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**CONDOMINIUM DECLARATION
FOR
217 RACQUETTE DRIVE CONDOMINIUMS
(a Common Interest Community)**

THIS DECLARATION is made and entered into this 30th day of April, 1997, by PATRICIA L. KLEIN, hereinafter referred to as the "Declarant."

RECITALS

A. The 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 ("Real Estate").

B. The Declarant desires to create a Condominium Common Interest Community on the Real Estate, pursuant to the Colorado Common Ownership Act, C.R.S. §38-33.3-101, et seq., as it may be amended from time to time ("Act"), in which portions of the Real Estate will be designated for separate ownership and the remainder of which will be for common ownership solely by the Owners of the separate ownership interests.

C. The Declarant has caused or will cause to be incorporated under the laws of the State of Colorado 217 RACQUETTE DRIVE CONDOMINIUM ASSOCIATION, a nonprofit corporation, for the purpose of exercising the functions herein set forth.

ARTICLE I. SUBMISSION OF REAL ESTATE

The Declarant hereby publishes and declares that the Real Estate 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, personal representatives, successors, and assigns. Additionally, Declarant hereby submits the Real Estate to the provisions of the Act. In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable.

(HF&M 02/10/97)

HASLER, FONFARA AND MAXWELL
125 SOUTH HOWES, 6TH FLOOR
POST OFFICE BOX 2267
FORT COLLINS, CO 80522

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ARTICLE II. DEFINITIONS

Section 1: When used in this Declaration, unless the context clearly indicates otherwise, capitalized terms not otherwise defined in the Act or in the Condominium Map of the Real Estate shall have the meanings provided in the following sections of this Article:

(a) "Allocated Interests" shall mean and refer to the Common Expense Liability and votes in the Association.

(b) "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.

(c) "Association" shall mean and refer to a unit owners' association organized and existing under §38-33.3-301 of the Act.

(d) "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.

(e) "Common Elements" shall mean and refer to all portions of the Condominium other than the Units.

(f) "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Unit pursuant to this Declaration.

(g) "Common Expenses" shall mean and refer to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

(h) "Common Interest Community" shall mean and refer to the Real Estate and all improvements constructed thereon.

(i) "Condominium Map" shall mean and refer to the Condominium Map of the Real Estate recorded in the office of the Clerk and Recorder of Larimer County, Colorado, and all recorded amendments thereto.

(j) "Declarant" shall mean and refer to any Person or group of Persons acting in concert who:

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- (1) 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; or
 - (2) Reserves or succeeds to any Special Declarant Right.

(k) "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.

(l) "Dispose" or "Disposition" shall mean and refer to a voluntary transfer of any legal or equitable interest in a Unit, but the term does not include the transfer or release of a Security Interest.

(m) "Documents" shall mean and refer to this Declaration, the Condominium Map as recorded and filed, the Articles of Incorporation, the Bylaws, and the Rules and Regulations as they may be amended from time to time, together with any exhibit, schedule or certificate accompanying such Documents.

(n) "Executive Board" shall mean and refer to the Executive Board of the Association.

(o) "Identifying Number" shall mean and refer to a symbol or address that identifies only one (1) Unit in the Common Interest Community.

(p) "Insurer" shall mean and refer to any governmental agency or authority that insures or guarantees a Mortgage and who has provided written notice of such interest to the Association.

(q) "Limited Common Elements" shall mean and refer to a portion of the Common Elements allocated by this Declaration or by the operation of §38-33.3-202(1)(b) or (1)(d) of the Act for the exclusive use of one (1) or more Units but fewer than all of the Units.

(r) "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.

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(s) "Person" shall mean and refer to a natural person, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity or combination thereof.

(t) "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:

- (1) 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
- (2) A Security Interest.

(u) "Real Estate" shall mean and refer to the real property 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.

(v) "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 amendment to those instruments.

(w) "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.

(x) "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 described in or determined from the Declaration and Condominium Map.

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(y) "Unit Owner" or "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 an obligation. The Declarant is the Owner of any Unit created in the Declaration until that Unit is conveyed to another Person.

Section 2: Other Terms Defined in Act. Unless the context clearly indicates otherwise, other terms defined in the Act shall have the meanings attributable to such terms in the Act.

Section 3: Other Terms in Declaration. Other terms in this Declaration may be defined in specific provisions contained herein and shall have the meaning assigned by such definition.

ARTICLE III. COMMON INTEREST COMMUNITY

Section 1: Name. The name of the Common Interest Community is 217 RACQUETTE DRIVE CONDOMINIUMS.

Section 2: Association. The name of the Association is 217 RACQUETTE DRIVE 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 nineteen (19).

Section 7: Boundaries of Units. The boundaries of each Unit are located as shown on the Condominium Map and are more particularly described as follows:

(a) Walls, floors, and ceilings are designated as boundaries of a Unit.

(b) Each Unit shall include the heating, water and electrical apparatus exclusively serving the Unit, whether or not located within the boundaries of the Unit.

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Section 8: Identification of Units. The Identifying Number of each Unit is shown on the Condominium Map.

Section 9: Description of Condominium Unit. After the Condominium Map and this Declaration have been recorded in the Office of the County Clerk and Recorder of Larimer County, Colorado, every contract, deed, lease, Security Interest, trust deed, will or other instrument may legally describe a Condominium Unit as follows:

Condominium Unit _____, 217 RACQUETTE DRIVE CONDOMINIUMS, in accordance with the Condominium Map of 217 Racquette Drive Condominiums recorded on _____, 1997, at Reception No. _____ and subject to the Condominium Declaration for 217 Racquette Drive Condominiums recorded on _____, 1997, at Reception No. _____ of the Larimer County, Colorado records.

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 undivided interest in the Common Elements appurtenant to said Unit and all other appurtenant properties and property rights, and incorporate all of the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration and the Condominium Map. Each such description shall be construed to include a non-exclusive easement for use of all of the Limited Common Elements appurtenant to said Unit as well as all the general Common Elements.

Section 10: Allocated Interests. The undivided interest in the Common Elements, Common Expense Liability, and votes in the Association shall be allocated among the Owners as follows:

(a) Each Owner's share of the undivided interest in the Common Elements and Common Expenses shall be a fraction, the numerator of which shall be the number of square feet within the Owner's Unit and the denominator of which shall be the total number of square feet within all Units.

(b) Each Owner shall be entitled to one (1) vote for each Unit owned, regardless of the square footage contained within each such Unit.

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The undivided interest in the Common Elements, Common Expense Liability, and votes in the Association for each Unit are set forth on **Exhibit "B"** attached hereto and incorporated herein by reference.

Section 11: Recording Data. All easements and licenses to which the Common Interest Community is presently subject are described on the Condominium Map and/or **Exhibit "C"** attached hereto and incorporated herein by reference. 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 States mail.

ARTICLE IV. ASSOCIATION

Section 1: Authority and Power. The business and affairs of the Common Interest Community shall be managed by the Association. The administration of the Common Interest Community shall be governed by this Declaration, the Act, the Articles of Incorporation, the Bylaws and published Rules and Regulations of the Association. The Association shall have all of the powers, authority and duties permitted pursuant to the Documents and the Act which are necessary and proper to manage the business and affairs of the Common Interest Community.

Section 2: Declarant Control. The Declarant, or persons designated by her, may appoint and remove the officers and members of the Executive Board of the Association for a period of one (1) year after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado. The period of Declarant control as herein set forth is subject to the limitations of §38-33.3-303(5) of the Act.

Section 3: Executive Board Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration or the Bylaws. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws.
- (b) Adopt and amend Rules and Regulations.
- (c) Adopt and amend budgets for revenues, expenditures and reserves.
- (d) Collect assessments from Unit Owners.
- (e) Hire and discharge managing agents.
- (f) Hire and discharge independent contractors, employees and agents, other than managing agents.
- (g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Documents in the Association's name, on behalf of the Association, or two (2) or more Unit Owners on any matters affecting the Common Interest Community.
- (h) Make contracts and incur liabilities.
- (i) Regulate the use, maintenance, repair, replacement and modification of the Common Elements.
- (j) Cause additional improvements to be made as a part of the Common Elements.
- (k) Acquire, hold, encumber and convey in the Association's name, any right, title or interest to real estate or personal property, but the Common Elements may be conveyed or subjected to a Security Interest only pursuant to this Declaration and applicable law.
- (l) Grant easements for any period of time, including permanent easements, leases, licenses and concessions through or over the Common Elements.
- (m) Impose and receive a fee or charge for the use, rental or operation of the Common Elements and for services provided to Unit Owners.
- (n) Impose a reasonable charge for late payment of assessments and levy a fine for violation of this Declaration, the Bylaws and the Rules and Regulations of the Association.

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(o) Impose a reasonable charge for the preparation and recordation of supplements or amendments to this Declaration and for statements of unpaid assessments.

(p) Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and officers' liability insurance.

(q) Assign the Association's right to future income, including the right to receive Common Expense assessments, only upon the affirmative vote of the Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, at a meeting called for that purpose.

(r) Arrange for the repair and/or replacement of water and sewer lines located under any Unit and to restore any damage caused to such Unit as a result of such repair or replacement.

(s) Exercise any other powers conferred by the Documents.

(t) Exercise any other power that may be exercised in the State of Colorado by a legal entity of the same type as the Association.

(u) Exercise any other power necessary and proper for the governance and operation of the Association.

(v) By resolution, establish permanent and standing committees of Directors to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of publication of a notice. If an appeal is made, the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 4: Professional Management and Contract Termination Provisions. The Association may utilize professional management in performing its duties hereunder. Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and shall provide for termination by either party thereto, with or without cause, and without payment of a termination fee, upon sixty (60) days' prior written notice. Any contracts, licenses or leases entered into by the Association while there is Declarant control of the Association shall provide for

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termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of Declarant control of the Association, upon sixty (60) days' prior written notice; provided, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto without cause and without payment of a termination fee upon sixty (60) days' prior written notice.

Section 5: Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine their qualifications, powers and duties or the terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

**ARTICLE V. SPECIAL DECLARANT RIGHTS AND
ADDITIONAL RESERVED RIGHTS**

Section 1: Special Declarant Rights. Declarant hereby reserves the right for a period of one (1) year after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado, to perform the acts and exercise the rights hereinafter specified ("Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

(a) Completion of Improvements. The right to complete or make improvements indicated on the Condominium Map.

(b) Construction Easements. The right to use the Common Elements for the purpose of making improvements within the Common Interest Community or within the Real Estate.

(c) Merger. The right to merge or consolidate a Common Interest Community with another Common Interest Community of the same form of ownership.

(d) Control of Association and Executive Board. The right to appoint or remove any officer of the Association or any Executive Board member.

Section 2: Additional Reserved Rights. In addition to the Special Declarant Rights set forth in Section 1 above, Declarant also reserves the following additional rights ("Additional Reserved Rights"):

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(a) Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements over, across, and upon the Common Elements for purposes including, but not limited to, streets, paths, walkways, drainage, and parking areas, and to create other reservations, exceptions, and exclusions over, across, and upon the Common Elements for the benefit of and to serve the Unit Owners within the Common Interest Community.

(b) 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 Common Elements, which may or may not be a part of the Common Interest Community for the benefit of the Unit Owners and/or the Association.

(c) Other Rights. The right to exercise any Additional Reserved Right created by any other provision of this Declaration.

Section 3: Rights Transferable. Any Special Declarant Right or Additional Reserved Right created or reserved under this Article for the benefit of the 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.

ARTICLE VI. ASSESSMENT FOR COMMON EXPENSES

Section 1: 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, attorneys' 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 it.

Section 2: Purpose of Assessment. The assessments levied by the Association shall be used exclusively (i) to promote the health, safety, and welfare of the Owners; (ii) for the improvement, repair, replacement, and maintenance of the Common Elements; (iii) payment of common water and common electrical utilities provided to the Common Interest Community and

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(iv) payment of expenses for common facilities and other expenses properly assessable against the Real Estate, if any, pursuant to any underlying covenants, conditions and restrictions affecting the Real Estate.

Section 3: Amount of Assessment. The amount of the assessment for the estimated Common Expenses which shall be paid by each Owner shall be determined by dividing the aggregate sum the Association reasonably determines to be paid by all Owners by the total number of square feet within all Units within the Common Interest Community, and the Owner of each Unit shall pay his proportionate share of such aggregate sum based upon the number of square feet within such Owner's Unit.

Section 4: 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 a 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. The Executive Board shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Executive Board. The Executive Board may, at its discretion, permit annual assessments to be payable in twelve (12) equal monthly installments.

Section 5: Reserve Fund. Upon the first sale, transfer, or conveyance of a Unit, the Purchaser or transferee of the Unit shall deposit with the Association as a reserve fund an amount equal to one-sixth (1/6) of the annual assessment established by the Executive Board for the year in which the transfer occurs. If, at any time, an Owner is in default in the payment of any assessments due to the Association, the Association shall have the right to use said reserve, or as much thereof as may be necessary, to pay any delinquent amount owed to the Association and to reimburse the Association for any expenses incurred by the Association in collecting delinquent assessments from the Owner. In such event, the Owner shall, upon written demand of the Association, promptly remit to the Association a sufficient amount of cash to restore the reserve to its original amount. In the event the reserve account is not used to make delinquent payments, then it shall be refunded to the Owner upon the sale of the Owner's Unit without interest. The Association shall have the right to commingle the reserve account with other funds of the Association and shall have no obligation to retain the reserve funds in a separate account or pay interest on the reserve funds. The reserve account shall not be

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deemed to be liquidated damages, and if claims of the Association against an Owner exceed the reserve account, the Owner shall remain liable for the payment of the balance of such claims to the Association.

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 Article is prior to all other liens and encumbrances on a Unit, except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a First 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 Article does not prohibit an action to recover sums for which this Article creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Unit shall not affect the Association's lien, except that the sale or transfer of any Unit pursuant to a foreclosure of any First Security Interest or any proceeding in lieu thereof, including deed in lieu of foreclosure or cancellation or forfeiture, shall only extinguish the Association's lien as provided in the Act. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure nor cancellation nor forfeiture, shall relieve any Unit from continuing liability for any Common Expense assessments thereafter becoming due nor from the lien thereof.

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 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 attorneys' fees, shall constitute a lien on the defaulting Owner's Unit as provided in the Act. 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

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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 hereinafter provided.

(e) Any judgment 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 or Unit Owners shall be effective without notice to all Mortgagees and Insurers, and the vote of at least sixty-seven percent (67%) of the total votes of all Unit Owners (or

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any greater Unit Owner vote required in this Declaration or the Act) and until approved by at least fifty-one percent (51%) of the Mortgagees (or any greater Mortgagee approval required by this Declaration):

- (1) Voting rights.
- (2) Assessments, 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 Owners, 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 or a Unit is being subdivided, 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) Leasing of Units.
- (11) Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit.

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- (12) A decision by the Association to establish self-management when professional management had been required previously by the Declaration or any Mortgagee.
 - (13) Restoration or repair of the Common Elements after a hazard damage or partial condemnation in a manner other than that specified in the Declaration.
 - (14) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation of the Common Elements.
 - (15) 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 at least fifty-one percent (51%) (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 or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community will 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 of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case, only the Owners of Units affected and Mortgagees of those Units need approve the action.

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- (4) The granting of any permits, easements, leases, licenses, or concessions through or over the Common Elements (excluding, however, [i] any utility, road, or other easements serving or necessary to serve the Common Interest Community; and [ii] any leases, licenses, or concessions for no more than one [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 that 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) Collection of Assessments. The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all Mortgagees.

(d) Approval by Mortgagee or Insurer. 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 Declaration, Bylaws, Rules and Regulations, books and records, and financial statements. The Association shall permit any Mortgagee or Insurer to inspect the books and records of the Association during normal business hours.

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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 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 a 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. Proceeds will thereafter be distributed pursuant to the Act or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board, acting by majority vote through the president, may act as trustee.

ARTICLE IX. LIMITED COMMON ELEMENTS

Section 1: Limited Common Elements. "Limited Common Elements" means a portion of the Common Elements designated in this Declaration or on the Condominium Map or by the Act for the exclusive use of one (1) or more, but fewer than all, of the Units. In addition to those portions of the Common Elements described in §38-33.3-202(1)(b) and (1)(d) of the Act, the following are designated as Limited Common Elements: air-conditioning (if subsequently installed by a Unit Owner) which serves only one (1) Unit.

Section 2: Allocation of Reserved Limited Common Elements. Portions of the Common Elements may be designated on the Condominium Map as "Common Elements which may be allocated as Limited Common Elements." The Declarant reserves the right to allocate specified areas which constitute a part of these Common Elements as Limited Common Elements for the exclusive use of the Owners of Units to which the specified areas shall become appurtenant. The Declarant may assign such Common Elements as Limited Common Element areas pursuant to the provisions of

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§38-33.3-208 of the Act by making such an allocation in a recorded instrument or in the deed to the Unit to which such Limited Common Element area shall be appurtenant or by recording an appropriate amendment or supplement to this Declaration. Such allocation by the Declarant may be to Units owned by the Declarant. The right of allocation pursuant to this Section shall pass from the Declarant to the Executive Board, and the Declarant may not thereafter exercise any such right of allocation subsequent to the date which is one (1) year after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado. The period of Declarant control as herein set forth is subject to the limitations of §38-33.3-303(5) of the Act.

Section 3: Allocation of Specified Common Elements. The Executive Board may designate part of the Common Elements from time to time for use by less than all of the Unit Owners or by nonowners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board. Any such designation by the Executive Board shall not be a sale or disposition of such portion of the Common Elements.

Section 4: Expense Allocation. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit to which the Limited Common Element is assigned.

ARTICLE X. RESTRICTIVE COVENANTS AND OBLIGATIONS

Section 1: No Improvements on Exterior of Unit. Except for those improvements erected or installed by the Declarant, no exterior additions to, exterior alterations of, or exterior decoration of a Unit shall be commenced, erected or maintained without the prior written approval of the Association.

Section 2: No Advertising Signs. No advertising signs (except as permitted in certain areas periodically designated by the Executive Board), unsightly objects or nuisances shall be erected, placed or permitted to remain on the exterior of any Unit or in or on the Common Elements or any part thereof, nor shall any Unit be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owners, tenants, occupants, guests and invitees of any other Unit within the Common Interest Community.

Section 3: Inoperative Vehicles. All vehicles shall be parked in accordance with the Rules and Regulations to be promulgated and established by the Executive Board from time to

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time, including regulations intended to require parking by the Owner and occupants of each Unit in the immediate vicinity of such Unit. No inoperative vehicles shall be repaired or allowed to remain within the Common Elements or any part thereon. The term "inoperative vehicle" shall mean and refer to any vehicle which is incapable of being driven under its own propulsion for a period of seventy-two (72) hours or longer.

Section 4: No Storage on Common Elements. No Owner or his tenants, business invitees or guests shall store or permit to be stored any materials or property outside such Owner's Unit upon the Common Elements or any part thereof, including, but not limited to, the parking areas within the Common Elements unless such storage is expressly authorized by Rules and Regulations duly adopted by the Executive Board on behalf of the Association.

Section 5: Noxious or Offensive Trades Prohibited. No noxious or offensive trades, services or activities shall be conducted within the Common Interest Community or within any of the Units, nor shall anything be done thereon which may become an annoyance or nuisance to the Owners of other Units within the Common Interest Community, including, without limitation, allowing or creating unsightliness or excessive emission of fumes, odors, glare, vibration, electromagnetic disturbance, gases, radiation, dust, liquid waste, smoke or noise. The following trades, services or activities shall be deemed noxious and offensive and are expressly prohibited unless a written waiver and consent is first obtained from the Executive Board upon such terms and conditions as shall be required by the Association: Concrete businesses and professional or retail automotive repair facilities for hire, including oil change, lube, tune-ups, tire sales, paint and body work and similar services. Notwithstanding any provision herein to the contrary, the foregoing prohibition against the conduct of professional or retail automotive repair facilities for hire shall not be deemed to prohibit an Owner or his tenants from servicing or repairing their own vehicles, provided that they do not engage in such conduct for hire and provided further that they otherwise comply with the Rules and Regulations of the Association and do not allow such vehicles to become "inoperative vehicles" as defined in Section 3 above.

Section 6: No Hazardous Activities. Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of insurance on any other Unit, or any part thereof, or an increase on the rate of insurance on any other Unit, or any part thereof, over what the Association, but for such activity, would pay, without the prior written approval of the Association. In the event the Association,

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in its sole and absolute discretion, elects to consent to any such activity resulting in an increase of the rate of insurance on any other Units, the Association may require that the responsible Unit Owner agree in writing to the prompt payment of such increase in the insurance premium.

Section 7: No Violation of Laws. Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would be in violation of any protective covenants, restrictions or limitations affecting any Unit or in violation of any statute, rule, ordinance, regulation, zoning resolution, permit or otherwise imposed requirement of any governmental authority.

Section 8: Damage to Common Elements. No damage to or waste of the Common Elements, or any part thereof, shall be committed by an Owner or by any guest, invitee or contract purchaser of an Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from such damage or waste caused by him, or his guests, invitees or contract purchasers.

Section 9: Limitations on Leasing. The Owner of a Unit shall have the right to lease his Unit subject to the following conditions:

(a) All leases shall be in writing.

(b) All leases shall provide that the terms of the lease and the lessee's occupancy of the Unit shall be subject in all respects to the provisions of this Declaration and the provisions of the Articles of Incorporation and Bylaws of the Association. Any failure by the lessee to comply therewith shall be a default under the lease. Any Owner who leases his Unit shall, within ten (10) days after the execution of such lease, forward a copy of the same to the Association or the Association's managing agent.

Section 10: Rules and Regulations. The Association, through the Executive Board, may adopt reasonable rules and regulations not inconsistent with this Declaration governing the use of the Common Elements.

ARTICLE XI. 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

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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 attorneys' 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: Amendment. Except as otherwise provided in this Declaration, this Declaration may be altered or amended at any time by a vote of sixty-seven percent (67%) or more of the votes entitled to be cast by all Owners through a duly written and recorded instrument.

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

Patricia L. Klein
PATRICIA L. KLEIN

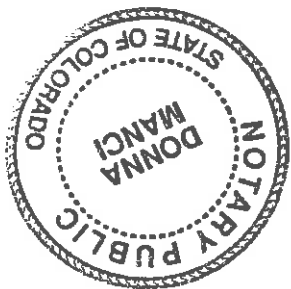
STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 30th day of April, 1997, by PATRICIA L. KLEIN.

WITNESS my hand and official seal.

My commission expires: 11-14-97.

Donna Mançi
Notary Public



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EXHIBIT "A" ATTACHED TO AND MADE A PART OF CONDOMINIUM DECLARATION
FOR 217 RACQUETTE DRIVE CONDOMINIUMS

Legal Description of Real Estate

✓ Lot 52, THE FORT COLLINS INDUSTRIAL PARK, FIRST FILING,
County of Larimer, State of Colorado. ✓

Also known as 217 Racquette Drive, Fort Collins, Colorado
80524.

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EXHIBIT "B" ATTACHED TO AND MADE A PART OF CONDOMINIUM DECLARATION
FOR 217 RACQUETTE DRIVE CONDOMINIUMS

Table of Interests

<u>Unit No.</u>	<u>Percentage share of Common Elements</u>	<u>Percentage share of Common Expenses</u>	<u>Vote in the affairs of Association</u>
1	5.719%	5.719%	1
2	6.028%	6.028%	1
3	6.028%	6.028%	1
4	6.028%	6.028%	1
5	6.028%	6.028%	1
6	6.028%	6.028%	1
7	8.922%	8.922%	1
8	8.922%	8.922%	1
9	6.028%	6.028%	1
10	3.617%	3.617%	1
11	3.617%	3.617%	1
12	3.617%	3.617%	1
13	3.617%	3.617%	1
14	5.305%	5.305%	1
15	3.617%	3.617%	1
16	3.617%	3.617%	1
17	3.617%	3.617%	1
18	3.617%	3.617%	1
19	6.028%	6.028%	1
Total	100.000%	100.000%	19

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EXHIBIT "C" ATTACHED TO AND MADE A PART OF CONDOMINIUM DECLARATION FOR 217 RACQUETTE DRIVE CONDOMINIUMS

Easements and Licenses

Easements and licenses appurtenant to the Common Interest Community which are not depicted upon the Condominium Map are as follows:

1. The following items as set forth on the plat of Fort Collins Industrial Park First Filing, to-wit:
 - a. Restrictions which do not contain reversionary clauses, but omitting restrictions, if any, based on race, color, religion or national origin, imposed upon the property as shown on the recorded Plat of said Subdivision.
 - b. Maintenance of all roads within the subdivision shall be the responsibility of all property owners within the subdivision. Failure to adequately maintain these roads shall result in a lien upon the lots affected. Responsibility for filing for such lien rests with the property owners under the protective covenant and with the Larimer County Board of County Commissioners.
 - c. All construction on the subdivision or any lot therein, including the development of domestic water, and the provision of sewage disposal shall be done in a manner which will meet all the requirements of the Colorado Department of Health and the Larimer County Board of County Commissioners.
 - d. An easement for utilities and incidental purposes over the Westerly and Southwesterly Six (6) feet of the land.
2. Covenants, conditions and/or restrictions, which do not include a forfeiture or reverter clause, set forth on the recorded plat of The Fort Collins Industrial Park, First Filing.
3. Any existing leases or tenancies.
4. Terms, agreements, provisions, conditions and obligations as contained in Deed recorded November 21, 1973, in Book 1579 at Page 925 of the Larimer County, Colorado records.

RECORDED IN BOOK 1579 PAGE 925
NOV 21 1973
LARIIMER COUNTY RECORDS