

**\*AMENDMENT**

**CONDOMINIUM DECLARATION**

**FOR**

- Adriel Hills - First Filing (A Condominium)
- Adriel Hills - Second Filing (A Condominium)
- Adriel Hills - Third Filing (A Condominium)
- Adriel Hills - Fourth Filing (A Condominium)
- Adriel Hills - Fifth Filing (A Condominium)
- Adriel Hills Two - First Filing (A Condominium)
- Adriel Hills Two - Second Filing (A Condominium)
- Supplement No. 1 Adriel Hills Two - Second Filing (A Condominium)
- All Land Described in Exhibit "A" Attached Hereto

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\* As filed with Map, May 14, 1975, Rec. # 116340

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KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the undersigned being all the owners, holders of any recorded mortgages or trust deeds and Adriel Hills Condominium Association, a Colorado corporation not for profit, and Adriel Hills Two Association, a Colorado corporation not for profit, hereinafter called "Owners", hereby make this Amended Declaration to all that real property situate in the County of Larimer, State of Colorado, described as follows, to-wit:

The legal description is set forth on Exhibit "A" attached hereto and incorporated herein by reference;

the above described property being hereinafter referred to as "the Property"; and

WHEREAS, Owners desire by this Amended Declaration to revoke and terminate the Declarations of Adriel Hills - First Filing (A Condominium), Adriel Hills - Second Filing (A Condominium), Adriel Hills - Third Filing (A Condominium), Adriel Hills - Fourth Filing (A Condominium), Adriel Hills - Fifth Filing (A Condominium), Adriel Hills Two - First Filing (A Condominium), Adriel Hills Two - Second Filing (A Condominium), and Supplement No. 1 Adriel Hills Two - Second Filing, in each and every respect, except for the map filed contemporaneously with the Declarations as provided in Paragraph 2 of the Declarations, and to replace all of said revoked and terminated Declarations with this Declaration. The Owners further desire to add additional lands under this Declaration as more fully described above and in the map filed contemporaneously herewith, as more fully provided in Paragraph 2 of this Declaration; and

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

I. Revocation and Termination.

The following Declarations are hereby revoked and terminated, to-wit:

Adriel Hills - First Filing (A Condominium)  
Adriel Hills - Second Filing (A Condominium)  
Adriel Hills - Third Filing (A Condominium)  
Adriel Hills - Fourth Filing (A Condominium)  
Adriel Hills - Fifth Filing (A Condominium)  
Adriel Hills Two - First Filing (A Condominium)  
Adriel Hills Two - Second Filing (A Condominium)  
Supplement No. 1 Adriel Hills Two - Second Filing (A Condominium)

II. Condominium Declaration.

\*The Declarants (Owners) do hereby incorporate the above preamble herein by reference as fully as if the same were set forth herein and do hereby publish and declare that the following Declaration shall run with the Property described in Exhibit "A" attached hereto and incorporated herein by reference, to-wit:

1. Definitions:

A. All applicable portions of definitions as contained in 1963 Colorado Revised Statutes, Chapter 118-15-3 shall apply to this Declaration and the property except as particularly modified or changed by individual definitions hereinafter contained.

B. "Unit" means an individual air space which is contained within the perimeter walls of each such unit in a building as shown on the condominium map, together with the garage shown as a part of the unit; and together with all improvements and fixtures contained therein, but not including any of the structural components of the building within which such air space is located.

✓ C. "Condominium Unit" means the fee simple interest and title in and to the Unit and the appurtenant undivided interest in and to the general and limited common elements.

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

E. "Map", "plans", "Condominium Plat", or "Condominium Map" means and includes the engineering survey of the property locating thereon all of the improvements and designating the buildings and units.

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

G. "General Common Elements" (G.C.E.) means the land first hereinabove described; the structural components of the buildings thereon; and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in common use, including

the air space above such land except those air spaces identified on the maps as units, all of which shall be owned, as tenants in common, by the owners of the separate units, each unit owner having an equal undivided interest in such general common elements.

\*H. "Limited Common Elements" means those parts of the general common elements which are either limited to and reserved for the exclusive use of a unit owner or are limited to and reserved for the common use of more than one but fewer than all of the unit owners, all as shown on the maps or as may be subsequently determined by the association of Unit Owners. Limited Common Elements (L.C.E.) shall include by way of specific designation, and not by way of limitation, patios, entrance patios, carports, courtyards, porches, storage areas, concrete pads, balconies, decks, fenced enclosures, and any other area or improvement that may be designated on one or more of the maps of the Association's common property, or that may be subsequently reserved for that purpose by the Association's Board of Directors. Provided, however, that if the Board grants its approval, after the date of this amendment, to a written request by a unit owner or owners for alteration of an existing Limited Common Element adjacent or appurtenant to their unit, or units, that the Board will enter into a written contract for maintenance and/or replacement providing for the assumption, by the unit owners, of appropriate costs for maintenance and/or replacement, as determined by the Board. The contract is discretionary with the Board, and may be waived if a determination is made by a majority vote of the Directors that maintenance or replacement of the alteration approved will not result in an increase in the operating expense of the Association. The contract will be recorded against the deed or deeds of the units that benefit from the alteration, and a copy will be retained by the Association.

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

J. "Common Expenses" means and includes expenses for maintenance, repair, operation, management and administration; expenses declared common expenses by the provisions of this Declaration and by the By-Laws and Articles of Adriel Hills Condominium Association; and all sums lawfully assessed against the general common elements by the Association.

K. "Association of Unit Owners" or "Association" means Adriel Hills Condominium Association, a Colorado corporation not for profit, the Articles and By-Laws of which shall govern the administration of this condominium property, the members of which shall be all of the unit owners in the entire property and premises.

L. Short Title. "Adriel Hills - Over-all Filing" shall be the short title of this Declaration and the map filed contemporaneously herewith. When citing this Declaration and map for all

legal purposes it may be cited as "Adriel Hills - Over-all Filing" and supplements thereto may be cited as "Adriel Hills - Over-all Filing Supplement No. \_\_\_\_".

M. Developer. "Developer" shall mean the owner or owners of all portions of Adriel Hills - Over-all Filing, except unit owners.

2. Condominium Map: A map shall be filed contemporaneously with this Declaration and the map shall show the location of Adriel Hills - First Filing, Adriel Hills - Second Filing, Adriel Hills - Third Filing, Adriel Hills - Fourth Filing, Adriel Hills - Fifth Filing, Adriel Hills Two - First Filing, Adriel Hills Two - Second Filing, and Supplement No. 1 Adriel Hills Two - Second Filing, all of which is incorporated by reference and made a part of said map, and the map shall further show the balance of the property in Adriel Hills - Over-all Filing. The map filed contemporaneously herewith shall designate maximum density in certain designated areas and areas set aside for open space and recreation. Upon substantial completion of a building or buildings, and prior to the first conveyance of a condominium unit, Developer shall cause to be filed for record a map, and such map may be filed in parts or sections, from time to time, as the units are substantially completed. Each section of the map filed subsequent to the first map filed shall be termed a supplement to such first map and the numerical sequence of such supplements shall be shown thereon. The map shall depict and show at least the following; The legal description of the land and a survey thereof; the location of the building(s), the location of the unit(s) within the building(s), both horizontally and vertically; the perimeter boundary of each unit and the location therein of any structural components or supporting elements of the building; the thickness of the common wall(s) between units and the unit numbers or other designations; elevation of all floors and ceilings; and designation of the limited common elements and the general common elements. There shall be filed for record as part of any map the certificate of a Registered Professional Land Surveyor, certifying that the data and information shown on such map is a survey of the condominium property, that it was made under his supervision, and that it is an accurate delineation of the survey.

In interpreting the map, the existing physical boundaries of each separate unit as constructed shall be conclusively presumed to be its boundaries. Developer reserves the right to amend a previously recorded map from time to time in order to conform such map to the actual location of any of the constructed improvements, and Developer further reserves the right to amend any plat or map in order to vacate, extend the use to other property, establish or relocate easements, access roads and off-site parking areas including, but not limited to, easements constructed as provided in paragraphs 12 and 19, infra, and for access to the recreational areas referred to in paragraph 19, infra. The right herein granted to the Developer to amend previously recorded maps shall not grant to the Developer the right to construct more than 270 units, relocate major roads or construct buildings except where reserved on the over-all map filed contemporaneously herewith. All easements shown on any map are reserved to Developer for such use and disposition as Developer deems appropriate, provided ingress and egress easements are granted as stated in paragraph 7, infra.

The Declarants herein declare that pursuant to the reservations contained in the maps for Adriel Hills - First Filing, Adriel Hills - Second Filing, Adriel Hills - Third Filing, Adriel Hills - Fourth Filing, Adriel Hills - Fifth Filing, Adriel Hills Two - First Filing, Adriel Hills Two - Second Filing, and Supplement No. 1, Adriel Hills Two - Second Filing, the easements, roads, drives and general common elements reserved and dedicated therein and/or as constructed shall extend to this filing and that the easements, roads, drives and general common elements reserved and dedicated herein shall extend to all prior filings of Adriel Hills and Adriel Hills Two.

\*3. Limited Common Elements: A portion of the general common elements is set aside and reserved for the use of the individual owners of units as follows: Exclusive use - patio, entrance patio, carport, court yard, porches and storage area adjoining and associated with a unit shall be used exclusively by the owner of such unit and his guest, notwithstanding any other provisions of this Declaration. Each owner shall be responsible for keeping his patio, entrance patio, court yard, carport, porch and storage area in a slightly condition, free from snow, ice and debris of any kind. On the other hand, the Association shall be responsible for the care of lawns, shrubs, and trees within such Limited Common Elements and for the maintenance of structures such as fences, gates, and concrete work appurtenant to such Limited Common Elements; PROVIDED HOWEVER, that any unit owner will assume responsibility for the care of such lawns, shrubs, and trees within an enclosed Limited Common Element adjacent to the owner's unit.

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

A. One unit, each such unit to be identified and located on the condominium map and supplements thereto.

B. As each unit is added an appurtenant undivided 1/270 interest in and to the general common elements as shown on the map shall vest, being all areas not shown as units or reserved for future buildings in paragraph 2, supra. When 270 units have been declared on the map all undivided interests shall be fixed. However, notwithstanding anything to the contrary, on January 1, 1995, the total number of units shown on the Adriel Hills - Over-all Filing and Supplements thereto shall determine the amount of the fractional vested interest in the general common elements and at that time each unit shown, not to exceed 270 units, shall have an equal vested interest in the general common elements.

C. Developer reserves the right to construct on or before January 1, 1995, 270 condominium units on the property described in Exhibit "A", together with the right and easement for access across said property for construction.

D. The limited common elements allocable to each unit as described at paragraph 3, supra.

5. Inseparability of a Condominium Unit: Each unit and the undivided interest in the general and limited common elements appurtenant thereto shall be inseparable and may be conveyed, leased, rented or encumbered only as a condominium unit.

6. Non-Partitionability of General Common Elements: The general common elements shall remain undivided and no owner shall bring any action for partition or division thereof. Nothing contained herein shall be construed as a limitation of the right of partition of a condominium unit between the owners thereof, but such partition shall not affect any other condominium unit.

7. Description of Condominium Unit: Every contract for the sale of a condominium unit written prior to the substantial completion of the building in which it is to be located and prior to the filing of the map may legally describe a condominium unit by its identifying unit and building designation followed by the words "Adriel Hills - Over-All Filing", with further reference to the map thereof to be filed for record and the recorded Declaration. Subsequent to the filing of the map on which such unit is designated, every contract, deed, lease, mortgage, trust deed or other instrument may legally describe such condominium unit by its identifying unit designation and building designation as shown on the map or maps followed by the words "Adriel Hills - Over-All Filing", with further reference to the map filed for record and the recorded Declaration.

Every such description shall be deemed good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect the unit, the general common elements, and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from the unit and the general and limited common elements appurtenant thereto.

8. Ownership - Title: A condominium unit may be held and owned by more than one person as joint tenants, or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Colorado.

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

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

\*11. Use and Occupancy: Each unit shall be used and occupied only as and for residential purposes; provided the Developer and his employees, representatives, agents and contractors may maintain a business and sales office in newly constructed, but unsold units, and construction facilities, yards and other facilities on the undeveloped portion of the project, during development and sale of the project. There shall be no restriction against an owner of a unit or units renting and/or leasing a unit



or units for residential purposes, or any part of a unit or units, provided however that the owner of any such rented unit shall be responsible for any damage to the property or persons or family of any other unit owner or any damage to real and personal property of the Association, including the recreational facilities, or any damage resulting from a violation of Rules promulgated by the Association's Board of Directors.

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

There is hereby created a blanket easement upon, across, over and under the above described property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones, and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said buildings and units therein. All telephone and electrical service lines shall be run underground. 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 Developer of said property or thereafter approved by said Developer or 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.

It is expressly understood that there may be appurtenant to some units fireplaces located in walls common to two units. An easement is hereby reserved in favor of each unit for the purpose of maintenance, utilization, repair or replacement of the said fireplace by the respective unit owners. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements or the units.

13. Mechanic's Lien Rights and Indemnification: Subsequent to the completion of the improvements described on the map, no labor performed or materials furnished and incorporated in a unit with the consent of or at the request of the unit owner thereof, or his agent, or his contractor or subcontractor shall be the basis for filing a lien against the condominium unit of any other owner not expressly consenting to or requesting the same. Each unit owner shall indemnify and hold harmless

each of the owners from and against all liability arising from the claim of any lien against the condominium unit of any other owner for construction performed, or for labor, materials, service or products incorporated in the unit owner's unit at such unit owner's express or implied request. The provisions herein contained are subject to the rights of the Association as set forth in paragraph 15.

14. Administration and Management: The administration of the condominium property shall be governed by the By-Laws of Adriel Hills Condominium Association, a Colorado corporation not for profit, hereinafter referred to as the "Association". All unit owners shall become a member of the Association upon conveyance to him of his condominium unit and shall remain a member for the period of his ownership.

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

\*16. Unit Owners' Maintenance Responsibility of Unit: For purposes of maintenance, repair, alteration and remodeling each unit owner shall be deemed to own the interior non-supporting walls, the material (such as, but not limited to, plaster, gypsum, dry wall, paneling, wallpaper, paint, wall and floor tile, and floorings), making up the finished surfaces of the perimeter walls, ceilings and floors within the unit and the unit doors and windows. The unit owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as utilities) running through his unit which serve one or more other units except as a tenant in common with the other unit owners. Such utilities shall not be disturbed or relocated by any unit owner without the written consent and approval of the Association. Any right to repair, alter and remodel shall carry the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An unit owner shall maintain and keep in repair the interior of his unit, foundation and concrete work, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the utilities

\* Amended 6/9/82

enter the unit shall be maintained and kept in repair by the unit owner thereof. Unit owners shall do no act nor work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. The Association shall not be responsible for the foundation or other concrete work making up a unit, such responsibility shall be that of the unit owner, nor shall the Association be responsible for the maintenance or repair (except painting) of any additions, such as solar energy installations, skylights, deck enclosures, etc., which the unit owner may have added at his/her own expense, with the permission of the Board of Directors, to the building in which the unit is located; such responsibility shall be that of the unit owner. The Association shall not be liable for any failure of water supply, or other service to be obtained and paid for by the Association hereunder, or for injury or damage to person or property caused by the elements, or by another unit owner or person in the project, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of the buildings or from any of its pipes, drains, conduits, appliances or equipment or from any other place, unless caused by gross negligence of the Association or its agents.

17. Compliance with Provisions of Declaration, By-Laws of Association: Each unit owner shall comply strictly with the provisions of this Declaration, the Certificate of Incorporation and By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief, or both, maintainable by the Association on behalf of the unit owners, or, in a proper case, by an aggrieved unit owner.

18. Revocation or Amendment to Declaration: Except as is otherwise provided herein, this Declaration shall not be revoked nor shall any of the provisions herein be amended unless: (A) the consent and permission of the Association be first obtained, and (B) unless the consent of 70 percent, or more, of the unit owners representing the aggregate ownership interest in the general common elements be first obtained, EXCEPT, that no amendment to or revocation of this Declaration effecting the unit owners undivided interest in the general common elements shall be made without 100 percent consent of the unit owners, and (C) the consent of all of the holders of any recorded mortgages or trust deeds be first obtained. Such consents, and each of them, shall be evidenced by recorded instruments.

19. Assessment for Common Expenses: The Association has heretofore entered into two agreements for the use and/or maintenance of the general common elements, recreation building and swimming pool, one agreement dated the 18th day of October, 1971, and the other dated the 8th day of January, 1972, and now by this Declaration, all the parties hereto being all the parties to said agreements, now by mutual consideration do hereby terminate, revoke and forever discharge all promises, covenants and terms of said prior agreements.

For the purpose of replacing the above agreements the Association has entered into a new agreement with the Developer dated the 9th day

of May, 1975, said agreement being attached hereto and incorporated herein by reference.

The unit owners shall in addition to the obligation contained within the agreement attached hereto be bound to pay all other assessments properly assessed by the Association as provided in this Declaration, the Articles of Incorporation of the Association, and the Association By-Laws. The Association shall have the right, upon the consent and approval of seventy percent (70%) or more of the unit owners representing the aggregate ownership interest in the general common elements, to purchase and/or construct additional recreation facilities such as, but not limited to, golf course, swimming pools, recreation buildings, tennis courts, play grounds, etc., and when constructed the same shall be a general common element, the cost and expense of which shall be assessed equally to all the unit owners as a common expense.

The Developer shall commence to pay common expenses to the Association upon completion and occupancy of each unit while owned by the Developer.

\*That commencing on the first day of May, 1975, all unit owners shall be obligated to pay the estimated assessments imposed by the Association to meet the common expenses attributable to the property. The assessment shall be made pro rata to the owner of each unit, except that assessments for insurance premiums shall be based upon the proportion of the total premiums that the insurance carried on an individual condominium unit bears to total coverage. Assessments for the estimated common expenses, including insurance, shall be due monthly in advance on the first day of each month. The Association shall prepare and deliver to each owner a monthly statement for the estimated actual expenses.

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

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

\* Amended 6/9/82

well as other costs and expenses relating to the general common elements.

\*The Association shall be responsible for the outside maintenance of all buildings, the cost of replacing trees, shrubs, and other plantings which are located on its common property, including those on Limited Common Elements (unless the replacement is covered by a contract executed by the Board under Declarations Section "H" on page 3), and the cost of repairing or replacing concrete and wood on Limited Common Elements. The cost and expense of such maintenance and capital improvements shall be a common expense of the Association.

\*Thirty-four (34) units located in six (6) separate buildings in Adriel Hills are served by central gas, water and sewer to each building. Therefore, the cost of said water to each building shall be divided by the number of units in the building. The cost of said gas shall be prorated by the square footage of the individual units, and the unit owner shall be billed by the Association each month for his share of said services. Sewer charges are directly billed to the unit owners. A schedule of said buildings and units is attached hereto on Exhibit "B" and made a part hereof by reference.

20. Insurance: The Association shall obtain and maintain at all times insurance of the type and kind provided in paragraph 19, supra, and including such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominium buildings, fixtures, equipment and personal property, similar in construction design, all issued by responsible insurance companies authorized to do business in the State of Colorado. The insurance shall be carried in blanket policy form naming the Association the insured as attorney in fact for the condominium unit owners of units committed to the Association, and shall identify the interest of each unit owner (unit owner's name, unit number, building symbol or designation, and the map and Declaration under which the condominium was established). The policy or policies shall provide a standard non-contributory Mortgagee clause in favor of each first Mortgagee, providing in part that no policy shall be cancelled by either the insured or the insurance company until after ten (10) days prior written notice is first given to each unit owner and each first Mortgagee. The Association shall furnish a certified copy of such blanket policy and the certificate identifying the interest of the mortgagor to any party in interest at request. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of a particular unit owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that unit owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy as to the interest of all other insured unit owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Insurance coverage on the furnishings and other items of personal property belonging to an unit owner, and casualty and public liability

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insurance coverage within each individual unit shall be the responsibility of the unit owner thereof. (Tenants form Homeowner's Insurance or other non-occupancy owner's insurance).

The Association shall, at least annually, obtain an appraisal for insurance purposes which shall be maintained as a permanent record, showing that the insurance in any year represents 100 percent of the replacement value of each unit and the recreational facilities vested in the Association.

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

\*If any unit owner shall fail or refuse to make any such payment of the common expenses or assessments when due, the amount plus three percent (3%) service charge per month on the unpaid balance plus any expense incurred in collecting delinquency including attorney fees, court costs, etc., shall constitute a lien on the condominium interest of such owner and, upon the recording of notice thereof by the Association with the Clerk and Recorder of Larimer County, Colorado, the lien shall be concomitant with said recording, attach and constitute a lien upon such unit owner's interest in the condominium property.

To evidence such lien for unpaid assessments, the Association shall prepare a written notice setting forth the amount, the name of the unit owner and a description of the condominium unit. Such notice shall be signed on behalf of the Association by an officer of the Association and shall be recorded in the office of the Clerk and Recorder of the County of Larimer. Such lien shall attach from the date of the recording. Such lien may be enforced by foreclosure by the Association of the defaulting unit owner's condominium unit in like manner as mortgages on real property. The lien provided herein shall be in favor of the Association and for the benefit of all the unit owners who are members of the Association. In any such foreclosure, the unit owner shall be required to pay the costs and expenses of such proceedings, and attorney's fees for filing the notice of claim of lien and all reasonable attorney's fees in connection with such foreclosure. The unit owner shall also be required to pay to the Association the monthly assessment for the condominium unit during the period of foreclosure and the Association shall be entitled to a receiver to collect the same. The Association on behalf of the unit owners shall have the power to bid in the condominium unit at foreclosure sale and to acquire, hold, lease, mortgage and convey same. The Association shall send to each first Mortgagee a copy of the notice of lien provided for herein. Any encumbrancer holding a lien on a condominium unit may, but shall not be required to, pay any unpaid common expense payable with respect thereto and upon such payment, such encumbrancer shall have a lien on such unit for the amounts paid, of the same rank as the lien of his encumbrance.

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

23. Liability for Common Expenses upon Transfer of Condominium Unit is Joint: Upon payment of a reasonable fee not to exceed \$20.00 and upon the written request of any unit owner, any Mortgagee, or any prospective Mortgagee of a condominium unit, the Association shall issue a written statement setting forth the amount of the unpaid expenses assessed to such unit, if any, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within 10 days, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement notwithstanding the prior recording of a lien notice as provided in paragraph 21, supra.

The grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed \$20.00, and upon written request any such prospective grantee shall be entitled to a statement from the Association setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to payments or for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association. In the event such request for a statement of indebtedness shall not be complied with within 10 days of such request, then such grantee shall not be liable for, nor shall the condominium unit conveyed be subject to lien for any unpaid assessments against the subject unit.

24. Mortgaging a Condominium Unit - Priority: Any unit owner shall have the right from time to time to mortgage or encumber his interest by Deed of Trust, Mortgage or other security interest. A first mortgage shall be one which has first and paramount priority under applicable law. The unit owner may create junior mortgages on the following conditions: (1) that any such junior mortgages shall always be subordinate to all terms, conditions, expenses, and other obligations created by this Declaration and by the By-Laws; (2) that the 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, which insurance policies were affected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if not granted, may be executed by the Association as attorney in fact for such junior mortgagee.

\*25. Association - Attorney in Fact: This Declaration does hereby make mandatory the irrevocable appointment of an attorney in fact for the purpose of: (1) dealing with the property upon its damage, destruction or obsolescence; (2) filing written petitions with the Board of Directors of the East Larimer County Water District requesting that the entire premises or property be included within the boundaries of said East Larimer County Water District; (3) doing all necessary acts in order to complete the inclusion of the entire premises or property within the East Larimer County Water District; and (4) entering into negotiations, contracts, and agreements with the East Larimer County Water District relating to water service provided by said East Larimer County Water District. 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 from the Developer or from any unit owner shall constitute appointment of the attorney in fact herein provided. All of the unit owners irrevocably constitute and appoint Adriel Hills Condominium Association, a Colorado Corporation, not for profit, their true and lawful attorney in their name, place and stead for the purposes stated herein. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a unit owner which may be necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding sub-paragraph means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and general and limited elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacement as is hereinafter provided.

(A) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney in fact, to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, rights and power, as attorney in fact, to cause the repair and restoration of the improvements.

(B) If the insurance proceeds are insufficient to repair and reconstruct the improvements and if such damage is not more than fifty percent of the replacement value of the condominium units, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney in fact, using the proceeds of insurance on the condominium units in the building or buildings which have been damaged or destroyed and the proceeds of an assessment against the unit owners and units in such building or buildings. The deficiency assessment shall be an expense



assessed only to the unit owners in destroyed or damaged buildings in the ratio of the number of units in each such damaged or destroyed building. No such unit owner shall have any right of contribution, or other claim relating to such damage or destruction, against any other unit owner. Such deficiency assessment shall be in an amount determined exclusively and finally by the Association (after consulting with such unit owners, appraisers, and others as it deems appropriate) 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 or restoration of the improvements, using all of the insurance proceeds for such purpose notwithstanding the failure of a unit owner to pay the assessment. The assessment provided for herein shall be a debt of each unit owner as aforesaid 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 unit 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 unit owner shall be sold by the Association as attorney in fact under the provisions hereof. 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 a first mortgage.
2. For payment of taxes and special assessment liens in favor of any assessing entity.
3. For payment of unpaid common expenses.
4. For payment of junior liens and encumbrances in the order of and to the extent of their priority.
5. The balance remaining, if any, shall be paid to the unit owner.

(C) If more than fifty percent of the replacement value of the condominium units, not including land, are destroyed or damaged, and if the unit owners representing an aggregate ownership interest of seventy percent, or more, of the general common elements, do not voluntarily, within 100 days thereafter, make provisions for reconstruction, which plan must be approved by the Association and have the unanimous approval or consent of every first Mortgagee, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the entire premises with all property of the Association shall be sold by the Association, as attorney in fact, for all of the unit owners, free and clear of the provisions contained in this Declaration, the map and the By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided between the unit owners of the damaged units in accordance with the degree of the casualty loss as determined and directed by the insurer and as their respective interest appears on the policy. 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 number of the units, building symbol and the name of the unit 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 full payment of the lien of any first mortgage against the condominium unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each condominium unit owner's interest in the general common elements after giving proper equitable consideration to the insurance proceeds credited to each account. The total funds of each account shall be used and disbursed, without contributions 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 sub-paragraph (B) of this paragraph.

If the owners representing an aggregate ownership interest of seventy percent, or more, of the general common elements adopt a plan for the reconstruction, which plan has the approval of the Association and the unanimous approval of all first Mortgagees, then all of the unit owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a common expense and made pro rata according to each unit owner's fractional 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 or restoration of the improvements; using all of the insurance proceeds for such purpose notwithstanding the failure of an unit owner to pay the assessment. The assessment provided for herein shall be a debt of each unit 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 unit 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 unit owner shall be sold by the Association, as attorney in fact, for the same purposes and in the same order as is provided in sub-paragraph (B) of this paragraph.

(D) The unit owners representing an aggregate ownership interest of seventy percent, or more, of the general common elements may agree that the condominium units are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of the Association and the unanimous approval of all 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 plan executed by the President and Secretary of the Association shall be recorded, and the expense of the renewal and reconstruction shall be payable by all of the unit owners as common expenses; whether or