

CONDOMINIUM DECLARATION

FOR

PARKSIDE CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, EDORA VENTURE, a Joint Venture consisting of Grover Donald Lanham, Carl Petersen, Danny J. Bailey, Anne Gentry and George W. Betz, hereinafter called "Declarant", is the owner of the real property located in Larimer County, Colorado and described on the attached Exhibit "A", which by this reference is made a part hereof, and

WHEREAS, Declarant desires to establish by this Declaration a plan for the individual ownership of the part of the property consisting of the units and for 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 "General Common Elements", which plan is hereby declared to be for the benefit of the property and the owners thereof, their heirs, personal representatives, successors, grantees and assigns, and is for the purpose of designating the property as condominium property under the provisions of Article 33, Chapter 38 of 1973 Colorado Revised Statutes, as amended.

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, reservations, limitations and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the real property and improvements, their grantees and their heirs, personal representatives, administrators, devisees, successors or assigns. Declarant hereby submits the real property described on Exhibit "A" and the improvements situated thereon to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado.

1. Definitions.

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

(b) "Unit" means one individual air space which is contained within the perimeter walls, floors, ceilings, windows and doors of each unit as shown on the Condominium Map to be filed for record, together with (1) all fixtures and improvements therein, including built-in appliances and individual unit air conditioners (even though a portion of the same may protrude beyond the outside of the exterior wall related to such unit) and the like; (2) the inner decorated or finished surfaces of such unit's perimeter walls, floors and ceilings; (3) the doors and windows of the unit; and (4) the interior nonsupporting 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 which serve more than one unit, or any other general common element or part thereof located within the unit.

(c) "Condominium Unit" means the fee simple interest and title in and to a unit together with the undivided interest in the general common elements and the appurtenant limited common elements thereto.

(d) "Owner" means a person, persons, firm, corporation, partnership, association or other legal entity, or any combination thereof, who own(s) an interest in one or more condominium units. Except as may clearly otherwise be the intent "owner" shall mean all owners, if more than one, of a condominium unit.

(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) "General Common Elements" means and includes the land included in the real property which is subject to this Condominium Declaration; the foundations, columns, girders, beams, supports, perimeter and supporting walls, roofs, the installations, equipment and materials making up the central services such as power, light, gas, hot and cold water, heating, the tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use; and all other parts of the property normally in common use, except the portions thereof which constitute units.

(g) "Limited Common Elements" are those portions of the general common elements which are reserved for the exclusive use of an owner of a condominium unit or are

limited to and reserved for the common use of more than one, but fewer than all of the condominium unit owners, all as shown on the map or as may be subsequently determined by the Association of unit owners. Limited common elements shall include by way of specific designation, and not by way of limitation, patios, entrance patios, and privacy fences. No reference thereto, whether such limited common elements are exclusive or non-exclusive, needs to be made in any deed, instrument of conveyance or other instrument, and reference in that regard is made to the provisions of paragraph 4 of this declaration.

(h) "Declaration" means this Declaration and supplements thereof, if any.

(i) "Condominium Project" or "Project" means all of the land and improvements submitted by this Declaration.

(j) "Common Expenses" means and includes (1) expenses of administration, operation and management, repair or replacement of the general common elements; (2) expenses declared common expenses by the provisions of this Declaration or by the By-Laws of the Association; (3) all sums lawfully assessed against the general common elements by the Board of Directors of the Association; (4) expenses agreed upon as common expenses by the Association.

(k) "First Mortgage" shall be the one which has first and paramount priority under applicable law.

(l) "Mortgage" means and includes any mortgage, deed of trust or other assignment or security instrument recorded in the records of the office of the Clerk and Recorder of Larimer County, Colorado and by which a condominium unit or any part thereof is encumbered.

(m) "Association" means the Association formed as a Colorado non-profit corporation bearing the name of this condominium project, the Articles of Incorporation and By-Laws of which shall govern the administration of this condominium property, the members of which Association shall be all of the owners of the condominium units.

(n) "Building" means a single building containing units as shown on the Map.

(o) "Entire Premises" or "Property" means and includes the land, the buildings, and all units therein, all improvements and structures thereon, all owned in fee simple absolute, and all rights, easements and appurtenances belonging thereto.

(p) "Mortgagee" means the person or entity who has a lien upon any of the property by virtue of any mortgage or deed of trust.

(q) "Project" means all properties subject to this Declaration and any supplements thereto.

2. Division of Property into Condominium Units.

The real property described on Exhibit "A", including the improvements thereon, is hereby divided into twelve (12) fee simple estates (condominium units). Each such estate shall consist of a separately designated unit and the undivided interest in and to the general common elements appurtenant to such unit as set forth on Exhibit "B" attached hereto and incorporated herein by reference.

3. Condominium Map.

The map may be filed for record when construction of the units and other improvements are substantially completed so as to permit the location of the individual units thereof, both horizontally and vertically by a registered engineer. Such map shall be filed for record prior to the conveyance of a condominium unit to a purchaser. Such map shall depict and show at least the following: The legal description of the land and a survey thereof; the location of the building; the floor and elevation plans; the location of the unit within the building, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements of a building located within a unit; and, the unit designations and the building number. The map shall contain the certificate of a registered professional engineer or licensed architect, or both, certifying that the map substantially depicts the location and the horizontal and vertical measurements of the buildings, the units, the unit designations, the dimensions of the units, the elevations of the unfinished floors and ceilings as constructed, and the building number or symbol of the improvements.

In interpreting the map, the existing physical boundaries of each separate unit as constructed shall be conclusively presumed to be its boundaries.

4. Description of Condominium Unit.

(a) Every contract for the sale of a condominium unit in the Parkside Condominiums written prior to the filing for record of the map or Declaration may legally

describe a condominium unit by its identifying unit designation, the building symbol, followed by the name of this condominium. The location of such condominium unit shall be depicted on the map subsequently filed for record.

(b) Subsequent to the filing of the map and the recording of the Declaration, every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit designation, the building symbol, followed by the name of this condominium, with further reference to the map and Declaration filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also the general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from an owner's unit and use of all of the general common elements together with the right to the exclusive use of the limited common elements appurtenant to his unit.

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

5. Form of Ownership - Title.

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

6. Inseparability of a Condominium Unit.

Each unit and the appurtenant undivided interest in the general and limited common elements shall together comprise one condominium unit; shall be inseparable and may be conveyed, leased, devised or encumbered only as a condominium unit. No condominium unit may be subdivided or partitioned.

7. Separate Assessment and Taxation of Condominium Units - Notice to Assessor.

Declarants shall give written notice to the County Assessor of Larimer County of the creation of condominium real property ownership interests in this property, as is provided by law, so that each unit and the undivided interest in the general and limited common elements appurtenant thereto shall be deemed a separate parcel and subject to separate assessment and taxation.

8. Non-Partitionability of General Common Elements.

The general common elements shall be owned in common by all of the owners of the units and shall remain undivided. By the acceptance of his deed or other instrument of conveyance or assignment, each owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the general common elements, and each owner specifically agrees not to institute any action therefor. Further, each owner agrees that this paragraph 8 may be plead as a bar to the maintenance of such an action. A violation of this provision shall entitle the Association to personally collect, jointly and severally, from the parties violating the same, the actual attorney's fees, costs and other damages that the Association incurs in connection therewith. Further, all owners and the Association covenant that they shall neither by act nor omission seek to abandon, subdivide, encumber, sell or transfer the general common elements without first obtaining the written consent of at least seventy-five percent (75%) of the first mortgagees of individual condominium units. Each such first mortgagee shall have one vote for each mortgage owned by it. Any such action without the written consent of said first mortgagees shall be null and void.

9. Use of General and Limited Common Elements.

Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner may use the general and limited common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners. The Association may adopt rules and regulations governing the use of general and limited common elements, provided such rules and regulations shall be uniform and non-discriminatory and not in conflict with this Declaration. Each owner, by the acceptance of his deed or other instrument of conveyance or assignment, agrees to be bound by any such adopted rules and regulations.

10. Easements for Encroachments.

If any portion of the general common elements encroaches upon a unit or units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of a unit encroaches upon the general common elements, or upon any adjoining unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event that any one or more of the units or buildings or other improvements comprising part of the

general common elements are partially or totally destroyed and are then rebuilt and reconstructed in substantially the same location, and as the result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements or on the units for purposes of marketability of title or other purposes. In interpreting any and all provisions of this Declaration, subsequent unit deeds to and mortgages of units, the actual location of the unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations, either horizontally, vertically or laterally from the locations indicated on the Condominium Map.

There is hereby created a blanket easement upon, across, over and under the above described premises for ingress and egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water sewers, gas, telephone and electricity, and television antenna systems. By virtue of this easement, it shall be expressly permissible for the providing of electrical and/or telephone wires, circuits and conduits, on, above, across and under the roof and exterior walls of 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 initially programmed and approved by the Declarants or 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.

11. Termination of Mechanic's Lien Rights and Indemnification.

No labor performed or materials furnished and incorporated in a unit with the consent or at the request of the unit owner, his agent, his contractor or subcontractor shall be the basis for filing of a lien against the general common elements or against the condominium unit of any other unit owner who did not expressly consent to or request the services or materials. Each owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the condominium unit of any other owner or against the general common elements

for construction performed or for labor, materials, services, or other products incorporated in an owner's unit at such owner's request or with his consent. The provisions herein contained are subject to the reserved rights as set forth in paragraph 15.

12. Parkside Condominium Association.

(a) The interests of all owners of condominium units shall be governed and administered by the Articles of Incorporation and By-Laws of Parkside Condominium Association and by this Declaration. In the event of a conflict between the provisions of this Declaration and the Articles of Incorporation or the By-Laws of Parkside Condominium Association, the terms of this Declaration shall be controlling. Such owners shall also be subject to the provisions of any protective covenants filed of record which relate to the real estate in which he has an ownership interest.

(b) An owner of a condominium unit upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership.

(c) The holder of any recorded first mortgage or deed of trust shall have the right, at any time during normal working hours, to examine the books and records of Parkside Condominium Association.

(d) The Association shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the project and to perform all of the duties required of it. Notwithstanding the above, unless at least seventy-five percent (75%) of the first mortgagees of condominium units (based upon one vote for each first mortgage owned or held) have given their prior written approval, the Association shall not be empowered or entitled to:

(1) by act or omission, seek to abandon or terminate the condominium regime.

(2) partition or subdivide any condominium unit.

(3) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements.

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

13. Access to Units for Maintenance, Repairs 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, or 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 maintenance, repair, emergency repair, or replacement of any of the general common elements, at the instance of the Association, shall be a common expense of all the owners of units in the building where the repairs and damages to units were occasioned. No diminution or abatement of common expenses and assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements 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 cost and expense of repairing such damage.

14. Owner's Maintenance Responsibility for his Unit.

(a) For maintenance purposes, an owner shall be obligated to keep in good repair and condition the non-supporting walls, the materials, (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, wall paint and floor tile and flooring, but not including the sub-flooring) which make up the finished surfaces of the perimeter walls, ceilings, and floors within his unit, including unit doors and windows. The lines, pipes, wires, conduits or systems (which for brevity are herein and hereafter referred to as utilities) running through his unit which serve one or more other units are general common elements. Such utilities shall not be disturbed or relocated by an owner without the written consent and approval of the Association. An owner's right to repair, alter and remodel the interior of his unit shall be coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials of at least the same quality.

(b) An owner shall maintain and keep in repair the interior of his own 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 good repair and condition by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or encroach upon others' rights created hereunder.

(c) Each owner shall maintain in a neat and attractive condition the limited common elements appurtenant or related to his unit; provided that such responsibility shall relate only to maintaining the interior or enclosed portions thereof and such owners shall not be responsible except under circumstances as are elsewhere provided for herein, to paint, repair and otherwise similarly maintain such structures, which responsibility shall be the Association's.

15. Maintenance of the General Common Elements.

(a) The maintenance and operation of the general common elements, except to the extent provided in paragraph 14(c) above, shall be the responsibility and the expense of the Association and the costs therefor shall be a common expense of all of the condominium unit owners within the project.

(b) There shall be no additions, alterations or improvements of or to the general common elements by the Association requiring an assessment in excess of Fifty Dollars (\$50.00) per unit in any one calendar year without the prior approval of a majority of the members of the Association voting in accordance with the Quorum and Voting provisions of the By-Laws of the Association, at a special or regular meeting of the Association members. Such expenditure(s) shall be a common expense. Such limitation shall not be applicable to expenses incurred in the replacement, repair or maintenance of any general common element or common personal property that is subject to the provisions of paragraph 24.

16. Compliance with Provisions of Declaration Mandatory.

Each owner shall comply with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and the Rules and Regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully adopted and amended 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 the failure of each owner to comply will make such owner liable for attorneys' fees and costs incurred in connection therewith, which action shall be maintainable by the Association on behalf of the owners or, in a proper case, by an aggrieved owner.

17. Revocation or Amendment to Declaration.

Except as is otherwise provided, this Declaration shall not be revoked unless all of the owners and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all of the condominium units in the project consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the general common elements in the project and one hundred percent (100%) of the holders of recorded first mortgages or deeds of trust consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the undivided interest in the general common elements appurtenant to each unit shall have a permanent character and shall not be altered without the consent of all of the unit owners and all of the holders of any recorded mortgage or deed of trust as expressed in an amended Declaration duly recorded.

18. Assessment for Common Expenses.

(a) The owner(s) of each unit shall pay one-twelfth of the common expenses and reserves. The pro rata interest of the owner of any unit shall not be changed for assessment purposes, nor shall his interest in the general common elements be changed. Assessments for such expenses shall be made on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due in twelve (12) equal payments on the first day of January and on the first day of each month thereafter for the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Directors if the items of the amended budget do not exceed the limitations thereon for that year. Any item which does exceed such limitations shall be subject to the approval of the membership of the Association as provided in Section 15(b) of this Declaration. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due upon the date of the assessment.

(b) In the event the ownership of a condominium unit, title to which is derived from Declarants, commences on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

(c) Assessments shall be based upon the budget which shall be established by the Board of Directors at least annually, which budget shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Directors of the Association shall from time to time determine is to be paid by all of the condominium unit owners to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the general common elements, which sum may include, but shall not be limited to, expenses of management, taxes and special assessments until separately assessed; premiums for insurance; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash and garbage collections; wages; common water and sewer charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Association or any of its agents or employees on behalf of the unit owners under or by reason of this Declaration and the Articles of Incorporation and By-Laws of the Association; for any deficit remaining from a previous period; for the creation of reasonable contingency, reserve, working capital and sinking funds as well as other costs and expenses relating to the general common elements; for maintaining a reserve fund for replacement of the general common elements, which shall be funded by regular monthly payments rather than special assessments.

(d) In addition to the foregoing, assessments may include a charge for the proportionate costs and expenses of purchasing and maintaining recreational areas, for example, recreational buildings, swimming pool, and other recreational facilities. There are no recreational facilities, and therefore any recreational facilities added in the future which generate fees or charges will create an assessment in addition to the regular assessment.

(e) There shall be no additional liens, other than mechanic's liens, assessment liens or tax liens, which may be obtained against the general or limited common elements and no other assessments, debts or other obligations are assumed by individual unit owners, other than as set forth herein.

(f) The services provided by the Association which are paid for out of the regular assessment include,

but shall not be limited to, expenses of management, taxes and special assessments until separately assessed, premiums for insurance, landscaping and care of grounds, common lighting and heating, repairs and renovations, wages, common water and sewer charges, legal and accounting fees and management fees.

19. Insurance.

(a) The Association shall obtain and maintain at all times, to the extent obtainable, policies involving standard premium rates, established by the Colorado Insurance Commissioner, and written with companies licensed to do business in Colorado and having a Best's Insurance Report rating of AAA 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 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 general common element (including all of the units, 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 mortgagee of a condominium unit, which shall provide that the loss, if any, thereunder shall be payable to the Parkside Condominium Association for the use and benefit of mortgagees as their interests may appear.

(2) If the condominium project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available

under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the mortgages on the condominium units comprising the condominium project.

(3) Public liability and property damage insurance in such limits as the Association may from time to time determine, but not in an amount less than Five Hundred Thousand Dollars (\$500,000.00) per injury, per person, per occurrence and umbrella liability limits of One Million Dollars (\$1,000,000.00) per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest endorsement".

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

(5) The Association shall purchase, in an amount not less than one hundred fifty percent (150%) of the Association's estimated annual operating expenses and reserves, fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

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

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days prior written notice 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 expiration of the then current policies. The insurance shall be carried in blanket form naming the Parkside 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.

(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 Association 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 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 to a unit, which exceeds One Thousand Dollars (\$1,000.00) or any damage or destruction to, or loss to the general common elements which exceeds Ten Thousand Dollars (\$10,000.00), then notice of such damage or loss shall be given by the Association to each first mortgagee of said condominium unit within ten (10) days after the occurrence of such event.

20. Owner's Personal Obligation for Payment of Assessments.

The amount of the common expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the general common elements or by abandonment of his unit. The Association shall have the authority to take prompt action to collect any unpaid assessment which remains unpaid for more than thirty days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum on the amount of the assessment from due date thereof, together with all expenses, including

attorneys' fees, incurred together with such late charges as are provided by the By-Laws or Rules of the Association. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing the lien described in paragraph 21 below and such suit shall not be or construed to be a waiver of the lien.

21. Association Lien for Non-payment of Assessment.

(a) All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute the basis for a lien on such condominium unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the condominium unit in favor of any governmental assessing unit, and all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrances. To evidence such lien, Association shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice of lien shall be signed by one of the officers of the Association on behalf of the Association and shall be recorded in the office of the County Clerk and Recorder of Larimer County, Colorado. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, shall have been paid in full.

(b) Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of the above notice of lien. In any such proceedings, the owner shall be required to pay the costs, expenses and attorneys' fees incurred for filing the lien, and in the event of foreclosure proceedings, all additional costs, all expenses and reasonable attorneys' fees incurred. The owner of the condominium unit being foreclosed shall 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 during foreclosure. The Association shall have the power to bid on the condominium unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same upon acquiring title to such condominium unit.

(c) The Association, upon request, shall report in writing to a first mortgagee of a condominium unit any

default in the performance by an individual unit mortgagor of any obligation under the condominium documents which is not cured within sixty (60) days.

(d) The recorded lien may be released by recording a Release of Lien signed by an officer of the Association on behalf of the Association.

(e) The lien for the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon the condominium unit subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such condominium unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall cause such condominium unit and grantee thereunder to be relieved of liability for such prior assessments but shall not relieve such condominium unit or grantee from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

(f) Notwithstanding any of the terms or provisions of this Declaration, in the event of any default on the part of an owner under any first mortgage or first deed of trust which entitles the holder thereof to foreclose the same, any sale under such foreclosure, including the delivery of a deed in lieu to such first mortgagee, shall be made free and clear of all then due and owing assessments. No first mortgagee shall be liable for any unpaid common expense assessments accruing prior to the time such mortgagee receives a deed to a condominium unit.

22. Liability for Common Expense Upon Transfer of Condominium Unit is Joint.

Upon payment to the Association of a reasonable fee not to exceed Twenty-Five Dollars (\$25.00), and upon the written request of any owner or any mortgagee or prospective mortgagee of a prospective owner of a condominium unit, the Association shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, 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 twenty (20) days, all unpaid common expenses which become due prior to the date of making such requests shall be subordinate to the rights of the person requesting such statement and in the case of a grantee of such unit, the grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments against said unit. The provisions set forth in this paragraph shall not apply to the initial sales and conveyances of the condominium units made by Declarants, and such sales shall be free from all common expenses to the date of conveyance.

23. Mortgaging a Condominium Unit - Priority.

An owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. 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, liens or encumbrances on the following conditions: (1) that any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for unpaid assessments, and other obligations created by this Declaration, the Articles of Incorporation and the By-Laws of the Association; (2) that the mortgagee under any junior mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises held by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if such request is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee.

24. 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, general 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 Declarants 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 Parkside

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 is necessary and appropriate to exercise the powers herein granted. In the event that the Association is dissolved or becomes defunct, a meeting of the condominium unit owners shall be held within thirty (30) days of either such event. At such meeting a new attorney-in-fact, to deal with the property upon its destruction, damage, or 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 general 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 mean 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 owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the general common elements and at least seventy-five percent (75%) of the 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 interest in the general common elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power as attorney-in-fact to cause the repair, replacement or restoration of the improvement(s) using all of the insurance proceeds for such purpose, notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in paragraph 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 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 ten percent (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 general common elements and at least seventy-five percent (75%) of the first mortgagees of record may agree not to repair or reconstruct the improvements. 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 general common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the condominium units. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit designation and the name of the owner. From each separate account the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of each of such accounts, without contribution from one account to another, toward the partial or full payment of the lien of any first mortgagee encumbering the condominium unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property. Such apportionment shall be based upon each condominium unit owner's interest in the general 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 subparagraph (b)(1) through (5) of this paragraph.

(d) In the event of damage or destruction to the extent of more than seventy percent (70%) of the total replacement cost of all the condominium units in this project, not including land, and if a plan for repair, replacement and reconstruction is adopted and approved by the owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the general common elements in this project and which plan has the unanimous approval of all first mortgagees, then all of the owners shall be bound by the terms and provisions of such plan. Any assessment made in connection with such plan shall be a common expense and made pro rata according to each owner's interest in the general common elements and shall be due and payable as provided by the terms of such plan, but not sooner than 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 improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an owner to pay the assessment. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in paragraph 21.

(e) The owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the general common elements in this project may agree that the general common elements are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of at least seventy-five percent (75%) of the first mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plans shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the owners as a common expense, whether or not they have previously consented to the plan of renewal and reconstruction. The Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided, and if not so paid the Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of ten percent (10%) per annum, and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is

provided in subparagraph (b) (1) through (5) of this paragraph.

(f) The owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the general common elements may agree that the condominium units are obsolete and that the same should be sold. Such plan or agreement must have the approval of all of the first mortgagees of the condominium units. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary or assistant secretary, the entire project shall be sold by the Association, as attorney-in-fact, for all of the owners, free and clear of the provisions contained in this Declaration, the Map, the Articles of Incorporation and the By-Laws. The sale proceeds shall be apportioned among the owners on the basis of each owner's interest in the general common elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one condominium unit. Each such account shall be in the name of the Association and shall be further identified by the condominium unit designation and the name of the owners. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this paragraph.

25. 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 general 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 24(b)(1) through (5).

(c) Partial Taking. In the event that less than the entire condominium project is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall reasonably and in good faith allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the owners as follows: (a) the total amount allocated to taking of or injury to the general common elements, shall be apportioned among the owners on the basis of each owner's interest respectively in the general common elements; (b) the total amount allocated to severance damages shall be apportioned to those condominium units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular unit and to the improvements an owner has made within his own unit shall be apportioned to the particular unit involved and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Section 24(b)(1) through (5).

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

26. Registration of Mailing Address.

Each owner shall register his mailing address 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 at such registered address. If an owner should fail to register his mailing address with the Association, then any notices or demands may be served upon such owner by mailing the same to the address of the unit owned by such owner.

27. Period of Condominium Ownership.

The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked or terminated in the manner and as is provided elsewhere herein.

28. Management Agreements.

No professional management is anticipated for the Parkside Condominiums, but any agreement which may be entered into in the future with regard to professional management or any other contract for providing of services by Declarants shall be for a term of less than three (3) years and shall be terminable on ninety (90) days written notice, without cause and without payment of a termination fee.

29. Uses, Protective and Restrictive Covenants.

(a) No unit shall be used for other than single family residential purposes; provided that this shall not prevent the rental or ownership of such units by persons who are not members of the same family.

(b) No animals, livestock, or poultry of any kind shall be raised, kept or bred within or upon any of the general common elements or within any unit, except that dogs, cats, or other household pets as the same may be defined, and in a number as may be determined by the Association, may be kept, provided the same are not kept, bred or maintained for any commercial purpose.

(c) No boat, trailer, house trailer, truck (other than what the Association may define as a pickup truck) or camper shall be stored on any street or parking space within the "property" other than within a carport space or fenced enclosure.

(d) No tanks or other container for the storage of gasoline, oil, paint, or any other matter shall be placed or permitted to be stored in any other area other than within a unit or in a designated limited common element storage area, or carport space, provided the same is maintained in a manner deemed by the Association to be safe, neat and attractive.

(e) No trash burning shall be permitted. Each unit may, but shall not be required to, have installed an approved garbage disposal unit. If installed, such garbage disposal unit shall be connected to the plumbing and shall be in operating condition whenever such unit is occupied.

(f) No retail, wholesale, manufacturing or repair businesses of any kind shall be maintained within any unit. No activity which may be or become an annoyance or nuisance shall be carried on within any unit, or anywhere on the "property". No signs, advertisements, billboards, advertising structures, drapes or curtains of any kind may be erected or maintained on or hung from, or exposed from within, the "property" except as may be approved by the Association. This paragraph shall not be construed to prevent the Declarants, their successors or assigns, or their agents from using a unit or other portions of the property for sales offices and sales promotion purposes so long as Declarants or their successors or assigns own a unit subject hereof.

(g) No owner shall place any structure whatsoever upon the general common elements nor any way alter, damage, or injure any of the general common elements.

(h) The Association may adopt such rules and regulations as it deems appropriate to enforce and effectively maintain these protective and restrictive covenants and to determine whether or not there has been compliance with the same.

These covenants shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owners of any property subject to this Declaration.

Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, or both. Failure by the Association or any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, or for any other person otherwise entitled to pursue such right.

30. General Reservations.

(a) Declarants reserve the right to establish easements, reservations, exceptions and exclusions consistent with the condominium ownership of the condominium project and for the best interests of all of the condominium unit owners, including the Declarants, in order to serve the entire condominium project. Such right shall be transferable to the Association at any time and shall automatically pass to and then be reserved by the Association, if not sooner done, five (5) years after the date of this Declaration.

(b) In regard to voting rights in the Association, the owners of each condominium unit shall be entitled to one vote, as further described in the Articles and By-Laws of the Association, for each unit owned, except Declarants shall be entitled to three votes for each unit subject to this Declaration which they own; provided that at such time as Declarants are the owners of less than twenty-five percent (25%) of all of the units subject to such Declaration, or on April 1, 1980, whichever shall first occur, Declarants shall thereafter have one vote for each condominium unit which they own.

31. Acceptance of Provisions of All Documents.

The conveyance or encumbrance of a condominium unit shall be deemed to include the acceptance of all of the provisions of this Declaration, the Articles of Incorporation and Association By-Laws and Rules and Regulations and shall be binding upon each grantee or encumbrancer without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

32. General.

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

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

**EXHIBIT "A" TO
CONDOMINIUM DECLARATION FOR
PARKSIDE CONDOMINIUMS**

**Lot 1, Edora Acres, Third Filing, situate in the
North 1/2 of Section 19, Township 7 North, Range
68 West of the Sixth P.M., City of Fort Collins,
County of Larimer, State of Colorado, containing
20,044 square feet, more or less.**

EXHIBIT "B" TO
CONDOMINIUM DECLARATION FOR
PARKSIDE CONDOMINIUMS

<u>Unit</u>	<u>Undivided Percentage Interest in General Common Elements Appurtenant to Such Unit</u>
Building A, Unit 1	1/12
Building A, Unit 2	1/12
Building A, Unit 3	1/12
Building A, Unit 4	1/12
Building A, Unit 5	1/12
Building A, Unit 6	1/12
Building A, Unit 7	1/12
Building A, Unit 8	1/12
Building A, Unit 9	1/12
Building A, Unit 10	1/12
Building A, Unit 11	1/12
Building A, Unit 12	1/12