

Easement and Cost Sharing Agreement

This Easement and Cost Sharing Agreement ("Agreement") is entered into effective as of the date recorded with the Clerk and Recorder of Larimer County, Colorado ("Clerk and Recorder") by Arrowhead Centre Condominium Association, a Colorado nonprofit corporation ("Arrowhead I"), and Arrowhead II Condominium Association, a Colorado nonprofit corporation ("Arrowhead II").

Recitals

A. Arrowhead I is the governing association for the condominium community known as Arrowhead Condominiums ("Arrowhead I Condominiums") pursuant to the Declaration for Arrowhead Condominiums recorded with the Clerk and Recorder on January 9, 2012 at Reception No. 20120001705, as amended by the First Amendment to Declaration for Arrowhead Condominiums recorded on December 4, 2013 at Reception No. 20130088444, the Second Amendment to Declaration for Arrowhead Condominiums ("Second Amendment") recorded on March 3, 2017 at Reception No. 20170014505, and the Third Amendment to Declaration for Arrowhead Condominiums recorded on March 3, 2017 at Reception No. 20170014508 (collectively, the ("Arrowhead I Declaration").

B. The real property originally subject to the Arrowhead I Declaration was described and depicted in the Condominium Map for Arrowhead I Condominiums recorded with the Clerk and Recorder on January 3, 2012 at Reception No. 20120000249.

C. In accordance with C.R.S. §38-33.3-312, Arrowhead I has conveyed certain common elements within Arrowhead I Condominiums ("Removed Property") to Centre Avenue Residences, LLC which has then conveyed the Removed Property to Arrowhead Cottages, LLC, a Colorado limited liability company ("Arrowhead II Declarant") pursuant to the Deed recorded with the Clerk and Recorder on March 21, 2017 at Reception No. 20170018147, and the Second Amendment referenced above has been recorded to delete the Removed Property from the property subject to the Arrowhead I Declaration.

D. The Arrowhead II Declarant has created a new condominium community commonly known as Arrowhead II Condominiums ("Arrowhead II Condominiums") on the Removed Property pursuant to the Condominium Declaration for Arrowhead II Condominiums and the Condominium Map for Arrowhead II Condominiums both recorded with the Clerk and Recorder prior to the recording of this Agreement. That portion of the Removed Property now constituting General Common Elements within the Arrowhead II Condominiums is referred to as the "Arrowhead II General Common Elements."

E. Arrowhead II is the governing association for the Arrowhead II Condominiums.

F. The portion of the Arrowhead I Condominiums common elements consisting of outdoor roadways, driveways, walkways and parking lots is referred to in this Agreement as the "Arrowhead I Access Areas." The portion of the Arrowhead I Condominiums common elements consisting of landscaped areas is referred to as the "Arrowhead I Landscaped Areas." The portion of the Arrowhead II Condominiums general common elements consisting of landscaped areas is referred to as the "Arrowhead II Landscaped Areas." The Arrowhead I Access Areas, the Arrowhead I Landscaped Areas and the Arrowhead II Landscaped Areas are collectively referred to as the "Joint Use Areas." The Joint Use Areas are depicted on Exhibit A, attached and incorporated by reference.

G. The owners of units in the Arrowhead I Condominiums are referred to in this Agreement as the "Arrowhead I Owners" and the owners of units in the Arrowhead II Condominiums are referred to as the "Arrowhead II Owners."

H. The real properties now subject to the Arrowhead I Declaration and the Arrowhead II Declaration are collectively referred to as the "Properties."

Agreement

In consideration of the mutual covenants contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated into this Agreement as substantive terms.
2. Purposes of Agreement. The purposes of this Agreement are to:
 - Provide the Arrowhead II Owners with an access easement for use of the Arrowhead I Access Areas.
 - Provide both the Arrowhead I Owners and the Arrowhead II Owners with an access easement for joint use of the Arrowhead I Landscaped Areas and the Arrowhead II Landscaped Areas.
 - Establish a mechanism for maintenance, repair and replacement of the improvements on the Joint Use Areas, snow removal from the Joint Use Areas and the Arrowhead II Access Areas (defined below), and allocation of the maintenance, repair and replacement costs between Arrowhead I and Arrowhead II.

3. Grant of Easements.

3.1 Easement over Arrowhead I Landscaped Areas and Arrowhead II Landscaped Areas. Pursuant to C.R.S. §38-33.3-302(1)(i), Arrowhead I irrevocably grants and conveys to Arrowhead II for the use and benefit of Arrowhead II, the Arrowhead II Owners, the tenants of the Arrowhead II Owners, and the guests, invitees, agents, contractors and representatives of such Arrowhead II Owners and/or tenants (collectively, the "Arrowhead II Users") a perpetual non-exclusive blanket easement in, under, over, across and upon the Arrowhead I Landscaped Areas for the purposes of pedestrian access (including pet walking) and general recreational use. Use of the Arrowhead I Landscaped Areas by the Arrowhead II Users is subject to any restrictions set forth in the Arrowhead I Declaration, together with such additional rules and regulations as may be agreed upon in writing from time to time by Arrowhead I and Arrowhead II.

Pursuant to C.R.S. §38-33.3-302(1)(i), Arrowhead II irrevocably grants and conveys to Arrowhead I for the use and benefit of Arrowhead I, the Arrowhead I Owners, the tenants of the Arrowhead I Owners, and the guests, invitees, agents, contractors and representatives of such Arrowhead I Owners and/or tenants (collectively, the "Arrowhead I Users") a perpetual, non-exclusive blanket easement in, under, over, across and upon the Arrowhead II Landscaped Areas for the purposes of pedestrian access (including pet walking) and general recreational use. Use of the Arrowhead II Landscaped Areas by the Arrowhead I Users is subject to any restrictions set forth in the Arrowhead II Declaration, together with such additional rules and regulations as may be agreed upon in writing from time to time by Arrowhead I and Arrowhead II.

3.2 Easement over Arrowhead I Access Areas. Pursuant to C.R.S. §38-33.3-302(1)(i), Arrowhead I irrevocably grants and conveys to Arrowhead II for the use and benefit of the Arrowhead II Users a perpetual, non-exclusive blanket easement in, under, over, across and upon the Arrowhead I Access Areas for the purposes of vehicular, pedestrian and bicycle access, and for parking on those portions of the Arrowhead I Access Areas that may be designated for parking from time to time. Parking spaces will be available to Arrowhead II Users, as well as Arrowhead I Users, on a first-come, first-served basis, with no parking spaces being reserved. Use of the Arrowhead I Access Areas by the Arrowhead II Users is subject to any restrictions set forth in the Arrowhead I Declaration, together with such additional rules and regulations as may be agreed upon in writing by Arrowhead I and Arrowhead II.

In situations where Arrowhead I Users have no other reasonable means to access Arrowhead I to perform necessary maintenance or repairs, or in the case of emergency, Arrowhead II will allow, on an ad hoc

basis, the use of Arrowhead II Access Areas by Arrowhead I Users, provided that Arrowhead I will be responsible for the cost of repairing any damage caused by such use.

3.3 Limitation on Use of Easements During Construction of Buildings on Removed Property. Notwithstanding the foregoing grant of easements over the Arrowhead I Landscaped Areas and Arrowhead I Access Areas by Arrowhead I to Arrowhead II for the use and benefit of the Arrowhead II Users pursuant to Sections 3.1 and 3.2 above, such easement areas shall not be used for the initial construction of buildings upon the Removed Property by any contractors, subcontractors, materialmen, or their respective employees or agents ("Contractor Parties") for any construction activities other than (i) ingress and egress to and from the Removed Property and (ii) where no alternative location is available on the Removed Property, temporary loading and unloading of construction materials which will not unreasonably interfere with use of the driveways and parking areas within the Arrowhead I Access Area by the Arrowhead I Users. The prohibited construction activities shall include but not be limited to staging, materials storage, and parking by Contractor Parties.

4. Maintenance of Joint Use Areas and Arrowhead II Access Areas. Arrowhead I is responsible for maintaining, repairing and replacing the improvements located on or otherwise comprising a part of the Joint Use Areas so that they are in good condition and fully functional for their intended purposes. In addition, Arrowhead I is responsible for snow removal from both the Arrowhead I Access Areas and those access areas within the Arrowhead II Condominiums depicted on Exhibit A ("Arrowhead II Access Areas"). Such maintenance, repair and replacement is collectively referred to in this Agreement as "Maintenance." The term "Maintenance" also includes the installation of any new landscaping improvements on the Joint Use Areas not currently in place as of the effective date of this Agreement which have been agreed upon in writing by both parties. Except for snow removal, Arrowhead II will be responsible for all other maintenance, repair and replacement of the Arrowhead II Access Areas. Arrowhead II grants Arrowhead I an easement to perform any Maintenance within the Arrowhead II Condominiums, provided that the parties do not intend to grant the Arrowhead I Users any easement or license for use of the Arrowhead II Access Areas.

5. Allocation of Maintenance Costs. The Arrowhead II Condominiums will be developed in two phases with two buildings having a total of nine units. There are 10 units in the Arrowhead I Condominiums resulting in a total of 19 units between the Arrowhead I Condominiums and the Arrowhead II Condominiums. It is the parties' intent that (a) the cost of Maintenance, together with an Arrowhead I administrative fee not to exceed 10% of such costs, (b) the irrigation water usage fees for both Arrowhead I and Arrowhead II, (c) electricity charges for the driveway and parking lot lights, and (d) maintenance, repair and replacement costs for the fire protection system pump serving both Arrowhead I and Arrowhead II which is located in the Arrowhead I building (collectively, the "Maintenance Costs") be allocated equally among each of the 19 units once a Certificate of Occupancy has been issued by the City of Fort Collins, Colorado ("City") for the first building constructed for Arrowhead II Condominiums. Accordingly, at such time as the City issues a Certificate of Occupancy for the first building constructed in Arrowhead II Condominiums on the Removed Property, Arrowhead II will be responsible for 9/19ths of the Maintenance Costs with Arrowhead I being responsible for the remaining 10/19ths of the Maintenance Costs. Arrowhead II's fractional share of the Maintenance Costs is referred to as "Arrowhead II's Share". As used in this Section 5, the term "Certificates of Occupancy" includes either temporary Certificates of Occupancy or final Certificates of Occupancy.

6. Maintenance Assessments. Arrowhead I will prepare an annual Maintenance Costs budget in advance and Arrowhead II's Share of the Maintenance Costs will be assessed ("Maintenance Assessment") and billed to Arrowhead II on a monthly or other periodic basis as may be agreed upon by the parties. Arrowhead I will provide Arrowhead II with at least 30 days' prior written notice of the annual Maintenance Costs budget and provide Arrowhead II with an opportunity for input into that budget prior to its adoption by Arrowhead I. The Maintenance Costs will be shown as a separate budget category in the overall annual Arrowhead I budget and will include a reasonable reserve for repair and replacement of items included within the Maintenance Costs category. The Maintenance Assessment will be prorated for any partial billing period. Arrowhead II's payment of the Maintenance Assessment is due within 30 days after the billing date. Amounts not timely paid will bear interest at 12% per annum. The Arrowhead II Declaration specifically requires Arrowhead II to collect the

Maintenance Assessment from the Arrowhead II Owners as part of the Arrowhead II Common Expense Assessment.

At the end of any budget year, if actual Maintenance Costs exceed the budgeted amount used to calculate the Maintenance Assessment then Arrowhead II will pay the shortfall (meaning Arrowhead II's Share of the shortfall) within 60 days following receipt of Arrowhead I's written accounting of the shortfall. At the end of any budget year, if actual Maintenance Costs are less than the budgeted amount used to calculate the Maintenance Assessment, the surplus shall be applied to Maintenance Costs for the immediately following budget year with a corresponding reduction in the Maintenance Assessment for that year.

If there is an unexpected need to repair or replace any item included within the Maintenance Costs category which cannot be funded from reserves, then Arrowhead I will provide Arrowhead II with a proposed budget for a special Maintenance Assessment ("Special Assessment") at least 30 days prior to levying the Special Assessment and provide Arrowhead II with an opportunity for input into the Special Assessment. The Special Assessment will be allocated among Arrowhead I and Arrowhead II in the same proportion as Maintenance Costs under Section 5 above, except as provided in Section 8 below. Arrowhead II's Share of the Special Assessment will be due within 90 days after the billing date.

7. Non-Performance of Maintenance by Arrowhead I. If Arrowhead I does not perform the Maintenance as required by this Agreement, then Arrowhead II may provide written notice of non-performance to Arrowhead I. Arrowhead I shall cure its non-performance within 15 days after the effective date of such notice or, if the non-performance cannot be cured within such 15-day period shall commence to cure the non-performance within that period and thereafter diligently proceed to cure its non-performance. If Arrowhead I fails to do so, Arrowhead II may perform the Maintenance that hasn't been performed by Arrowhead I, and bill Arrowhead I for 10/19ths of such Maintenance Costs, together with an administrative fee equal to 10% of such 10/19ths share of the Maintenance Costs (collectively, "Arrowhead I's Share"). Arrowhead I's Share is due within 30 days after the billing date. Amounts not timely paid will bear interest at 12% per annum.

8. Damage to Joint Use Areas. If any Maintenance Costs (which, for purposes of this Section 8, include any insurance deductible amounts used for the purpose of paying a Maintenance Cost) arise from damage to the Joint Use Areas caused by the negligence or willful misconduct of any Arrowhead I User, such cost will be assessed solely against Arrowhead I. Similarly, if any Maintenance Costs (which, for purposes of this Section 8, include any insurance deductible amounts used for the purpose of paying a Maintenance Cost) arise from damage to the Joint Use Areas caused by the negligence or willful misconduct of any Arrowhead II User, such cost will be assessed solely against Arrowhead II.

9. Liability Insurance. Each Association will maintain the liability insurance coverage required by their respective Declarations.

10. Amendment and Termination. This Agreement may be amended or terminated in whole or in part by an instrument executed by Arrowhead I and Arrowhead II, and recorded with the Clerk and Recorder.

11. Attorneys' Fees and Costs. In any action or proceeding brought relating to or arising out of this Agreement, the prevailing party will be entitled to recover from the non-prevailing party the prevailing party's costs and expenses incurred in connection with such action or proceeding including, without limitation, reasonable attorneys' fees.

12. Runs with the Land. This Agreement will be recorded with the Clerk and Recorder. This Agreement touches and concerns the Properties and runs with the Properties.

13. Binding Effect. This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns.


14. Governing Law. This Agreement will be governed by Colorado law.
15. No Waiver. The failure by any party to enforce any provision of this Agreement will not constitute a waiver of the right to thereafter enforce such provision or any other provision of this Agreement.
16. Notice. Any notice required or permitted under this Agreement will be in writing and (a) personally delivered, (b) sent by certified mail, return receipt requested to the address listed as the principal address of the party with the Colorado Secretary of State, or (c) sent by an overnight courier service to the address listed as the principal address of the party with the Colorado Secretary of State. If personally delivered, the notice will be effective upon delivery. If mailed via certified mail, the notice will be effective three days following deposit in the U.S. mail, postage prepaid. If sent via overnight courier service, the notice will be effective on the first business day following deposit with such courier. Notice of any address change will be given as provided above.
17. Headings. Section headings are for convenience of reference and will in no way define, limit or prescribe the scope or intent of any provision of this Agreement.
18. Entire Agreement. This Agreement sets forth the entire understanding of the parties with respect to its subject matter and may not be changed except by a written document signed by both parties. This Agreement will be construed according to its fair meaning as if prepared by both parties.
19. Further Assurances. Each party agrees to execute and deliver such additional documents as the other party may from time to time request in order to carry out the intent, and effectuate the provisions, of this Agreement.
20. Third Parties. This Agreement does not create any rights for the benefit of any other persons or entities which are not parties to this Agreement including, without limitation, any governmental authority.
21. Time of the Essence. Time is of the essence of this Agreement.
22. Parking. Four of the Arrowhead I owners have one allocated parking space (the "One Space Owners"), while all other Arrowhead I and Arrowhead II owners have or will have two allocated parking spaces or a two-car garage. In the future, if the One Space Owners are all unable to each regularly use one additional unreserved parking space in the parking lot (part of the Arrowhead I Access Areas off of Centre Avenue), then Arrowhead I and Arrowhead II will work in good faith to designate four spaces in the parking lot for exclusive use of the One Space Owners.

Effective as of the date set forth above.

[Signature pages follow]

Arrowhead Centre Condominium Association, a Colorado
nonprofit corporation

By: 
John J. Harris, President

Attest: 
Lawrence D. Reid, Secretary

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 15th day of April, 2018, by John J. Harris,
as President, and Lawrence Reid, as Secretary, of Arrowhead Centre
Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 8-29-21


Notary Public

BRINNA K DOLIFKA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054033929
MY COMMISSION EXPIRES AUG 29, 2021

Arrowhead II Condominium Association, a Colorado
nonprofit corporation

By:



Jason W. Sherrill, President

Attest:



Tracy Parker, Secretary

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 26 day of April, 2018, by Jason W. Sherrill, as President, and Tracy Parker, as Secretary, of Arrowhead II Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

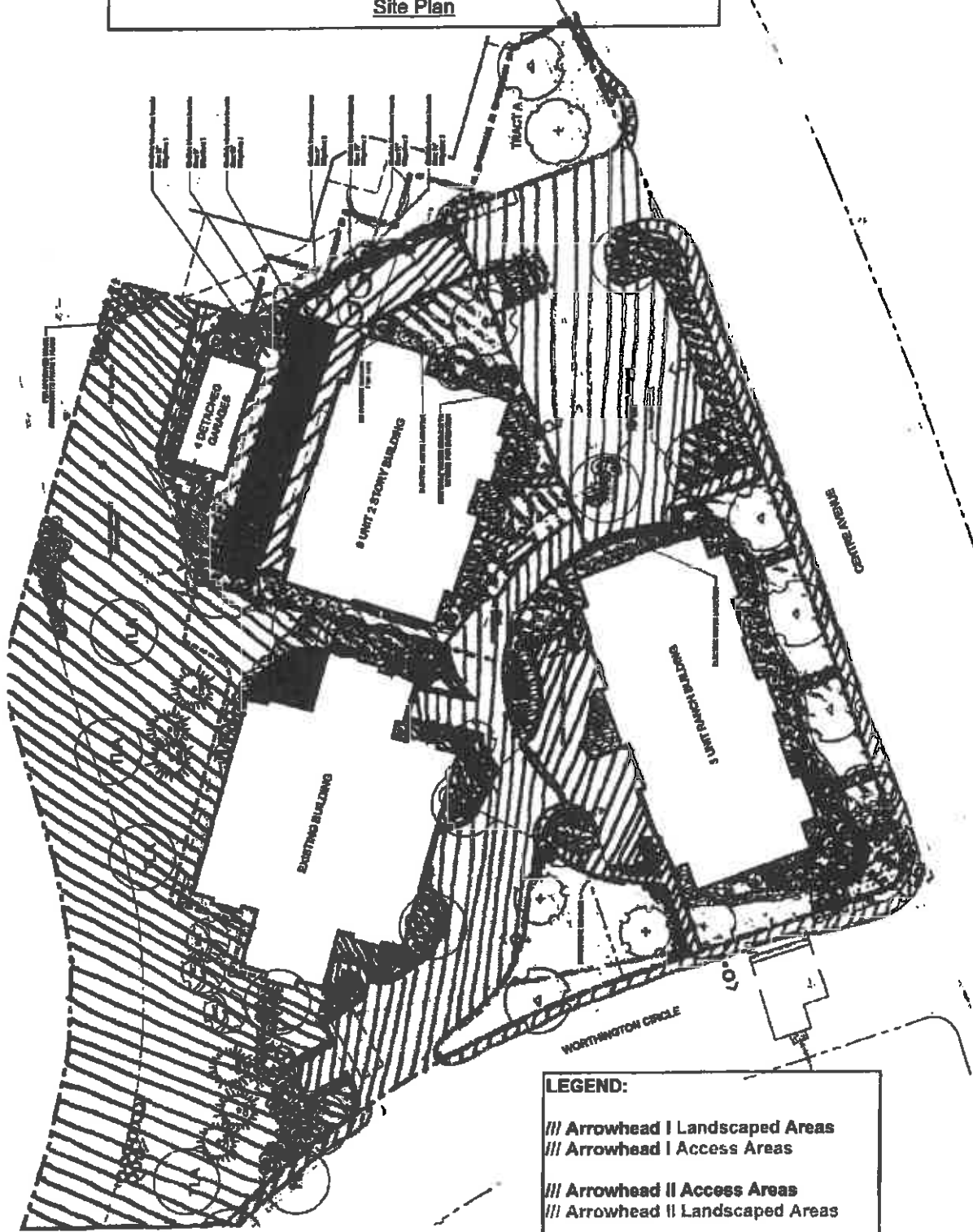
My commission expires: 12/13/2021



Notary Public

SARA BETH ASH
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174051019
MY COMMISSION EXPIRES DEC. 13, 2021

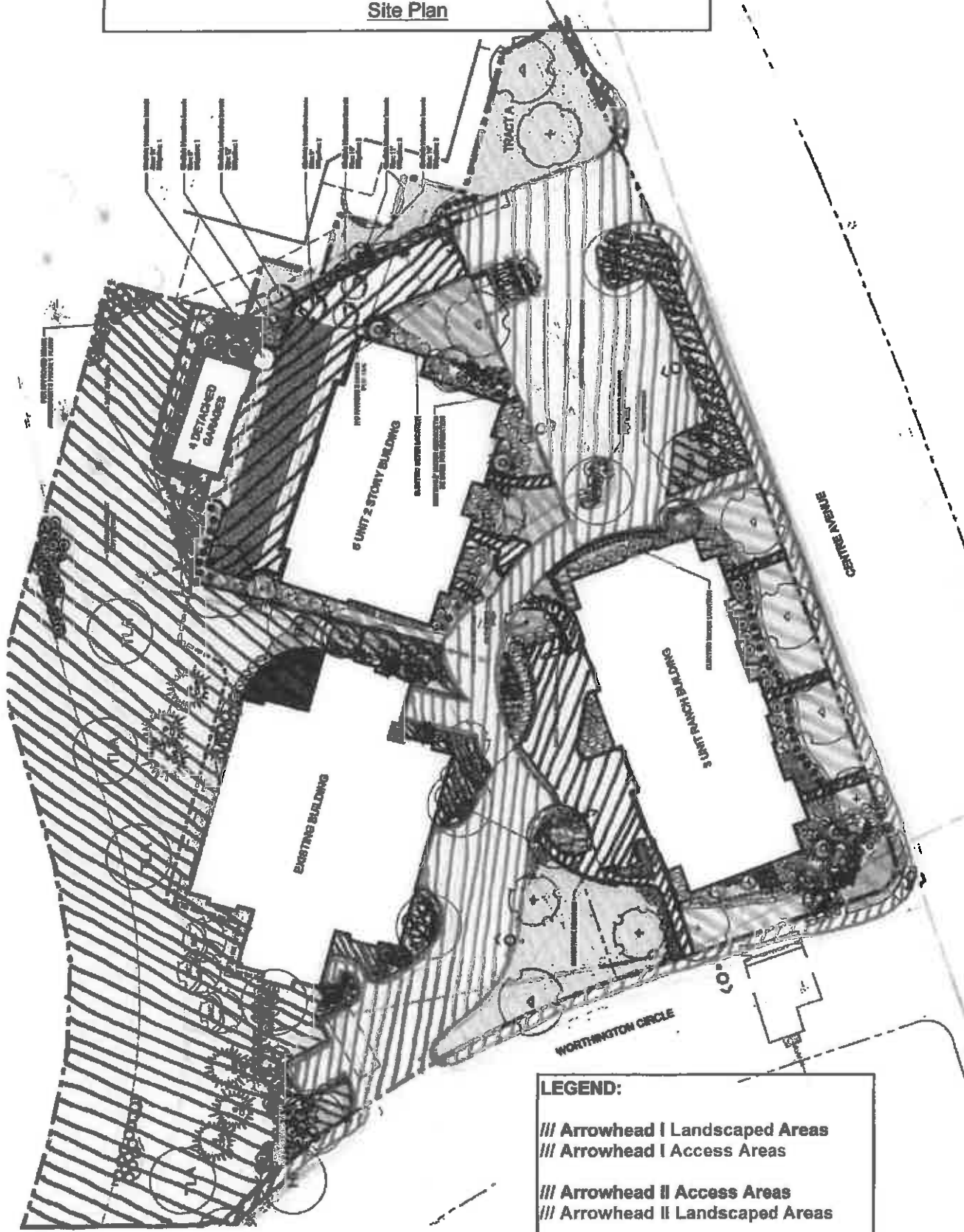
EXHIBIT A TO EASEMENT AND COST SHARING AGREEMENT
Site Plan



LEGEND:

- /// Arrowhead I Landscaped Areas
- /// Arrowhead I Access Areas
- /// Arrowhead II Access Areas
- /// Arrowhead II Landscaped Areas

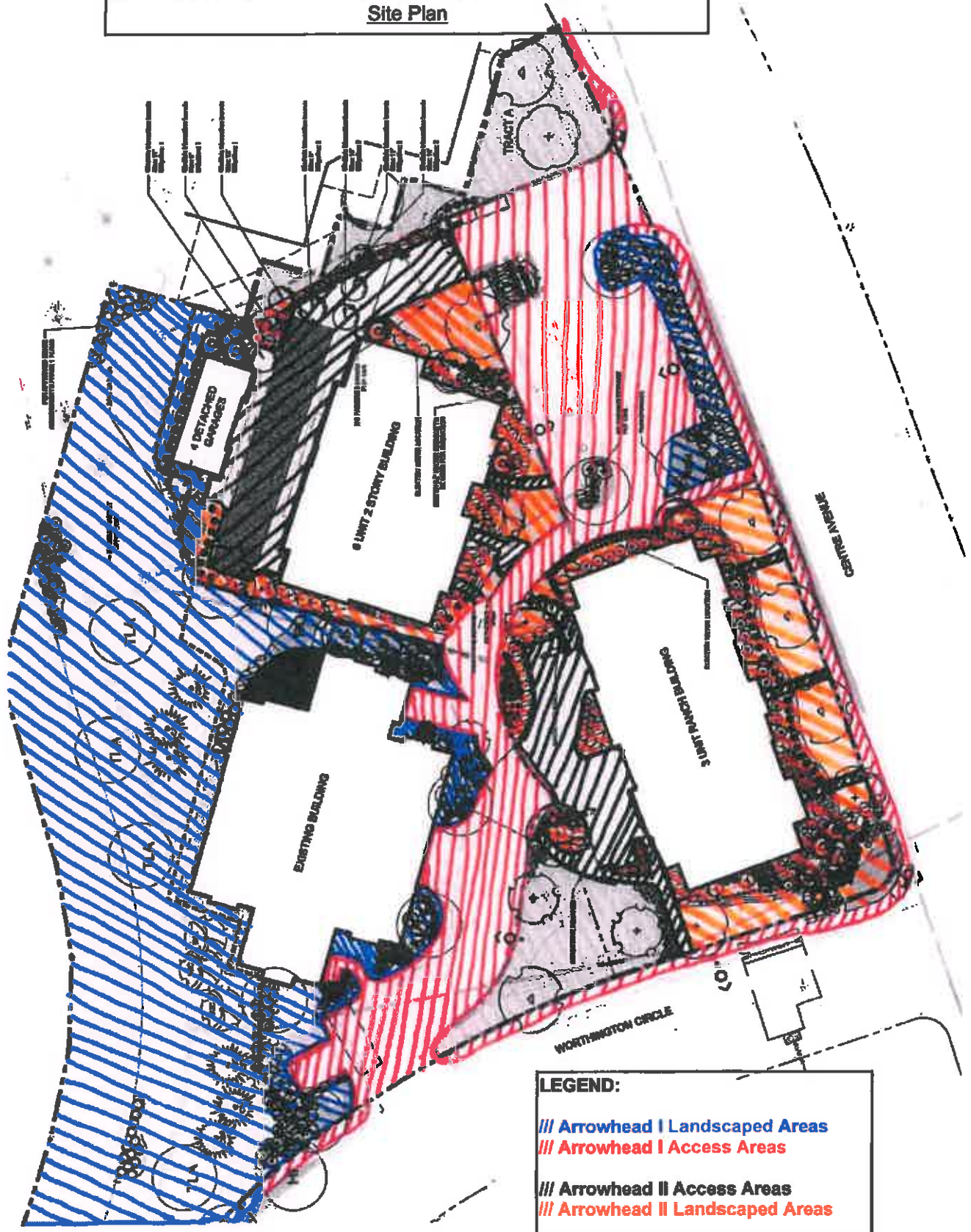
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