

Rams Horn Village

Condominium and Fractional Ownership Declaration

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CONDOMINIUM AND FRACTIONAL OWNERSHIP DECLARATION

FOR

RAMS HORN VILLAGE, A CONDOMINIUM

I. RECITALS

RAO Corporation, a Michigan Corporation ("Declarant"), is the owner of the real property situated in the County of Larimer, State of Colorado, more particularly described in Exhibit A hereto (the "Real Property").

Declarant desires to establish a condominium project under the Condominium Ownership Act of Colorado (the "Act") and to subject the condominium units within the condominium project to certain limitations and restrictions of fractional ownership. Declarant further desires to define the character, duration, rights, obligations, and limitations of condominium and fractional ownership. A condominium map and supplements thereto will be filed from time to time showing the location of the buildings and condominium units on the Real Property, which as added by supplemental map shall be subject to this Declaration. Declarant may add additional lands to the Declaration.

Declarant does hereby establish a plan for the ownership of real property estates in fee simple consisting of the air space contained in each of the units in the Real Property and the co-ownership, by the individual and separate owners thereof, as tenants in common of the Real Property, which ownership shall be subject to the division, limitations, restrictions, covenants and conditions of time share ownership provided for in this Declaration.

II. DECLARATION

Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations touch and concern the Real Property and are intended and shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the Real Property that is subject to this Declaration and improvements built thereon, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions. As used in this Declaration, unless otherwise expressly provided:

(a) "Allocable Share" means, for each Time Period, a fraction, the numerator of which is one (1) and the denominator of which is fifty-one (51), except with respect to Maintenance Periods and Calendar Adjustment Periods, which shall have an Allocable Share equal to zero.

(b) "Association" means the Rams Horn Village Owners' Association, a Colorado nonprofit corporation, its successors and assigns, the members of which shall be all of the Owners, including the Declarant.

(c) "Board" and/or "Board of Managers" means the board of directors of the Association.

(d) "Building" means any building improvement located on the Real Property containing Units or any General Common Elements as shown on the Map.

(e) "Bylaws" means the bylaws of the Association as in effect from time to time.

(f) "Calendar Adjustment Period" means that Time Period in each Fractional Unit which, from time to time, shall constitute a 53rd week in a calendar year and which shall be the property of the Association and may be used by the Association as determined by the Board of Managers.

(g) "Condominium" means a Unit together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or nonexclusive use of Limited Common Elements associated therewith.

(h) "Condominium Units" means all of the Units which from time to time shall be subject to this Declaration and known as Rams Horn Village, a Condominium.

(i) "Declaration" means this instrument and all amendments or supplements hereto hereafter recorded in the records of Larimer County, Colorado.

(j) "First Lienor" means the holder of a promissory note, payment of which is secured by a first mortgage or first deed of trust encumbering and interest in a Condominium. "Mortgage" shall include a deed of trust and "Mortgagee" shall include the beneficiary of a deed of trust.

(k) "General Common Elements" means" (i) the real property that at any time is subject to this Declaration, exclusive of Units, (ii) the foundations, columns, girders, beams, supports, perimeter and supporting walls, roofs, balconies, flues, fire suppression systems, entrances and exits of

any Building plus all furniture, fixtures and equipment contained in or used in connection with any of the foregoing; (iii) the installations, equipment and materials making up the central services such as power, light, gas, water, heating and refrigeration; (iv) the tanks, pumps motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use; (v) all parking and recreational facilities included from time to time within the Project; (vi) all other parts of the premises that are subject to this Declaration but which are not part of a Unit, and may be designated on the Map as "GCE"; (vii) Unit No. 10, the manager's home; and (viii) Unit No.1, the common use building.

(l) "Rams Horn Village Condominiums" means the Condominium Units subject to this Declaration.

(m) "Limited Common Elements" means the part of the General Common Elements assigned for the exclusive or non-exclusive use and enjoyment of the Owner or Owners of one or more but not less than all Condominiums and may be designated on the Map as "LCE". Limited Common Elements shall also include the furniture and furnishings in the Unit.

(n) "Maintenance Period" means that Time Period in each Condominium which shall be conveyed to the Association by Declarant, during which period the Association or its agent shall service, clean, repair, maintain and refurbish the Unit.

(o) "Managing Agent" means any managing agent appointed by the Association pursuant to any Management Agreement.

(p) "Management Agreement" means any management agreement entered into by the Association pursuant to Section 9.

(q) "Map" means the condominium map described in Section 6 and supplemental maps.

(r) "Owner" or "Fractional Owner" means any individual or individuals, corporation, partnership, association, trust or other legal entity, or combination of legal entities, that is the record owner of one or more Fractional Ownership Estates.

(s) "Additional Lands" means land other than the Real Property that may be, but need not be, added to the lands governed by this Declaration.

(t) "Premises", "Project" and "Condominium Project" means, collectively, the Real Property, Additional

Lands, all Buildings and all other improvements now or hereafter located on the Real Property and the Additional Lands.

(u) "Recreational Facilities" means that outdoor heated swimming pool located on the Premises and any other facilities now or hereafter designated as Recreational Facilities by the Association.

(v) "Rules and Regulations" means the rules and regulations adopted by the Association and in effect from time to time.

(w) "Fractional Ownership Estate" means an undivided fee simple fractional interest in a Condominium during a designated Time Period or Time Periods as tenants in common with other Fractional Owners of the same Condominium.

(x) "Fractional Ownership Expenses" means (i) all expenses expressly declared to be common expenses and time share expenses by this Declaration or by the Bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the Fractional Units and all fixtures, improvements, furniture, furnishings, equipment, appliances, utilities, utensils or other materials contained in or used in connection with the Fractional Units; (iii) insurance premiums for the insurance carried under Section 13; and (iv) all expenses lawfully determined to be time share expenses by the Board of Managers.

(y) "Time Period" means each seven-night period specified in a deed to a Fractional Owner as the time during which the Fractional Owner, his heirs, personal representatives, successors and assigns, shall have the exclusive right to use and occupy a Fractional Unit. Time Periods are computed and assigned to the Fractional Owners as set forth in Exhibit B.

(z) "Unit" means an individual air space unit contained within the perimeter walls, floors, ceilings, windows and doors of a unit in any Building which is subject to the provisions of this Declaration, and where found along such walls, floors and ceilings, including the interior surfaces of built-in fireplaces with their flues in the closed position, as shown on and described in the Map, together with: (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such unit's perimeter walls, floors and ceilings; (iii) the doors and windows of the unit; and (iv) the interior nonsupporting walls within the unit. The term does not include, however, the undercoated or unfinished surfaces of the perimeter walls, floors or ceilings of a unit, any utilities running through the unit which serve more than one unit, or any

other General Common Element or part thereof located within the unit.

2. Grant and Submission. Declarant hereby grants, conveys and submits to condominium and fractional ownership all of its rights, title and interest in the Premises.

3. Division of Premises into Estates: Use and Occupancy of Condominiums.

(a) The first phase of the development of the Premises shall consist of seven (7) buildings containing eight (8) Units, a building containing the manager's residence and office, and a building for common use of the Owners. The Declarant reserves the right to construct and to dedicate as condominiums additional buildings and Units on the Premises that may contain twenty-two (22) Units. Therefore, the Premises are hereby initially divided into eight (8) Condominiums (with reservation for twenty-two (22) additional Condominiums), and each Condominium shall be divided into 52 undivided interests as tenants in common, each $1/52$ to be a Fractional Ownership Estate. Each Fractional Ownership Estate shall own an undivided $1/1560$ interest in the General Common Area. Each Condominium consists of a Unit, an undivided interest in the General Common Elements appurtenant to such Unit, and the exclusive or non-exclusive right to use and enjoy Limited Common Elements, as set forth on the Map and any supplement hereto. Declarant reserves the right to amend this Declaration and the Map from time to time to subject additional Buildings, Units and other improvements to be constructed on the Real Property or Additional Lands to the terms of this Declaration in accordance with Section 28. Nothing contained in this paragraph shall be deemed to obligate Declarant to cause to be constructed any such Buildings, Units or other improvements.

(b) Each Condominium shall be inseparable from its appurtenant undivided interest in General Common Elements and may be conveyed, leased, devised or encumbered only as a Condominium; provided, however, that each Condominium shall be subject to fractional ownership with no Fractional Owner owning more than $26/52$ of a Condominium. Title to a Fractional Ownership Estate may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-Owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of a Fractional Owner with respect to the Fractional Ownership Estate in which he owns an interest.

(c) Units shall be used and occupied solely for dwelling or lodging purposes. Owners may rent or lease Time Periods to others for these purposes.

4. Description of Condominium and Fractional Ownership.

(a) Every contract of sale, deed, lease, deed of trust, mortgage, will or other instrument affecting a Condominium shall state the unit number as shown on the Map, followed by the words "Rams Horn Village, a Condominium" and reference to this Declaration and to the Map to be filed for record. The contract of sale, deed, lease, deed of trust, mortgage, will or other instrument shall further (i) Indicate the number of Fractional Ownership Estates and (ii) contain the provisions for the Time Periods. Any instrument purporting to change a Time Period or to combine or divide Time Periods shall be null and void and of no force or effect, except when approved by the Association and all affected Owners; provided, however, the foregoing shall not limit the right of a Fractional Owner of a Fractional Ownership Estate containing more than one Fractional Period to convey or mortgage one or more but less than all of such Owner's Time Periods in accordance with the terms and conditions set forth herein.

(b) Every description made pursuant to this Section 4 shall be good and sufficient for all purposes to sell, convey, transfer, encumber, lease or otherwise affect not only the Condominium interest and the Time Period therein, but also the interest in the General Common Elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress throughout and for use of all General Common Elements except the Limited Common Elements, the exclusive or nonexclusive right to use appurtenant Limited Common Elements and all other easements, obligations, limitations, rights, encumbrances, covenants, conditions and restrictions created by this Declaration. The reference to the Map and Declaration in any instrument shall be deemed to include any supplements or amendments thereto without specific reference.

(c) Every deed shall contain a description of the Condominium and Time Period and a statement of acceptance of the Declaration, in form substantially as set forth below, which deed shall be recorded in the real property records of Larimer County, Colorado;

" _____ Fractional Ownership Estate(s) consisting of an _____ interest as tenant in common in Condominium Unit No. _____, Rams Horn Village, a condominium, according to the recorded map and the Declaration recorded the _____ day of _____, 1990, as Reception No. _____, together with the exclusive right to possession and occupancy of said Condominium during the _____(Red)

_____ (Blue) _____ (White) season for _____ Time
Period(s) subject to the Declaration."

5. Fractional Owners' Use Rights. Subject to the Rules and Regulations of the Association, each Fractional Owner shall have the right to use his Fractional Ownership Estate during the Time Period designated in his deed. The Time Periods are divided into three seasons, and the Time Periods float within the season as regulated by the Association (See Exhibit "B").

6. Condominium Map. Upon substantial completion of any Building, and prior to any conveyance by Declarant of a Fractional Ownership Estate, Declarant shall cause to be filed for record in Larimer County, Colorado, a Condominium Map which shall be sufficient under applicable Colorado law to properly locate the Condominium Units, which map may contain: (a) the legal description of the surface of the land; (b) the linear measurements and locations, with reference to the exterior boundaries of the land, or such Building and all other improvements built or to be built on the land; (c) the floor plans and linear dimensions of the interior of such Building including the units, the General Common Elements that are not a part of any Unit, and the Limited Common Elements; (d) the designation by number or other symbol of each Unit; (e) the elevation plans of such Building; and (f) the elevation of the unfinished interior surfaces of the floors and ceilings of such Building, including the Units, as established from a datum plane, the distances between floors and ceilings, and the linear measurements showing the thickness of the perimeter walls of such Building. 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. Declarant reserves the right to amend the Map from time to time by a recorded instrument to conform it to the actual location of any Building including all parts thereof and to establish, vacate and relocate easements and access road easements.

7. General Common Elements: Encroachments.

(a) The General Common Elements shall be owned in common by all the Owners and shall remain undivided. No Owner shall assert any right of partition with respect to the General Common Elements. Each Owner waives any and all rights of partition he may hold by virtue of his Ownership of an undivided interest in the General Common Elements as a tenant in common with the other Owners. This paragraph shall not, however, limit or restrict the right of partition of a single Fractional Ownership Estate among the respective co-Owners thereof, but such partition shall not affect any other Fractional Ownership Estate.

(b) Each Fractional Owner shall be entitled to use the General Common Elements (other than the Limited Common Elements) in accordance with the purpose for which they are intended, without hindering, impeding or imposing upon the rights of the other Owners and in accordance with Rules and Regulations duly established from time to time by the Association.

(c) If any portion of the General Common Elements now encroached upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the General Common Elements, as a result of the construction of any Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any Building, a valid easement for the encroachment and for the maintenance of the same so long as such Building stands, shall exist. In the event any Building, any Unit, any adjoining Unit, or any adjoining General Common Element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the General Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such Building shall stand.

8. Mechanic's Liens: Indemnification.

(a) If any Fractional Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon, no Fractional Ownership Estate in the same or different Fractional Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, material men and other persons furnishing labor or materials to his Unit or any improvements therein. Nothing herein contained shall authorize any Fractional Owner or any person dealing through, with or under any Fractional Owner to charge the General Common Elements or any Unit or Fractional Ownership Estate in a Unit other than that of such Owner with any mechanic's lien or other lien or encumbrance whatever. On the contrary (and notice is hereby given), the right and power to charge any lien or encumbrance of any kind against the General Common Elements or against any Owner or any Owner's Unit or Fractional Ownership Estate for work done or materials furnished to any other Owner's Unit is hereby expressly denied.

(b) If because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of

money shall be filed against the General Common Elements or against any other Owner's Fractional Ownership Estates, or against any other Owner (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall, at his own cost and expense, cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within 20 days after the date of filing thereof, and further shall indemnify and save all the other Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages, including reasonable attorneys' fees resulting therefrom. The Association shall enforce such indemnity by collecting from the Owner who suffers or allows such alien the amount necessary to discharge the lien and all costs incidental thereto, including reasonable attorneys' fees. If such amount is not promptly paid, the Association may collect the same in the manner provided herein for the collection of assessments.

9. Administration and Management.

(a) Rams Horn Village, a condominium, shall be administered and managed pursuant to this Declaration, the Articles of Incorporation, the ByLaws and the Rules and Regulations of the Association. Each Owner shall be a member of the Association and shall remain a member until he ceases to be an Owner. Each Owner shall have one vote on Association matters coming before the members for each Fractional Ownership Estate owned. Each Owner shall comply strictly with the provisions of this Declaration and of the Articles of Incorporation, ByLaws and Rules and Regulations of the Association. Each Owner shall be bound by and shall comply with rules, resolutions and decisions of the Association duly made or adopted in the manner set forth in the Articles of Incorporation or Bylaws of the Association. Failure of any Owner to comply with such provisions, rules, resolutions, or decisions shall be grounds for an action to recover damages or to obtain injunctive relief, or both, maintainable by the Association on behalf of the other Owners or, in a proper case, by an aggrieved Owner. In addition, the Association's Bylaws may authorize the Association, during the period of any delinquency: (i) to revoke a delinquent Owner's right to use the General Common Elements; (ii) to cause utility service to a delinquent Owner's Fractional Unit during his Time Period, to be suspended; and (iii) to suspend an Owner's voting privileges; however, no such suspension shall affect the rights of a First Lienor.

(b) The Association, through a determination of its Board of Managers, may delegate to a real estate management firm (the "Managing Agent"), pursuant to an agreement between the Association and such Managing Agent (a "Management

Agreement"), the powers of the Association to determine the budget for operation of the Condominium Project, to establish and collect fees for Fractional Ownership Expenses, to establish and collect reserve funds, to make special assessments, to allocate the real property taxes and assessments for the Condominium Project among the Condominiums and Fractional Ownership Estates to the extent that such Condominiums and Fractional Ownership Estates are not separately assessed by the Larimer County Tax Assessor to determine and collect a per diem fee for expenses directly related to an Owner's occupancy of his Unit, to establish books of account and maintain records for the operation of the Condominium Project, to supply statements of accounts to Owners or their Mortgagees upon request, to provide for cleaning and maid service and maintenance and repair to the Units, to contract for utility services to the Units, to generally operate the Project, including coordination of Owner Time Period occupancy by adopting rules and regulations as provided in Exhibit "B", to establish and from time to time amend such reasonable rules and regulations as may be necessary or convenient to carry out the intention of this Declaration, and to do any other acts or things that the Association is empowered to do under this Declaration or its Articles of Incorporation and Bylaws; provided, however, that the determination of the Board to delegate the duties of the Association to a Managing Agent shall not relieve the Association of any of its obligations under this Declaration or under the Articles of Incorporation and Bylaws of the Association. The Association anticipates entering into a Management Agreement with Declarant or a wholly-owned subsidiary of Declarant which encompasses the provisions of this subparagraph.

(c) Upon the Association entering into a Management Agreement, a copy of such agreement shall be provided to each Owner. All subsequent Management Agreements shall be provided to Owners upon written request.

(d) Upon the Association entering into a Management Agreement, each Owner, his heirs, successors and assigns, shall be bound by such Management Agreement for the purposes therein expressed including, but not limited to: (i) Adopting, ratifying, confirming and consenting to the execution of such Management Agreement by the Association; (ii) Covenanting and promising to perform each and every one of the covenants, promises and undertakings to be performed by the Owners in the cases provided therefor in such Management Agreement; (iii) Ratifying, confirming and approving each and every provision of such Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable; and (iv) Agreeing that persons acting as directors and officers of the Association entering into such an agreement have not breached any of their duties or obligations to the Association.

It is specifically recognized that some or all of the persons comprising the original Board of Managers are or may be officers and/or directors of Declarant or the Managing Agent appointed pursuant to a Management Agreement, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.

The acts of the Board of Managers and officers of the Association in entering into the Management Agreement shall be and the same hereby are ratified, approved, confirmed and adopted.

10. Maintenance and Repairs: Right of Access.

(a) The Association shall maintain and keep in repair all of the Units. Such maintenance and repair by the Association shall include maintenance and repair of all fixtures, improvements, furniture, furnishings, equipment, appliances, utilities, utensils or other materials located within or used in connection with each such Fractional Unit. This obligation to maintain and repair shall carry with it the obligations to replace any such items or materials as is reasonably required. The cost of such maintenance and repair work and the expense of all required replacements shall be a Fractional Ownership Expense of the Fractional Owners and shall be payable as set forth herein.

(b) The General Common Elements (including the Limited Common Elements) shall be administered, conserved, managed, maintained, repaired and replaced by the Association. This obligation to maintain and repair the General Common Elements shall include the obligation to maintain the exterior of each building in good order and repair and specifically includes the obligation of cleaning and snow removal. The cost of such work shall be a Fractional Ownership Expense of all Owners payable as set forth herein.

(c) Notwithstanding the foregoing: (i) Each Owner having an interest in Limited Common Elements shall be charged and pay the fraction of the costs and expenses of maintaining, repairing and replacing an Limited Common Elements of which such Owner has any use and enjoyment, the numerator of which is his percentage in General Common Elements and the denominator of which is the total percentage interest in General Common Elements of all persons having any use or enjoyment of such Limited Common Elements; and (ii) each Owner shall pay all costs of repairing any damage to the General Common Elements (including the Limited Common Elements) or to any Unit other than his own or to any Fractional Unit including his own,

resulting from the intentional act or negligence of such Owner, his lessees, or any guests or invitees thereof.

(d) The Association, the Managing Agent and each of their agents or employees shall have access to any Unit during such reasonable times when the Unit is not occupied or during the times set forth in the Rules and Regulations of the Association and during the Maintenance Periods, for the purpose of cleaning, maid services, painting, maintenance and repair. The Association, the Managing Agent and each of their agents or employees shall also have access to any Unit from time to time during reasonable hours for maintenance, repair and replacement of any of the General Common Elements, or at any time for the purpose of making emergency repairs therein necessary to prevent damage to the General Common Elements or to another Unit or Units. The costs of repairing any damage to a Unit resulting from entry therein for any such purpose shall be a Common Expense of all the Owners. However, if the need to make such entry results from the negligence or intentional act of any Owner, his lessees or any guests or invitees thereof, such Owner shall reimburse the Association for all the costs of repairing such damage and shall be liable to the other Owners for all additional losses or damages suffered, including reasonable attorney's fees.

(e) Until such time as the Declarant owns neither any Condominium nor any Fractional Ownership Estate, if, in the sole judgment of the Declarant, the Association has failed to maintain the General Common Elements in good order and repair, Declarant may, after five days' written notice to the Association, perform all work necessary to maintain the General Common Elements in good order and repair and Declarant shall have access to any Unit for such purposes. The Association shall reimburse Declarant for the cost of such work, which shall be a Fractional Ownership Expense of all Owners payable as set forth herein.

(f) No Owner shall make or cause to be made any addition, alteration or repair to his Fractional Unit or to any fixtures, improvements, furniture, furnishings, equipment, appliances, utilities or other materials located within such Unit. No Owner shall make or cause to be made any addition, alteration or repair of the General Common Elements (including, without limitation, any Limited Common Elements which may be appurtenant to such Owner's Fractional Unit).

(g) If, in the reasonable judgment of the Board of Managers, the allocation of expenses as set forth above is clearly unfair or inequitable, the Board of Managers may allocate such expenses in a manner which the Board of Managers reasonably determines is fair and equitable.

11. Operation of Fractional Units: Maintenance Periods.

(a) The Association shall have complete charge of day-to-day management and operation of the Fractional Units.

(b) Declarant agrees to convey to the Association, and the Association agrees to accept, the Time Periods designated as a Maintenance Period and as a Calendar Adjustment Period for Fractional Units.

12. Assessments for Fractional Ownership Expenses: Contributions to Working Capital.

(a) All Owners, except the Declarant, shall be obligated to pay the estimated assessments imposed by the Association to meet the Fractional Ownership Expenses attributable to the Project. The Assessment shall be made to each Fractional Ownership Estate subject to assessment, based upon such Fractional Estates' undivided interest in the General Common Elements. Declarant shall have no obligation to pay the estimated assessments imposed by the Association to meet the Fractional Ownership Expenses and reserves on Condominiums and Fractional Estates owned by Declarant. Declarant agrees to pay to the Association a sum equal to the difference between the cost of operating and maintaining the General Common Elements, exclusive of reserves, and the amount of funds payable to the Association by other Owners. This obligation of Declarant to subsidize the operations of the Association shall terminate when the Declarant is no longer an Owner of any part of the Project. Subsequent to the occurrence of said event, Declarant shall be obligated, as any other Owner, in reference to Condominiums and Fractional Ownership Estates then owned by Declarant, to pay the estimated Fractional Ownership Expense assessments imposed by the Board of Managers to meet the Fractional Ownership Expense assessments and reserves. Annual assessments for the estimated Fractional Ownership Expenses shall be due and payable as determined by the Board of Managers. Assessments shall be delinquent, and interest thereon at the lesser of eighteen percent (18%) per annum or the highest rate permitted by law shall commence, effective the day after the due date. The Association shall prepare and deliver to each Owner periodic statements for the estimated expenses.

(b) Fractional Ownership Expenses shall be allocated among the Owners pursuant to Exhibit "C". The assessments made for the Fractional Ownership Expenses shall be based upon the estimated cash requirements deemed to be the aggregate sums the Association shall from time to time determine are to be paid by all of the Owners, to provide for payment of all estimated expenses growing out of or connected with the

maintenance operation of the General Common Elements, which sum may include, among other things, expenses of management; taxes and special assessments; insurance required to be carried by the Association pursuant to Section 13; landscaping and care of grounds; lighting for common areas; repairs and renovations; wages; water charges; trash removal; road repairs; 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; and all other costs and expenses relating to the General Common Elements. In the event that the ownership of a Fractional Ownership Estate, title to which derives from Declarant, commences on a day other than the first day of the assessment period, the common expense assessments for that period will be prorated.

(c) All gas, electricity, domestic water, cable or other common television facilities such as shared usage of a common antenna or satellite dish used in the Project, all sewer and trash disposal fees attributable to the Project, and all charges of the Managing Agent employed by the Association shall be charged to and paid by the Association as Fractional Ownership Expenses. The Association shall bill each Owner for such Fractional Ownership Expenses in accordance with the share of expenses determined in Exhibit "C". Each Owner shall reimburse the Association for his share of the cost of such Fractional Ownership Expenses.

(d) The Association shall arrange for telephone service to the Fractional Ownership Units. The basic cost incurred by the Association for such service shall be a Fractional Ownership Expense payable by the Fractional Owners, and the Association shall separately charge each Fractional Owner for telephone calls made and services utilized during such Fractional Owner's Time Period(s).

(e) The Bylaws of the Association shall empower the Board of Managers to fix, determine, levy, and collect periodic and special assessments to be paid the Owners to (i) meet the Fractional Ownership Expenses; (ii) create a contingency reserve therefore; and (iii) pay, in whole or in part, any deficit remaining from a previous period and the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolition, replacement, or maintenance of the General Common Elements, including any fixtures and personal property relating thereto. The Bylaws shall also establish the procedures by which the assessments shall be made known to and paid by the Owners. An action may be brought by the Association to recover unpaid Fractional Ownership Expenses, or other assessments from the Owner liable for payment thereof, with or

without foreclosing or waiving the lien described in Section 12(j).

(f) The Bylaws of the Association shall empower the Board of Managers to: (i) fix, determine, levy, and collect a per diem fee to be paid by each Fractional Owner for costs and expenses incurred as a result of their occupancy of the Unit (it being understood that the per diem fee will be dependent, in part, upon the size of the Unit and the time [season] of occupancy); or (ii) to include anticipated occupancy costs and expenses within the budget as part of the periodic assessment, in which case, such costs and expenses may be payable whether or not the Owner, or his guest, invitee, or family actually occupies his Fractional Unit. These occupancy costs and expenses will include costs for maid service and linen supply to the Unit; costs of consumable goods, such as detergent and other cleaning supplies needed for cleaning and washing of linens, pans, dishes, and the Unit itself; light bulbs; hand tissues; kitchen and bathroom paper toweling and other normal paper and consumable supplies; costs of utilities; and cost to replenish firewood. The actual occupancy costs and expenses of a Unit shall be billed to and paid by the Association, and shall be repaid to the Association by the per diem fee charged or periodic assessment.

(g) The Association, as agent for all the Fractional Owners, shall pay all property taxes, both real and personal, and assessments levied by Larimer County, Colorado, against the Fractional Units. Each Fractional Owner shall pay, to the Association, his Allocable Share of the ad valorem tax attributable to his Fractional Ownership Estate. The Association, when establishing the budget for the Fractional Ownership Expenses for the forthcoming year, shall estimate ad valorem taxes taking into consideration any deviation between estimated and actual ad valorem taxes for the previous year.

(h) If, in the reasonable judgment of the Board of Managers, the allocation of expenses as set forth above is unfair or inequitable, the Board of Managers may allocate such expenses in a manner which the Board of Managers reasonably determines is fair and equitable.

(i) All sums assessed but unpaid for an Owner's share of Fractional Ownership Expenses and all charges made but unpaid for per diem fees, holdover charges, and all other fees, expenses, charges, and obligations chargeable by the Association under this Declaration, the Articles of Incorporation, Bylaws, or Rules and Regulations shall constitute a lien on the Fractional Ownership Estate of the defaulting Owner in favor of the Association prior to all other liens and encumbrances, except: (i) liens for taxes and special assessments; and (ii) the lien

of any First Lienor. The Association's lien shall attach from the date when the unpaid assessment or per diem charge shall become due and may be foreclosed by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof executed by the Association setting forth the amount of the unpaid indebtedness, the name of the Owner, and a description of the Fractional Ownership Estate. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. During the period of foreclosure the Owner of the Fractional Ownership Estate subject to such action shall be required to pay a reasonable rental to the Association. The Association shall be entitled to purchase the Fractional Ownership Estate at the foreclosure sale and to acquire, hold, lease, mortgage or convey the same. With respect to a lien against an Owner's interest in a Fractional Unit and all other rights of the Association provided in this subparagraph in connection with such lien, said lien shall be limited to the Time Period or Time Periods owned by the delinquent Owner and shall not encumber the property, real or personal, of any other Fractional Owner in the affected Unit.

(j) No Owner shall exempt himself from liability for payment of his share of the Fractional Ownership Expenses or other assessments either by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Fractional Ownership Estate.

(k) In case of sale or other transfer of a Fractional Ownership Estate with respect to which sums charged for per diem fees or assessed for Fractional Ownership Expenses shall be unpaid, except transfers to a First Lienor in connection with a foreclosure of its lien or deed in lieu thereof, the purchaser or other transferee of an interest in such Fractional Ownership Estate shall be jointly and severally liable with the seller or transferor thereof for such unpaid assessments.

(l) Upon ten days' written request of an Owner, Mortgagee, prospective Mortgagee, purchaser or other prospective transferee of a Fractional Ownership Estate, the Association shall issue a written statement setting forth the amount of the unpaid Fractional Ownership Expenses, if any, with respect to such Fractional Ownership Estate, the amount of the current periodic assessment, the date on which such assessment became or shall become due and the amount of unpaid per diem expenses. Such statement, for which a reasonable fee may be charged, is binding upon the Association in favor of any person who may rely thereon in good faith. Unless a request for such statement shall be complied with within 15 days after receipt thereof, all unpaid Fractional Ownership Expenses, assessments and unpaid per

diem charges which became due prior to the date of making such request shall be subordinated to the lien or other interest of the person requesting such statement.

(m) Any party in favor of whom a lien on a Fractional Ownership Estate has been created may, but shall not be required to pay any unpaid Fractional Ownership Expenses and assessments with respect to such Fractional Ownership Estate, or pay any unpaid per diem charges, and upon such payment, such party shall have a lien on such Fractional Ownership Estate for the amount so paid of the same rank as the lien theretofore existing.

(n) Each Owner other than the Declarant or its legal successors or assigns shall be required to contribute to the Association, at the time of each Owner's purchase of a Fractional Ownership Estate from Declarant, a sum equal to the percentage, if any, of such Owner's purchase price for such Fractional Ownership Estate as shall be set forth in the Rules and Regulations from time to time, to be used by the Association, at the option of the Board, either for working capital purposes or as a reserve for future expenses of the Association. Such contribution, if any, shall be appurtenant to the Fractional Ownership Estate and pass with the deed.

13. Insurance.

(a) The Association shall, on behalf of the Owners:

(i) keep all of the Buildings (including all of the fixtures therein, all of the General Common Elements, and all fixtures, furniture or furnishings located within all Units, insured against loss or damage by fire, with extended coverage (including insurance against loss or damage by vandalism or malicious mischief), in an amount equal to the maximum insurable replacement value thereof;

(ii) provide and keep in force, for the protection of the Association, its officers and directors, and all the Owners and First Lienors, general public liability and property damage insurance against claims for bodily injury or death or property damage occurring upon or in the General Common Elements, in such limits that the Association may consider necessary or advisable; and

(iii) carry insurance in such amounts as the Association may consider necessary or advisable against such other insurable hazards as may from time to time be commonly insured against in the case of similar property in similar locations.

(b) The cost of obtaining and maintaining all insurance required to be carried under this Section 13 shall be a Fractional Ownership Expense to be prorated among all Owners as set forth in this Declaration notwithstanding the fact that the Owners may have disproportionate liability or that some Units may have greater risks of loss than others. All insurance required to be carried under this Section shall be carried in favor of the Association, the Owners and all First Lienors as their respective interests may appear. Each policy of insurance shall contain a standard mortgage clause in favor of each First Lienor which shall provide that the loss, if any, thereunder shall be payable to such First Lienor, as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All policies of insurance against damage to any Building and fixtures shall provide that losses shall be payable to and adjusted with the Association, as attorney-in-fact for the Owners. The Association shall hold and apply the proceeds of such insurance as set forth in this Declaration. Each insurance policy shall provide that no cancellation thereof may be made by the insurance carrier without having first given 30 days' prior written notice thereof to the Association and all First Lienors, if such First Lienors have so requested. Each insurance policy shall also provide that in case of violation of any provision thereof by one or more (but less than all) of the Owners, the coverage of such policy shall be suspended or invalidated only as to the interest of the Owner or Owners committing the violation and not as to the interest of any other Owner. All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all First Lienors requesting the same in writing at least ten days prior to expiration of the then current policies.

(c) An Owner shall not be precluded from obtaining additional insurance on his Fractional Ownership Estate but, if so obtained, such insurance policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

14. Appointment of Attorney-in-Fact. Each Owner by his acceptance of the deed or other conveyance vesting in him a Fractional Ownership Estate does irrevocably constitute and appoint (a) the Association with full power of substitution as his true and lawful attorney in his name, place and stead to deal with such interest upon damage to or destruction, obsolescence, or condemnation of any Building as hereinafter provided, and (b) Declarant with full power of substitution as its true and lawful attorney in its name, place and stead to deal with

such interest; with full power, right and authorization to execute, acknowledge and deliver any contract, deed, proof of loss, release or other instrument affecting the interest of such Owner, and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Declaration. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written instrument confirming such appointment. The action of the Association in settling any damage or condemnation claim shall be final and binding on all Owners. No Owner shall have any rights against the Association or Declarant or any of their officers or directors with respect thereto except in the case of fraud or gross negligence.

15. Damage or Destruction. In case of damage or destruction of the Project or any part thereof by an cause whatever:

(a) If, in the reasonable judgment of the Association, the proceeds of insurance shall be sufficient to pay all the costs of repairing and restoring the Project, the Association (as attorney-in-fact for the Owners) shall cause the Project to be repaired and restored, applying the proceeds of insurance for that purpose.

(b) If, In the reasonable judgment of the Association, the anticipated proceeds of insurance are not sufficient to pay the costs for repairing and restoring the Project, and if such damage is not more than 75% of the total replacement cost of all of the Condominium Units in the Project, not including land, then the Association (as attorney-in-fact for the Owners) shall promptly cause the Project to be repaired and restored, and the difference between the insurance proceeds and the costs of repair and restoration shall be a Fractional Ownership Expense, to be assessed and paid as provided in Section 13.

(c) If, in the reasonable judgment of the Association, the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the Projection, and if such damage is more the 75% of the total replacement cost of all of the Condominium Units in the Project, not including land, then (unless within 100 days after the date of such damage or destruction a plan for repairing and restoring the Project shall be approved by the Owners to which 67% or more of the total interest in General Common Elements and by at least 50% of the First Lienors) the Association (as attorney-in-fact for the Owners) shall execute and record in the Larimer County, Colorado, real property records a notice of such facts, and thereafter shall sell the Project together with reasonable easements for ingress and egress, if required, as designated by

the Association, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire with respect to such property upon the closing of such sale. The proceeds of insurance and the proceeds of such sale of the Project collected by the Association shall be applied first to the payment of expenses of the sale, and then divided among the Owners and paid into separate accounts, each representing a Fractional Ownership Estate as appropriate. The insurance proceeds shall be divided according to such Owners' respective percentage interest therein as shown by the insurance policies, if so shown, otherwise according to such Owners' interest in General Common Elements. The funds in each account (without contribution from one account to another) shall be applied by the Association for the following purposes in the order indicated: (i) for payment of taxes and special assessment liens in favor of any assessing entity; (ii) for payment of the balance of the lien of any first mortgage or deed of trust on the Fractional Ownership Estate; (iii) for payment of unpaid Fractional Ownership Expenses and per diem charges; (iv) for payment of junior liens and encumbrances in the order of and to the extent of their priority, and (v) the balance remaining, if any, shall be paid to the Owner. The provisions of this paragraph shall not be construed as limiting in any way the right of a Mortgagee (in case the proceeds allocated under (ii) above shall be insufficient to pay the indebtedness secured by his lien) to assert and enforce the personal liability for such deficiency against the person or persons responsible for payment of such indebtedness to the extent such Mortgagee's loan documents so provide. If within 100 days after the date of such damage or destruction a plan for repairing and restoring such damage or destruction shall be approved by the Owners of the Fractional Ownership Estates to which 67% or more of the General Common Elements and by at least 50% of the First Lienors, the Association (as attorney-in-fact for such Owners) shall promptly cause such repairs and restoration to be made according to such plan. All Owners shall be bound by the terms of such plan, and the difference, if any between the amount of the insurance proceeds and the costs of repair and restoration shall be an expense of the Owners and shall be assessed and paid by all of the Owners in proportion to their respective interests in the General Common Elements.

(d) Nothing contained in this Section shall be construed as imposing any liability whatever on any Mortgagee to pay all or any part of the costs of repair or restoration.

16. Obsolescence.

(a) If at any time Owners' of Fractional Ownership Estates to which 56% or more of the total interest in General Common Elements are appurtenant and at least 50% of the

First Lienors shall agree that the Project has become obsolete and shall approve a plan for its renovation or restoration, the Association (as attorney-in-fact for the Owners) shall promptly cause such renovation or restoration to be made according to such plan. All Owners shall be bound by the terms of such plan, and the costs of the work shall be an expense of Owners and shall be assessed and paid by the Owners in the proportions of their respective interests in the General Common Elements.

(b) If at any time the Owners of 75% or more of the total interest in General Common Elements and 75% of the First Lienors shall agree that any portion of the Project has become obsolete and should be sold, the Association (as attorney-in-fact for the Owners) shall promptly record in the real property records of Larimer County, Colorado a notice of such facts, and shall sell that portion of the Project, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire with respect to such portion of the Project upon the closing of such sale. Each Owner shall be entitled to a share of the proceeds of such sale to be determined in the following manner: as soon as practicable the Association shall reasonably and in good faith allocate the proceeds between sold portions of the General Common Elements, sold Units and to damages and shall apportion the amounts so allocated among the Owners as follows: (i) the total amount allocated to sold General Common Elements shall be apportioned among the Owners on the basis of each Owner's interest in the General Common Elements; (ii) the total amount allocated to severance damages shall be apportioned to those Units which were not sold; (iii) the respective amounts allocated to a particular sold Unit and to the improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved; and (iv) the total amount allocated to consequential damages and any other injuries shall be apportioned as the Association determines to be equitable in the circumstances. Apportioned proceeds shall be distributed in the manner provided in Section 15(c).

17. Condemnation.

(a) If the entire Project shall be taken for any public or quasi-public use, under an statute, by right of eminent domain, or by purchase in lieu thereof, or if any part of the Project shall be so taken, and the part remaining shall be insufficient for continuation of the activities carried on in the Rams Horn Village, a Condominium, prior to such taking, the Association (as attorney-in-fact for the Owners) shall collect the award made in such taking and shall sell the part of the land remaining after the taking, if any, free and clear of the provisions of this Declaration and the Map. Such provisions shall wholly terminate and expire upon the recording of a notice

by the Association setting forth all of such facts. The award and the proceeds of such sale, if any, shall be collected, applied and divided among the Owners by the Association in the manner provided in Section 15(c).

(b) If such taking shall be partial only, and if the remaining part of the Project shall be sufficient for continuation of the activities carried on in the Rams Horn Village, a Condominium, prior to such taking, the Fractional Ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined in the following manner: as soon as practicable, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages, or other proceeds and shall apportion the amounts so allocated among the Owners as follows: (i) the total amount allocated to taking of or injury to the General Common Elements shall be apportioned among the Owners on the basis of each Owner's interest in the General Common Elements; (ii) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned; (iii) the respective amounts allocated to the taking of or damages to a particular Unit and to the improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved; and (iv) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances or as determined by judicial decree. If the allocation of the condemnation award is established in negotiations, judicial decree or otherwise, then in allocating the condemnation award, the Association shall employ such allocation to the extent it is relevant and applicable. Apportioned proceeds shall be distributed in the manner provided In Section 15(c).

18. Transactions with Declarant. All transactions between the Association and Declarant whereby Declarant is to provide goods and services to the Association or the Project shall be on terms comparable to similar transactions in the Larimer County, Colorado area.

19. Quality of Work. Any repairs, renovation or restoration of the Project by the Association (as attorney-in-fact for the Owners) shall be done in such manner as to make the Project at least as valuable after such work as it was immediately before the occurrence requiring the work to be done.

20. Amendment or Revocation. Except as provided in Sections 26 and 27 or elsewhere herein, this Declaration may be amended (a) by Declarant at any time prior to the filing of the Map, and (b) upon the written approval in recordable form of the Owners of Fractional Ownership Estates to which 85% or more of

the total interests in General Common Elements are appurtenant and 75% of the First Lienors. This Declaration shall be revoked, as to that portion of the Project so sold or taken, only upon sale or taking of all or part of the Project pursuant to Sections 15(c), 16(b), or 17(a), or as to all of the Project, upon the unanimous written approval in recordable form of all Owners and all First Lienors.

21. Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all the Owners real, tangible, and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned by the Owners in the same proportion as their respective interests in the General Common Elements and shall not be transferable except with a transfer of a Fractional Ownership Estate. A transfer of a Fractional Ownership Estate shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Fractional Ownership Estate under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Fractional Ownership Estate.

22. Notices: Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and all notices or demands intended to be served upon an Owner shall be sent by United States mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands, or other communications intended to be served upon the Association shall be sent certified mail, return receipt requested, postage prepaid, to the address of the Association as designated in the Bylaws of the Association. Notices sent as herein specified shall be deemed given three days after the mailing thereof.

23. Duration of Condominium and Fractional Ownership. The separate estates created by this Declaration and the Map shall continue until this Declaration shall be revoked or until its provisions shall terminate as provided herein.

24. Restrictive Covenants and Obligations.

(a) Except as set forth In the following paragraph, no structures of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used or permitted to be kept or stored on any portion of the Project at any time, either temporarily or permanently.

(b) Notwithstanding any provisions herein contained to the contrary, it shall expressly be permissible for the Declarant, its agents, employees, and contractors, to use and maintain, at no cost, during the period of construction and sale of the Condominiums and Fractional Ownership Estates, such portion of the Project and such facilities as may be reasonably required or incidental to the construction and sale or rental of Fractional Ownership Estates, including, without limitation, a business office, storage area, construction yards, signs, model Units, sales office, construction office, parking areas, and lighting.

(c) No livestock or poultry of any kind shall be raised, bred, or kept on the Project without the prior written approval of the Board of Managers. Domestic pets (dogs and cats) kept on the Project shall be kept subject to such reasonable rules and regulations.

(d) No advertising signs (except as permitted in certain areas periodically designated by the Board of Managers), unsightly objects, or nuisances shall be erected, placed, or permitted to remain on the Project, nor shall the Project be used in any way or for any purpose which may endanger the health or unreasonably disturb any Owner or resident thereof. No business activities of any kind whatever shall be conducted in any residential Building or in any portion of the Project, except those permitted by law and the Board of Managers, provided that reasonable business activities, signs, and billboards or the construction and maintenance of Buildings and improvement, if any, of the Declarant, its agents, contractors, and assigns, during the sale and rental period, shall be permitted.

(e) No nuisance nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful enjoyment or possession and proper use of the Project by its residents shall be permitted on the Condominium Project. All parts of the Project shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate nor fire hazard permitted to exist.

(f) No immoral, improper, offensive, or unlawful use shall be permitted or made of the Condominium Project or any part thereof. All valid laws, ordinances, and regulations of all governmental bodies having jurisdiction shall be observed.

(g) Except for those improvements erected or installed by the Declarant, no exterior additions to, alterations of, or decoration of any Buildings, nor changes in landscaping, fences, hedges, walls, or other structures shall be commenced, erected, or maintained without the prior written approval of the Board of Managers.

(h) No commercial vehicles, campers, trailers, boats, or recreational vehicles and no trucks in excess of three-quarter ton shall be stored or parked on the General Common Elements or on any common driveway, except while engaged in transport to or from a Building.

(i) Abandoned or inoperable automobiles or vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any portion of the Project. An "abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of three weeks or longer. A written notice describing the "abandoned or inoperable vehicle" and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle. If such vehicle has not been removed within 72 hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the owner thereof. If such owner shall be a member of the Association, the cost thereof may be billed by the Association to such member.

(j) Nothing shall be done or kept in any Unit or in or on the General Common Elements or any part thereof, which would result in the cancellation of the insurance on the Project or any part thereof, or increase the rate of insurance on the Project or any part thereof, over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Unit or in or on the General Common Elements or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to or waste of the Common Elements or any part thereof shall be committed by any Owner or by any member of the Owner's family or by any guest, invitee, tenant or contract purchaser of any 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, the members of his family, or his guests, invitees, tenants, or contract purchasers.

(k) Without the prior written approval of the Association, no exterior television, radio or other communication antennas or aerials of any type shall be placed, allowed or maintained on any portion of the General Common Elements or the Project.

(l) The Owner of a Fractional Ownership Estate shall have the right to lease his Condominium, or a part thereof, only under the following conditions:

(i) All leases shall be in writing;

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

(m) Additional and supplemental rules and regulations may be adopted by the Association concerning and governing the use of the General Common Elements, provided, however, that such rules and regulations shall be furnished to Owners prior to the time that they become effective and such rules and regulations shall be uniform and nondiscriminatory except to the extent the Board has discretionary rights specifically given to it in this Declaration, the Articles of Incorporation or the Bylaws of the Association.

25. Holdover by Fractional Owners. If any Fractional Owner, his family, guests or invitees, shall continue to occupy his Fractional Unit beyond his Time Period, the Fractional Owner or Fractional Owners whose Time Period or Time Periods are being improperly occupied may take action available to them at law or in equity to remove such wrongful occupant of the Fractional Unit and for damages, and such wrongful occupant shall be deemed to have waived any notice requirements with respect to such legal proceeding; provided, however, that neither the Declarant nor the Association shall have any liability in connection with such wrongful occupancy of a Fractional Unit. In addition to and not in limitation of the foregoing, the Association shall charge and collect from the Fractional Owner whose Time Period was not properly vacated an amount equal to the greater of (a) 2½ times the daily rate charged to hotel guests for comparable accommodations or (b) three hundred dollars (\$300) for each day of such improper holdover, including the first day.

26. General Reservation. In addition to the rights set forth in Section 27 and elsewhere herein, Declarant reserves (a) the right, from time to time, to dedicate any access roads and streets serving the Condominium Project for and to public use and to establish easements, reservations, exceptions, and exclusions consistent with the condominium ownership of the Condominium Project and for the best interest of the Owners and the Association, (b) the right, from time to time, to combine any existing Unit entirely owned by Declarant with and into any adjacent Unit or Units entirely owned by Declarant, and to amend this Declaration and the Map to reflect any such change in the Units without any consent of Owners or Mortgagees being required, (c) the right, from time to time, to record an

amendment to this Declaration to amend this Declaration to: (i) comply with the requirements of the Federal Housing Administration, the Veteran Administration, the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation; or (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages or deeds of trust covering Condominiums of Fractional Ownership Estates, and (d) an easement over the General Common Elements to the extent necessary for relocation of any of the improvements on the Premises or for construction of additional improvements, which additional improvements may include recreational facilities which will become General Common Elements. The operating expenses of any such additional improvements will be Fractional Ownership Expenses unless otherwise provided in an amendment to this Declaration. Declarant, however, has no obligation to construct additional improvements. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to amendments on behalf of each Owner and Mortgagee. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Fractional Ownership Estate and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record such amendments.

27. Map Supplements. At the time of recording the first Map, all the Buildings and the Units may not be substantially completed and, in such event, Maps will need to be filed from time to time as Buildings and Units are substantially completed. All Maps filed after the first Map shall be designated as a supplement and shall be labeled "First Supplement", "Second Supplement", etc., in numerical order. Each supplement shall show the Owner's interest in the General Common Elements.

28. Reservation to Enlarge and Supplement Project.

(a) Declarant, for itself, its successors and assigns, expressly reserves, until ten (10) years from the date of the recording of this Declaration, the right to enlarge this Project (without the permission of the Owners or Mortgagees) from time to time and in one or more annexations, by annexing Additional Land. Such additions shall be expressed in and by duly recorded supplements to this Declaration and Map. All additional General Common Elements (including Limited Common Elements) and Units shall be of comparable quality and similar appearance to those previously erected upon the Real Property, other than those existing as of the date of the original filing of this Declaration. The reference to the Declaration in any instrument shall be deemed to include any supplements to the Declaration without specific reference thereto.

(b) Such supplements to this Declaration shall provide for a division of such annexed Real Property and improvements into Units and General Common Elements (including Limited Common Elements) similar in method and form to the division made of the Real Property and improvements in this Declaration.

(c) In order that the Fractional Ownership Expenses of the Project shall continue to be shared equitably by the Owners of the initially submitted Condominiums and the Owners of all subsequently submitted additional Condominiums, the Fractional Ownership Expenses shall be shared in accordance with the revised undivided interest in the General Common Elements appurtenant to the Condominiums as stated in each such supplemental declaration.

(d) Owners shall be entitled to cast at any election or meeting of Association members in accordance with this Declaration and the Articles of Incorporation and Bylaws of the Association the voting rights of one member for each one week Time Period of Fractional Ownership Estate owned.

(e) At the time of recording of this Declaration, interests in the General Common Elements established hereunder shall be allocated among the Condominiums as set forth on the Schedule (the "Schedule") attached as Exhibit ____ and supplements thereto. Upon the annexation of additional Condominiums pursuant to this Section, each supplemental declaration shall have attached thereto a revised Schedule setting forth the undivided percentage interest in all of the General Common Elements appurtenant to each Unit as a result of such annexation, provided, however, that one hundred percent (100%) of the undivided interests in the General Common Elements of the entire Project (including all annexations) shall be allocated among all of the Units then established under this Declaration and all supplemental declarations, as reasonably determined by Declarant. Each Owner, Mortgagee, and all other persons having any interest in a Condominium agree and consent that the recording in Larimer County, Colorado real estate records of each such supplemental declaration shall be sufficient, in and of itself, to alter, grant and establish the undivided fractional interest through all of the General Common Elements of the entire Project (including all annexations) appurtenant to each Condominium, as set forth in such supplemental declaration. No additional consent or instrument shall be required to be obtained by the Declarant to accomplish the creation (and the reduction of the fractional interest in General Common Elements for Condominiums established prior to the recording of any such supplemental declaration) of such undivided interests in the General Common Elements. In all cases, the undivided fractional interest in General Common Elements appurtenant to a Condominium (whether

such Condominium was established under this Declaration or any supplemental declaration) shall be an undivided fractional interest in the General Common Elements established under this Declaration and all General Common Elements established under all supplemental declarations.

(f) Except as may be otherwise specifically provided by the provisions of such supplement(s) to this Declaration, all of the provisions contained in this Declaration shall be applicable to additional Condominiums submitted to the Project.

(g) Subject to the Rules and Regulations of the Association, each Owner shall have the non-exclusive right, together with all other Owners, to share all General Common Elements in the Project, any supplements or additions thereto and any property owned by, and any services provided by, the Association for the general use of the Owners. This easement shall be irrevocable and shall be for the purpose of ingress and egress, parking, recreational and social use and shall apply to all General Common Elements and all property hereafter owned by the Association and committed to the Project.

(h) Although it is contemplated that additional lands may ultimately be annexed to the Project and additional Condominiums declared, the Declarant, its appointees, successors and assigns shall have no affirmative obligation to do so. The rights of the Declarant, its appointees, successors, and assigns, as defined in this Declaration, shall apply to all real property which is added to the Project in accordance with these provisions relating to enlargement.

29. General.

(a) The Real Property is subject to the encumbrances listed on Exhibit "D" attached hereto and incorporated herein by reference.

(b) Declarant states, in accordance with the requirements of the Colorado Condominium Ownership Act, that it is possible that liens other than mechanic's liens, assessment liens and tax liens may be obtained against the General Common Elements.

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

(d) The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provision of law.

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

(f) The Declarant reserves the right after ninety percent (90%) of all the Fractional Ownership Estates have been sold by Declarant, in its sole discretion, to convey the Fractional Ownership Estates and any other interest in the Project owned by Declarant to the Association, and the Association shall accept the conveyance from Declarant and become fee owner of said interest.

(g) The Association shall be responsible for the maintenance and repair of all roads in the Project. In the event the Association fails to maintain and repair the road as required to maintain good and proper roads in the Project, the County of Larimer, State of Colorado, may proceed as provided in Sec. 3-4(5)(G) of the Larimer County Subdivision Regulations.

(h) The Units consist of three sizes: 856 sq. ft., 908 sq. ft., and 1,440 sq. ft. Notwithstanding anything else in this Declaration to the contrary, when allocating Fractional Ownership Expenses among the Fractional Owners and when determining allocation of funds under Sections 15, 16 and 17, Unit size shall be figured into the calculations so as to weigh the allocations in proportion to the Unit sizes.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 17th day of August 1990.

RAO PLAZA CORPORATION,
a Michigan corporation

ATTEST:

Signature of Frederick N. Gram
Secretary

By: Signature of Lawrence A. Wright
President

Signature of Pamela A. Boehner
Pamela A. Boehner

By: Signature of Jack G. Haselbush
Authorized Agent, President

STATE OF COLORADO)
COUNTY OF LARIMER) ss.

Signature of Deborah A. Gibson
Notary Public

The foregoing instrument was acknowledged before me on this 19 day of August, 1990, by Ralph A. Boehner, Harriett R. Boehner, Kent A. Boehner, and Pamela A. Boehner, as Lenders.

Witness my hand and official seal.

My commission expires: 11/14/91

Signature of Deborah A. Gibson
Notary Public

STATE OF COLORADO)
COUNTY OF LARIMER) ss.

The foregoing instrument was acknowledged before me on this 17th day of August, 1990, by Jack G. Haselbush as President of The Estes Park Bank.

Witness my hand and official seal.

My commission expires: 9-13-92

Signature of Betty A. Nichols
Notary Public

EXHIBIT "A"

PROPERTY DESCRIPTION

A tract of land located in the Northwest ¼ of Section 35, Township 5 North, Range 73 West of the 6th P.M., County of Larimer, State of Colorado, being more particularly described as follows:

BEGINNING at the Northwest corner of Section 35, Township 5 North, Range 73 West of the 6th P.M., thence along the line between Sections 34 and 35, S 04°34' W 1023.25 feet to a point in the center line of Moraine Park Road, thence N 67°56' E 490 feet; thence N 72°34' E 223.1 feet; thence leaving said Moraine Park Road center line, N 12°42' W 732.6 feet to High Drive Road, thence along said High Drive Road N 82°45' W 428.2 feet to the POINT OF BEGINNING, (Bearing of line between Sections 34 and 35 was taken as N 04°34' E and all other bearing herein are relative thereto), EXCEPT parcels as conveyed to United States of America by Warranty Deeds recorded in Book 1067 at Page 376 and in Book 1067 at Page 205 of the Larimer County, Colorado Records, AND EXCEPT any portion contained within Moraine Park Road along the south property line.

EXHIBIT "B"

Time Periods shall run from 4:00 p.m. on the first day of such period to 10:00 a.m. on the last day of such period. All Time Periods shall begin and end on the same day of the week, which day shall be, at Board of Managers' option, either Friday, Saturday, or Sunday. For example, if the Board designated Time Periods to begin on a Saturday, then they would end on the following Saturday.

The attached calendars list the beginning and ending dates for all Time Periods in "Friday to Friday," Saturday to Saturday," and "Sunday to Sunday" from 1987 through 2007. Prior to 2007, the Association shall prepare new calendars for at least the succeeding five (5) years.

To find the dates of a specific Time Period for a given year, first turn to the relevant calendar (Friday to Friday, Saturday to Saturday, or Sunday to Sunday). Locate the year, then the Time Period in the left-hand column and follow the line across. The dates shown are the beginning and ending dates of the Time Period for that year.

A single Fractional Ownership Estate shall be 1/52 undivided interest in a Condominium. Each Fractional Ownership Estate shall be entitled to the exclusive use of the Condominium for one Time Period each year. The Time Period shall be a floating period within certain designated weeks. The deed conveying the Fractional Ownership Estate will designate if the Time Period is within the "Red," White" or Blue season. The Fractional Owner will be able to designate a Time Period in his designated season each year in accordance with the Association's reservation rules and regulations. For example, if an Owner owns one Fractional Ownership Estate in the Red season, he can, subject to the Association's rules and regulations, reserve a one-week Time Period in weeks 21 through 39 or 51 and 52, as such seasons are designated by the Resort Condominiums, International's ("RCI") season evaluation of the Estes Park area.

A season week, as designated by Resort Condominiums, International's season evaluation of the Estes Park area, is as follows:

<u>SEASON</u>	<u>WEEKS</u>
Red	21 through 39 51 and 52
White	1 through 12 40 through 43 47 through 50
Blue	13 through 20 44 through 46

EXHIBIT "C"

There are three sizes of Units. There are Units with 856 sq. ft., 908 sq. ft., and 1,440 sq. ft. In the allocation of the Fractional Ownership Expenses to the Fractional Ownership Estates, the different sized units shall be considered. It is to be acknowledged that not all expenses are affected by the size of the unit but, to the extent that size does affect the expenses associated with the unit, property consideration is to be given by the Association. Dues shall be assessed from the time the Unit is substantially completed and the Map filed for the record. Fractional Ownership Expenses for Fractional Ownership Estates owned by the Association shall be allocated to all other owners as a Fractional Ownership Expense. The Association shall determine the frequency of allocation of expense and billing of owners.

EXHIBIT "D"

The Property is encumbered by a Deed of Trust dated September 29, 1989, and recorded September 29, 1989, as Reception No. 89044963 of the Records of the Clerk and Recorder of Larimer County, Colorado, to secure a promissory note payable to Ralph A. Boehner, Harriett R. Boehner, Kent A. Boehner, and Pamela A. Boehner; and

Deed of Trust dated September 29, 1989, and recorded September 29, 1989, as Reception No. 89044962 of the Records of the Clerk and Recorder of Larimer County, Colorado, to secure a promissory note payable to The Estes Park Bank.