responsible and liable for expenses described in Article XIV, Section 1, of this Declaration.

Section 2: Personal Obligation of Owners for Common Expenses. The Declarant, for each Unit owned, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Common Expense Assessments imposed by the Association. Such Assessments, including fees, charges, late charges, attorney's fees, fines, and interest, charged by the Association shall be the personal obligation of the Unit Owner at the time when the Assessment or other charges became or fell due. The personal obligation to pay any past-due sums due the Association shall not pass to a successor in title unless expressly assumed by them.

Section 3: Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the improvement, maintenance, repair, restoration, operation, inspection, alteration and replacement of the Common Elements.

Section 4.: Amount of Assessment. The amount of the Assessment for the estimated Common Expenses which shall be paid by the Owner of each Unit shall be determined by multiplying the total estimated Common Expenses by the percentage share of Common Expenses for each Unit.

Section 5: Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of such Unit by the Declarant to a Purchaser. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of the annual Assessment shall be sent to every Owner subject thereto. The Executive Board may, at its discretion, permit annual assessments to be payable in twelve (12) equal monthly installments or on any other periodic basis.

ARTICLE VII

LIEN FOR NONPAYMENT OF COMMON EXPENSES

The Common Expense Assessments of the Association shall be a continuing lien upon the Unit against which each Assessment is made. A lien under this Section is prior to all other liens and encumbrances on a Unit, except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) to the extent provided in the Acts, a first-lien security interest on the Unit recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not prohibit an action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of a Unit shall not affect the Association's lien.

Any Assessment, charge, or fee provided for in this Declaration or any monthly or other installment thereof which is not fully paid within ten (10) days after the date due shall bear interest at a rate reasonably determined by the Executive Board. In addition, the Executive Board may assess a late charge thereon. Any Owner who fails to pay any Assessment, charge, or fee of the Association shall also be obligated to pay to the Association, on demand, all costs and expenses incurred by the Association, including reasonable attorneys fees, in attempting to collect the delinquent amount. The total amount due to the Association, including unpaid Assessments, Fees, charges, fines, interest, late payment penalties, costs, and attorney's fees, shall constitute a lien on the defaulting Owner's Unit. The Association may bring an action, at law or in equity, or both, against any Owner personally obligated to pay any amount due to the Association or any monthly or other installment thereof and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against a delinquent Owner to recover a money judgment for unpaid amounts due to the Association or monthly or other installments thereof may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien.

ARTICLE VIII MORTGAGEE PROTECTION

Section 1: **Introduction.** This Article establishes certain standards and covenants which are for the benefit of the holders, insurers, and guarantors of certain Security Interests. This Article is supplemental to, and not in substitution for, any other provisions of the Declaration, but in the case of conflict, this Article shall control.

Section 2: **Notice of Actions.** The Association shall give prompt written notice to each Mortgagee and Insurer of (and each Unit Owner hereby consents to and authorizes such notice):

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Common Interest Community or any Unit in which there is a First Security Interest held, insured, or guaranteed by such Mortgagee or Insurer, as applicable.
- (b) Any delinquency in the payment of Common Expense assessments owed by a Unit Owner whose Unit is subject to a First Security Interest held, insured, or guaranteed by such Mortgagee or Insurer, as applicable, which remains uncured for a period of sixty (60) days.
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of Mortgagees as specified in Section 3 of this Article VIII.
- (e) Any judgement rendered against the Association.

Section 3: Consent and Notice Required.

- (a) Document Changes. Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any provision of this Declaration pertaining to the matters hereinafter listed by the Association for Unit Owners shall be effective without notice to all Mortgagees and Insurers, and the vote of more than fifty percent (50%) of the total votes of all Unit Owners (or any greater Unit Owner vote required in the Declaration or the Act) and until approved by more than fifty percent (50%) of the Mortgagees (or any greater Mortgagee approval required by this Declaration):
- (1) Voting rights.
 - (2) Assessments, assessment liens, or priority of assessment liens, or priority of assessment liens.
 - (3) Reserves for maintenance, repair, and replacement of Common Elements.
 - (4) Responsibility for maintenance and repairs.
 - (5) Reallocation of interests in the Common Elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit Owner, only those Unit Owners and the mortgagees holding Security Interests in such Units need approve such action.
 - (6) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, then only those Unit Owners and the Mortgagees holding Security Interests in such Unit or Units must approve such action.
 - (7) Convertibility of Units into Common Elements or Common Elements into Units.
 - (8) Expansion or contraction of the Common Interest Community or the addition, annexation, or withdrawal of property to or from the Common Interest Community.
 - (9) Insurance or fidelity bonds.
- (10) Imposition of any restrictions on a Unit Owner's right to sell or transfer his/her Unit.
- (11) A decision by the Association to establish self-management when professional management had been required previously by the Declaration or any Mortgagee.
- (12) Restoration or repair of the Common Elements after a hazard damage or partial condemnation in a manner other than that specified in the Declaration.
- (13) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation of the Common Elements.
- (14) Any provision that expressly benefits mortgage holders, insurers, or guarantors.
- (b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions without the notice to all Mortgagees and Insurers as required by Section 2 above and

approval of more than fifty percent (50%) (or the indicated percentage) of the Mortgagees:

- (1) Convey or encumber the Common Elements or any portion thereof without approval by eighty percent(80%) of the mortgagees. (The granting of easements for public utilities for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community shall not be deemed a transfer within the meaning of this clause.)
 - (2) The termination of the Common Interest Community for reasons other than substantial destruction or condemnation of the Common Elements without approval by sixty-seven percent (67%) of the votes of Mortgagees.
 - (3) The alteration or addition of any partition or creation of any aperture in any area other than the Unit described.
 - (4) Except for the Declarant's rights reserved herein, the granting of any permits, easements, leases, licenses, or concession through or over the Common Elements (excluding, however, any utility, road, or other easements serving or necessary to serve the Common Interest Community and excluding any leased, licenses , or concession for no more than (1) year).
 - (5) The establishment of self-management when professional management had been required previously by the Declaration or by a Mortgagee.
 - (6) Restoration or repair of the Common Elements after a hazard damage or partial condemnation in a manner other than specified in the Declaration.
 - (7) The merger of the Common Interest Community with any other common interest community.
 - (8) The assignment of the future income of the Association, including its right to receive Common Expense assessments.
 - (9) Any action taken not to repair or replace the Common Elements.
- (c) The failure of a Mortgagee or Insurer to respond within thirty (30) days to any written request of the Association delivered by certified or registered mail , return receipt requested, for approval of an addition or amendment to the Declaration wherever Mortgagee or Insurer approval is required shall constitute an implied approval of the addition or amendment.

Section 4: Inspection of Books. The Association must maintain current copies of the Declarations, Bylaws, Rules and Regulations, books and records, and financial statements. The Association shall permit any Mortgagee or Insurers to inspect the books and records of the Association during normal business hours.

Section 5: Financial Statements. The Association shall provide any Mortgagee or Insurer who

submits a written request a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if any Mortgagee or Insurer requests it, in which case the Mortgagee or Insurer shall bear the cost of the audit.

Section 6: **Enforcement.** The provisions of this Article are for the benefit of the Mortgagees and Insurers and their successors and may be enforced by any of them by any available means at law or in equity.

Section 7: **Attendance at Meetings.** Any representative of an Mortgagee or Insurer may attend and address any meeting which an Owner may attend.

Section 8: **Appointment of Trustee.** In the event of damage, destruction, or condemnation of all or a portion of the Common Elements, any Mortgagee may require that such proceeds be payable to a trustee. Such trustee may be required to be a corporate trustee licensed by the State of Colorado. Unless otherwise required, the members of the Executive Board, acting by majority vote through the president, may act as trustee.

ARTICLE IX MAINTENANCE, REPAIR, AND REPLACEMENT OF LIMITED COMMON ELEMENTS

Section 1: **Limited Common Elements.** Except for the heating, ventilating and air conditioning systems, which shall be maintained, repaired, and replaced by the Owner of the Units to which each such system is attached, the Limited Common Elements shall be maintained, repaired and replaced by the Association.

Section 2: **Expense Allocation.** Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed only against the Unit to which the Limited Common Element is assigned.

ARTICLE X RESTRICTIONS OF USE

Section 1: **Improvement on Exterior of Units.** No exterior additions to, exterior alterations of, or exterior decoration of any Unit shall be permitted, without the prior written consent of the Executive Board and compliance with all applicable governmental regulations.

- Section 2: Signage Limitations.
- (a) Provided signage, maintenance---- The design, logo, colors and wording on the Unit Sign shall be subject to the approval of the Executive Board.
 - (b) Real Estate "for sale" and "for lease signs" shall be not larger than three feet by two feet and may be displayed in windows of Units, but not outside a Unit. Only one such sign per Unit may be displayed, at a time.
 - (c) No other signage shall be installed or permitted to remain on the exterior of any Unit, in the interior Common Elements, or on the interior of a Unit if visible from the exterior.
- Section 3: Violation of Laws. Nothing shall be done or kept in any Unit or in on the Common Elements, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, zoning resolution, permit or other imposed requirement of any governmental authority having jurisdiction over the Real Estate.
- Section 4: Hazardous Materials Permitting. Businesses which store, use or handle any hazardous materials as defined by state, federal and local law are required to obtain the appropriate permit from the Poudre Valley Fire Department and every other governmental body having jurisdiction . Each Owner who stores, uses, or handles any such hazardous material shall indemnify all other Owners, the Association, and all users of the Real Estate against, and shall hold them harmless from, any personal injury, property damage, or other liability arising therefrom.
- Section 5: Damage to Common Elements. No damage to the Common Elements, or any part thereof, shall be committed by an Owner or any agent, employee, guest, or invitee of an Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from such damage caused by such Owner, his or her agents, employees, guests, or invitees.
- Section 6: Nuisance. No noxious or offensive activity shall be conducted within any Unit or on the Common Elements which unreasonably interferes with the then existing use of any other Unit.
- Section 7: Restriction on Use. Each Unit shall be used solely for business or commercial uses.
- Section 8: Pets. The Executive Board shall have the full right, power, and authority, at its sole, absolute discretion, to prohibit any and all animals, birds, and pets from the Units and Common Interest Community.

**ARTICLE XI
EASEMENTS**

Section 1: **Encroachments.** If any portion of the General or Limited Common Elements encroaches upon a Unit, a valid easement for such encroachment and for the maintenance of the same, so long as it stands, shall and does exist. In the event a Building is partially or totally destroyed and then rebuilt, the Owners agree that minor encroachment of parts of the common areas and facilities due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

Section 2: **Blanket Easement.** There is hereby created a blanket easement upon, across, over, under the Common Elements for ingress and egress to and from each Unit and for installing, replacing, repairing, and maintaining all Common Elements, including the Buildings, and all utilities such as water, sewer, gas telephone, electricity, and television. By virtue of this easement, it shall be expressly permissible for the providing of electrical and/or telephone wires, circuits, and conduits on, above, across, and under the roof and exterior wall of the Units. No sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Real Estate, except as initially programmed and approved by the Declarant or as subsequently approved by the Executive Board. The Association, its officers, agents, employees, and assigns, shall have the right to make such use of the 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.

An easement is also reserved in, on and over each Unit to permit the other Owners, or such Owners' agents, to effect any desired or necessary maintenance, repair, or replacement of any component of a Building and/or to any and all utilities serving such Building.

Section 3: **Emergency Easement.** An easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon the Real Estate in the performance of their duties.

ARTICLE XII.

TERMINATION OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION

No labor performed or materials furnished and incorporated in a Unit with the consent of or at the request of the Unit Owner, his or her agents, contractors, or subcontractors, shall be the basis for filing a lien against the Unit of any other Owner not expressly consenting to or requesting the same or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services, or other products incorporated in the Owner's Unit at such Owner's request.

Notwithstanding the foregoing, any Mortgagee of a Unit who shall become the Owner of such Unit pursuant to a lawful foreclosure sale or the taking of a deed in lieu of foreclosure shall not be under obligation to indemnify and hold harmless any other Owner against liability for claims arising prior to the date such Mortgagee becomes an Owner.

ARTICLE XIII

RESERVATION FOR ACCESS, MAINTENANCE, REPAIR, AND EMERGENCIES

Section 1: Access to Units. The Association shall have the irrevocable right to be exercised by the Association's Executive Board, officers, custodian, or managing agent to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements therein or accessible therefrom or at any hour for making emergency repairs, maintenance, or inspection therein necessary to prevent damage to the Common Elements or to another Unit.

Section 2: Damage to Unit. Damage to the interior or any part of a Unit 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 insistence of the Association shall be a Common Expense; provided, however, that if the damage needed to be repaired is caused by negligent or tortuous acts of a Unit Owner, his or her agents, employees, invitees, or tenants, such Unit Owner shall be responsible and liable for all of such damage and the cost thereof shall become said Owner's obligation, which must be timely paid. Said obligation shall be a Common Expense only as it relates to said Unit Owner and shall be subject to the provisions elsewhere herein provided. All damaged improvements shall be restored substantially to the extent reasonably practical to the same condition in which they existed prior to the damage. All maintenance, repairs, and replacement of the General Common Elements, whether located inside or outside of the Units, shall be the Common Expense of all of the Owners (unless necessitated by the negligence, misuse, or tortuous act of a Unit Owner, in which case such expense shall be charged to such Owner). However, the Association shall not be obligated to seek redress for damages caused by a negligent Owner, and this covenant shall not abrogate the insurance provisions of this Declaration.

ARTICLE XIV

MAINTENANCE AND SERVICE RESPONSIBILITY

Section 1: Owner.

- (a) For maintenance purposes, an Owner shall be deemed to own the interior tenant finishes. These typically include the non-supporting walls, flooring,

and ceilings of the Unit; the materials such as, but not limited to, plaster, gypsum drywall, paneling, wallpaper, paint, wall and floor tile, electrical, plumbing and HVAC improvements. An Owner, however, shall not be deemed to own the pipes, wires, conduits, or systems running through his or her Unit which serve one or more other Units, except as a tenant in common with the other Owners ("Utilities"), which Utilities are General Common Elements. Such Utilities shall not be disturbed or relocated by an Owner without the prior written consent and approval of the Executive Board, and any such alteration, relocation, enlargement, addition, or modification shall be at the Owner's expense, which expense shall include all expenses incurred by the Association in connection herewith.

- (b) An Owner shall maintain and keep in repair the interior of his or her own Unit, including the fixtures and Utilities located therein, to the extent current repair shall be necessary in order to avoid damaging other Units or the Common Elements. All fixtures, equipment, and Utilities installed within the Unit and serving such Unit, commencing at a point where the fixtures, equipment, and Utilities enter the Unit, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness of the improvements or impair the proper functioning of the Utilities, heating, air conditioning, or plumbing systems or integrity of the Buildings or impair any easement or hereditament.

Section 2: Association. The Association shall have the duty of maintaining, repairing, and replacing all of the Common Elements, except heating, ventilating and air conditioning units which are appurtenant to a Unit. The cost of said maintenance, repair and replacement (except the heating, ventilating, and air conditioning systems) shall be a Common Expense of all of the Owners

ARTICLE XV

COMPLIANCE WITH PROVISIONS OF DECLARATION, ARTICLES, AND BYLAWS

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

ARTICLE XVI

REVOCATION OR AMENDMENT OF DECLARATION

Except as otherwise provided in Section XIX hereinafter, this Declaration shall not be revoked unless all the Owners and all Mortgagees consent and agree to such revocation by instrument duly recorded. This Declaration shall not be amended unless the Owners representing more than fifty percent (50%) of the votes in the Association consent and agree to such amendment by instrument duly recorded; provided, however, that the undivided interest in the Common Elements appurtenant to each Unit, as expressed in the Declaration, shall have a permanent character and shall not be altered without the consent of all of the Unit Owners as expressed in an amended declaration duly recorded.

ARTICLE XVII

ADDITIONS, ALTERATIONS, AND IMPROVEMENTS TO GENERAL AND LIMITED COMMON ELEMENTS

There shall be no capital additions, alterations, or improvements of or to the General Common Elements by the Association requiring an expenditure in excess of an amount equal to ten percent (10%) of the Association's budget for an calendar or fiscal year in any one calendar year without prior approval of the Owners of more than fifty percent (50%) of the votes in the Association, except in the event of an emergency. There shall be no capital additions, alterations, or improvements of or to the Limited Common Elements by the Association requiring an expenditure in excess of an amount equal to ten percent (10%) of the Association's budget for any calendar or fiscal year in any one calendar year without prior approval of the Owners of more than fifty percent (50%) of the Units against which costs and expenses will be assessed. The limitations set forth above shall not apply to any expenditures made by the Association for maintenance and repair of the Common Elements as set forth in Section XIV hereinabove or for repair in the event of damage, destruction, or condemnation as provided in Sections XIX and XX, hereinafter.

ARTICLE XVIII INSURANCE

Section 1: To be Obtained by the Association. The Association shall obtain and maintain at all times, to the extent obtainable at reasonable cost, policies involving standard premium rates established by the Colorado Insurance Commissioner and written with companies licensed to do business in Colorado and having a Best's Insurance Report rating of A & XV or better covering the risks set forth below. The Association shall not obtain any policy where: (i) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against a Mortgagee or Mortgagee's designee; or (ii) by the terms of the 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 Owners from collection of insurance proceeds. The types of coverage to be obtained and risks to be covered are as follows:

- (a) Fire Insurance. The Association shall maintain fire insurance with extended coverage and standard all-risk endorsements, which endorsements shall include

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

- (b) Liability Insurance. The Association shall maintain public liability and property damage insurance in such limits as the Executive Board may from time to time determine but not in an amount less than one Million Dollars (\$1,000,000) per injury, per person, per occurrence, and umbrella liability limits of One Million Dollars (1,000,000) per occurrence covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation , maintenance, and other use of the Common Elements. Said policy shall also contain a "severability of interest" endorsement. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries, and death of persons in connection with the operation, maintenance, or use of the Common Elements and legal liability arising out of lawsuits related to employment contracts or the Association. If required by a first Mortgagee or an insurer or guarantor of a first mortgage, such insurance shall also include protection against such other risks are customarily covered with respect to condominiums similar in construction, location, and use.
- (c) Worker's Compensation Insurance. The Association shall maintain worker'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.
- (d) Officers' and Directors' Insurance. To the extent such insurance can be obtained at reasonable cost, the Association shall maintain blanket fidelity bonds for all

officers, directors, and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. If the managing agent has the responsibility for handling or administering funds of the Association, the managing agent shall be required to maintain fidelity bond coverage for its officers, employees, and agents handling or responsible for funds of or administered on behalf of the Association.

- (e) Other Insurance. The Association may obtain insurance against such other risks of a similar or dissimilar nature as shall be deemed appropriate, including plate or other glass insurance and insurance covering any personal property of the Association located on the Common Elements.

Section 2: Requirements of Insurance. 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 Unit Owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days' prior written notice to all of the insureds, including the Association and all Mortgagees. If requested, duplicate originals of all policies and renewals thereof, together with proof of payment 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 Association as the insured, as attorney-in fact for all of the Unit Owners, which policy or policies shall identify the interest of each 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 coverage described herein to provide each Owner and Mortgagee a certificate of insurance in regard to such Owner's individual Unit.

Section 3: Attorney-in-fact. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, an authorized representative who shall have the exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish such purpose. All of the Owners hereby irrevocably constitute the Association as their true and lawful attorney-in-fact in their name, place, and stead for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose.

Section 4: To be Obtained by Unit Owners. Each Unit Owner shall maintain public liability insurance in such limits as the Executive Board may from time to time determine to be reasonably necessary but not less than Three Hundred Thousand Dollars (\$300,000) per injury per person per occurrence covering all claims for bodily injury

or property damage. Unit Owners may carry other insurance for their benefit and at their expense. All such policies shall contain waivers of subrogation and provided further that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of and such additional insurance carried by an Unit Owner. Insurance coverage on furnishings or other property belonging to an Owner and public liability coverage within each Unit shall be the sole and direct responsibility of the Unit Owner thereof, and the Executive Board, Association, and /or the Managing agent of the Association shall have no responsibility therefor.

Section 5: Notice to Mortgagees. In the event that here shall be any damage or destruction to, loss of, or taking of a Unit which exceed One Thousand Dollars (\$1,000) or any damage or destruction to, loss of, or taking of the Common Elements which exceeds Ten Thousand Dollars (\$10,000), notice of such damage, loss, or taking shall be given by the Association to each first Mortgagee of said Unit within ten (10) days after the occurrence of such event.

ARTICLE XIX

DESTRUCTION, DAMAGE, OR OBSOLESCENCE

Section 1: Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Common Interest Community in the event of its destruction, damage, obsolescence, or condemnation, including the repair, replacement, and improvement of any Unit or Common Elements which has been so destroyed, damage, condemned, or become obsolete. Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney -in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association as their true and lawful attorney-in-fact in their name, place and stead, for the purpose of dealing with the Common Interest Community upon its damage, destruction, obsolescence, or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary or 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 Unit Owner which is necessary and appropriate to exercise the powers herein granted.

In the event that the Association is dissolved or becomes defunct, a meeting of the Unit Owners shall be held within thirty (30) days of either such event. At such

meeting, a new attorney-in-fact shall be appointed to deal with the Common Interest Community upon its destruction, damage, obsolescence, or condemnation. Said appointment must be approved by the Owners representing more than fifty percent (50%) of the votes in the Association. Repair and reconstruction of the improvements as used in the succeeding paragraphs means restoring the improvements 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 Common Interest Community's original architectural plan and scheme. The proceeds of any insurance collected shall be available to the Association for the purposes of repair, restoration, reconstruction, or replacement unless the Owners and first Mortgagees agree not to rebuild in accordance with the provisions hereinafter set forth.

Section 2: Insurance Proceeds Sufficient for Restoration. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association as attorney-in-fact to such reconstruction, and the improvements 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 improvements. Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 3: Insurance Proceeds Insufficient for Restoration (Less than 70 Percent). If the insurance proceeds are insufficient to repair and reconstruct the improvements and if such damage is not more than seventy percent (70%) of the total replacement cost of all of the Units 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 Units. Such special assessment shall be a Common Expense and made prorata according to each Owner's percentage share of Common Expenses 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 improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his or her Unit. In addition thereto, the Association as attorney-in-fact shall have the absolute right and power to sell the Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if no so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Owner shall be sold by the Association as attorney-in-fact pursuant to the provisions of this section. Assessments for 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 incurred in filing the notice, interest at the 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 Unit shall be used and disbursed by the Association as attorney-in-fact in the following order: (a) for payment of the balance of the lien of any first mortgage; (b) for payment of taxes and special assessment liens in favor of any assessing entity and the customary expenses of sale; (c) for payment of unpaid Common Expenses and all costs, expenses, and fees incurred by the Association; (d) for payment of junior liens and encumbrances in the order of an to the extent of their priority; and (e) the balance remaining, if any, shall be paid to the Unit Owner.

Section 4: Insurance Proceeds Insufficient for Restoration (More Than 70% Percent). If the insurance proceeds are insufficient to repair and reconstruct the improvements and if such damage is more than (70%) of the total replacement cost of all of the Units 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 make against all of the Owners and their Units; provided, however, that Owners representing more than fifty (50%) of the votes in the Association may agree not to repair or reconstruct the improvements. In such event, the Association shall record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the entire Common Interest Community shall be sold by the Association as attorney-in-fact pursuant to the terms of this section, free and clear of the provisions contained in this Declaration, the Plat Articles of Incorporation, and Bylaws. Assessments for Common Expenses shall not be abated during the period prior to sale. The insurance 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 account representing one of the Units. Each account shall be in the name of the Association and shall be further identified by the unit designation and name of the Owner. From each separate account, the Association as attorney-in-fact shall use and disburse the total account toward the partial or full payment of the lien of any first Mortgagee encumbering the unit represented by such separate account. Thereafter, each account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire Common Interest Community. Such apportionment shall be based upon each 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 provided in Section 3 hereinabove. In the event that the damage is to be repaired or reconstruction is to be made, then the provisions of Section 3 hereinabove shall apply.

Section 5: Obsolescence (Renew/Reconstruct). The Owners representing more than fifty percent

(50%) of the votes in the Association may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded and the expense of renewal and reconstruction shall be payable by all of the Owners as a Common Expense, whether or not they have previously consented to the plan of renewal and reconstruction. The Association as attorney-in-fact shall have the absolute right and power to sell the Unit of any Owner refusing or failing to pay such assessments within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the 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 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 Section 3 hereinabove.

Section 6. Obsolescence (Sell). The Owners representing more than fifty percent (50%) of the votes in the Association may agree that the Units are obsolete and should be sold. In such instance, the Association shall record a notice setting forth such fact or facts, and upon the recording of such notice of the Association, the entire Common Interest Community shall be sold by the Association as attorney-in-fact, free and clear of the provisions contained in this Declaration, the Plat 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 Common Elements, and such apportioned proceeds shall be paid into separate accounts, each account representing one of the Units. Each account shall be in the name of the Association and shall be further identified by the Unit designation and name of the Owner. From each separate account, the Association as attorney-in-fact shall use and disburse the total account, without contribution from one account to another, for the same purposes and in the same order as provided in Section 3 hereinabove.

ARTICLE XX

CONDEMNATION

If at any time during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Common Interest Community 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 shall apply:

Section 1: Proceeds. All compensation, damages, or other proceeds therefrom ("the Condemnation Award") shall be payable to the Association. The Association shall represent the Owners in the condemnation proceedings or in the negotiation

settlements, and agreements with the condemning authority for acquisition of the Common Elements or any part thereof by the condemning authority. All of the Owners hereby irrevocably constitute and appoint the Association as the true and lawful attorney-in-fact, in their name, place, and stead, for the purpose of dealing with the Common Interest Community upon such condemnation as hereinabove set forth. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the Condemnation Award shall be payable to the Association to be held in trust for the Owners and the first Mortgagees as their interests may appear.

Section 2: Complete Taking.

- (a) In the event the entire Common Interest Community is taken or condemned or is sold or otherwise disposed of in lieu of or avoidance thereof, the condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners on the same basis as each Unit Owner's interest in the Common Elements; provided, however, that if a standard different from the value of the Common Interest Community 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.
- (b) 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 Article XIX, Section 3, hereinabove.

Section 3: Partial Taking. In the event less than the entire Common Interest Community is taken or condemned or is 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 as determined in this section. As soon as practicable, the Association shall reasonably and in good faith allocate the Condemnation Award as determined in this section. As soon as practicable, the Association shall reasonably and in good faith allocate the Condemnation Award between compensation, damages, or other proceeds and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the Common Elements; (b) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Unit and to the improvements an Owner has made within his or her own Unit shall be apportioned to the particular Unit involved; and (d) the total amount allocated to

consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If the allocation of the Condemnation Award is already established in negotiations, judicial decree, or otherwise, then in allocating the Condemnation Award, the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Article XIX, Section 3, hereinabove.

Section 4: Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof shall automatically 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 ration in accordance with this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment to this Declaration as provided in Article XV hereinabove.

Section 5: Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XIX hereinabove.

ARTICLE XXI SPECIAL DECLARANT RIGHTS

Notwithstanding any other term, covenant, condition, or provision contained in this Declaration, the Declarant hereby expressly reserves the right, for a period of ten (10) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado, or until twenty-one Units have been built and disposed of to persons other than Declarant, whichever is sooner, to perform the acts and exercise the following rights ("the Special Declarant Rights"):

- (a) Sales, Management and Marketing. The right to maintain one sales office , one management office and signs advertising Units for sale. The Declarant shall have the right to determine the size and location of the sales office and management office. The Declarant shall have the right to relocate the sales office and management office from time to time. The Declarant shall have the right to place one or more signs on the Common Elements advertising the Units for sale. The size, location, design and lighting of the signs shall be at the sole and absolute discretion of the Declarant.
- (b) Control of the Association Executive Board. The right to appoint and remove any officer of the Association and any member of the Executive Board.
- (c) Rights Transferable. Any Special Declarant Right created or reserved under

this Article for the benefit of the Declarant may be transferred to any person by any instrument describing the rights transferred and recorded in the office of the Clerk and Recorder of Larimer County, Colorado. Such instrument shall be executed by the transferor or Declarant and the transferee.

ARTICLE XXII GENERAL PROVISIONS

- Section 1: **Enforcement.** Enforcement of this Declaration shall be by appropriate proceedings at law or in equity against those persons or entities violating or attempting to violate any covenant, condition, or restriction herein contained. Such judicial proceeding shall be for the purpose of removing a violation, restraining a future violation, for recovery of damages for any violation, or for such other and further relief as may be available. Such judicial proceedings may be prosecuted by an Owner or by the Association. In the event it becomes necessary to commence an action to enforce this Declaration, the court shall award to the prevailing party in such litigation, in addition to such damages as the Court may deem just and proper, an amount equal to the costs and reasonable attorney's fees incurred by the prevailing party in connection with such litigation. The failure to enforce or to cause the abatement of any violation of this Declaration shall not preclude or prevent the enforcement thereof or of a further or continued violation, whether such violation shall be of the same or of a different provision of this Declaration.
- Section 2: **Duration.** This Declaration shall run with the land, shall be binding upon all persons owning Units and any persons hereafter acquiring said Units, and shall be in effect in perpetuity unless amended or terminated as provided in the Act.
- Section 3: **Management of the Common Areas.** The Association may obtain and pay for the services of a managing agent to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary to desirable for the proper management, operation, and maintenance of the Common Elements; provided, however, that any contract in regard to the hiring or employing of such a managing agent or other personnel shall not be for a term in excess of three (3) years and shall provide that the same shall terminate on sixty (60) days written notice, with or without cause, and without payment of any termination fee.
- Section 4: **Conflict.** In the event of any conflict between the terms and provision of the Acts and the terms and provisions of this Declaration, the terms and provisions of the Acts shall control. In the event of any conflict between the terms and provisions of this

Declaration and the terms and provisions of the Articles of Incorporation , Bylaws, or rules and regulations of the Association, the terms and provisions of this Declaration shall control.

IN WITNESS THEREOF, the Declarant has cause this Declaration to be executed as of the day and year first above written.

Chapter 7 Ownership Group, Inc.,
A Colorado Corporation

By:

President

Attest: _____

Secretary

STATE OF COLORADO)
) ss.
County of Larimer)

The foregoing instrument was acknowledged before me this _____ day of February, 2000, by _____, President and _____, Secretary of Chapter 7 Ownership Group, Inc., a Colorado Corporation.

My Commission expires: _____.

Notary Public

EXHIBIT A

Legal Description of the Real Estate