

**THIRD AMENDMENT TO  
THE CONDOMINIUM DECLARATION OF THE HOVER RIDGE TOWN HOMES,  
A CONDOMINIUM**

THIS THIRD AMENDMENT to The Condominium Declaration of the Hover Ridge Town Homes, a Condominium ("Third Amendment") is effective upon the date of recording.

RECITALS

- A. On January 14, 1998, The Condominium Declaration of the Hover Ridge Town Homes, a Condominium ("Declaration"), as it may be amended from time to time, was recorded at Reception No. 1763370 in the real estate records of the Clerk and Recorder of Boulder County, Colorado.
- B. The Owners desire to amend the Declaration to modify the leasing restrictions and the provisions relating to insurance deductibles.
- C. Pursuant to Paragraph 11.2 of the Declaration, amendments to this Declaration which impose restrictions on leasing must receive the consent of Owners holding not less than sixty-seven percent (67%) of the votes allocated in the Association and the consent of fifty-one percent (51%) of the Eligible Mortgagees.
- D. Pursuant to Paragraph 13.2 of the Declaration, amendments to this Declaration which address insurance deductibles must receive the consent of Owners holding not less than sixty-seven percent (67%) of the votes allocated in the Association.
- E. Owners holding at least sixty-seven percent (67%) of the votes in the Association have provided their written consent to this Third Amendment.
- F. Based upon the failure of a holder, insurer or guarantor of a First Security Interest to comply with the procedural requirements of Paragraph 1.24 of the Declaration, there are no Eligible Mortgagees which must provide their written consent to this Third Amendment.

NOW THEREFORE, this Declaration is hereby amended as follows:

- I. **Repeal and Restatement.** Paragraph 6.11 of the Declaration, and all amendments thereto, are repealed in their entirety and replaced with the following:

"6.11 **Lease of a Condominium Apartment.** Subject to the remaining provisions of this Paragraph 6.11, an Owner of a Condominium Apartment shall have the right to lease his or her Non-Owner Occupied Condominium Apartment, as defined below, in its entirety upon such terms and conditions as the Owner may deem advisable; provided, however, without otherwise obtaining written consent from the Board, that: (i) no leases shall be made for less than six (6) months; (ii) no lease shall be for less than the entire Condominium Apartment, except that an Owner of a Condominium Apartment who is occupying their Condominium Apartment shall be permitted to have a roommate; (iii) all leases shall be in writing and shall provide that the lease is subject to the terms of the Project Documents and a copy of the Rules are provided to the Lessee with the lease; (iv) no Condominium Apartment may be sublet; (v) a Condominium Apartment may be leased only for the uses provided in this Declaration; (vi) short term leases for vacation or holiday rentals or leases for hotel-like purposes shall be prohibited; and (vii) any failure of a lessee to comply with the terms of this Declaration or any other Project Documents shall be a default under the lease enforceable by the Association as a third party beneficiary, whether or not the

lease contains such a provision. However, as a third party beneficiary, the Association shall not have the legal right to evict a tenant from a Unit, but shall have the right to take other actions and to levy fines for violations of this Declaration or any other Project Documents after first providing the tenant with notice and an opportunity for a hearing. In order to assure eligibility of the Association for any Agency, the Board may adopt Rules with respect to the rental of Condominium Apartments to non-Owners. Further, the following procedures and restrictions shall govern the ability of Owners to rent their Condominium Apartments:

- (a) A maximum of seven (7) Condominium Apartments may be leased, rented, or in any other manner occupied by non-Owner occupants without the concurrent occupancy by the Owner at all times (the "Non-Owner Occupied Condominium Apartments"). No Condominium Apartment other than an Approved Non-Owner Occupied Condominium Apartment, as defined below, may be occupied as anything other than an Owner's primary dwelling or second home at any time. Notwithstanding the previous two sentences, until a terminating event occurs, a maximum of seven (7) Approved Non-Owner Occupied Condominium Apartments will be allowed, subject to the remaining provisions of this Paragraph 6.11. A terminating event shall terminate the right of an Owner to use his or her Condominium Apartment as an Approved Non-Owner Occupied Condominium Apartment. Except as expressly provided below for hardship situations, a terminating event shall occur upon: (a) any sale or other conveyance of the Approved Non-Owner Occupied Condominium Apartment; (b) occupancy of the Condominium Apartment by the Owner as the Owner's primary home or as a second home; or (c) vacancy of the Approved Non-Owner Occupied Condominium Apartment for a period of at least six consecutive months.
- (b) Any Owner wishing to lease, rent, or in any other manner allow non-owner occupants to occupy his or her Condominium Apartment as a Non-Owner Occupied Condominium Apartment shall: (a) be subject to the maximum number of Approved Non-Owner Occupied Condominium Apartments set forth above; and (b) must first apply for written authorization from the Association to have the Owner's Condominium Apartment be eligible for use as an Approved Non-Owner Occupied Condominium Apartment. The approved Units shall hereafter be known as the "Approved Non-Owner Occupied Condominium Apartments."
  1. Owners desiring to convert their Condominium Apartment to an Approved Non-Owner Occupied Condominium Apartment shall first apply to the Association in writing. Such applications will be reviewed for approval on a first-come, first-served basis. The Association's Secretary or Manager shall keep a list of Owners who desire to convert their Condominium Apartment to an Approved Non-Owner Occupied Condominium Apartment ("Rental Request List") and the Owner who is next on the Rental Request List will receive the next opportunity to convert their Condominium Apartment to an Approved Non-Owner Occupied status pursuant to the terms contained in this Paragraph 6.11.
  2. Should an Approved Non-Owner Occupied Condominium Apartment be subject to a terminating event, the next Owner on the Rental Request List shall then be entitled to have his or her Condominium Apartment qualified as an Approved Non-Owner Occupied Unit, and such method of determining the next Owner who is entitled to have an Approved Non-Owner Occupied Condominium Apartment shall continue in similar manner until either (a) there are not any Owners on the Rental Request List, or (b) a Condominium Apartment becomes an Approved Non-Owner Occupied Unit.

(c) Notwithstanding the cap on the maximum number of Units which may be rented at any time pursuant to this 6.11, the Board shall have the authority, but not the obligation, to exceed the maximum number of Approved Non-Owner Occupied Condominium Apartments for good caused exercised in the Board's good faith discretion, which may constitute a hardship of the Owner due to any of the following circumstances:

1. An Owner's long-term military deployment;
2. Necessary long-term absence to care for an ill family member or to receive medical treatment;
3. Ownership by a trust where the resident is the current beneficiary of the trust, except that a trust shall not be utilized for the sole purpose of obtaining a waiver to rent a Unit;
4. Short-term corporate ownership following the relocation of the Owner by his or her employer;
5. The inability of an Owner to sell the Condominium Apartment at a commercially reasonable price or within a commercial reasonable period of time following death, disability, loss of employment or other financial hardship of the Owner; or
6. Any other circumstances the Board determines warrant a hardship exception to the requirements of this Paragraph 6.11.

**II. Repeal.** The following provisions of Paragraph 7.2 of the Declaration are deleted in their entirety:

"The deductible, if any, on such insurance policy shall be as the Directors determine to be consistent with good business practice and which shall be consistent with the requirements of the First Mortgagees, not to exceed, however, Five Thousand Dollars or one percent of the face amount of the policy whichever is less. Any loss falling within the deductible portion of the policy shall be paid by the Association. Funds to cover the deductible amounts shall be included in the Association's Reserve Funds and be so designated.

The Board shall have the authority to levy against Owners causing such loss for the reimbursement of all deductibles paid by the Association as an Individual Assessment in accordance with Paragraph 5.4(b) hereof."

**III. Repeal.** The following provision of Paragraph 7.5 of the Declaration is deleted in its entirety:

"Deductibles may not exceed the lower of Five Thousand Dollars or one percent of the face amount of the coverage. Funds for such deductibles must be included in the Association's Reserve and be so designated."

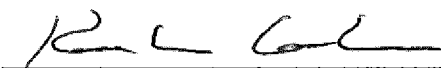
**IV. Addition of Paragraph 7.10 to the Declaration.** The following Paragraph 7.10 addresses the issue of insurance deductibles and will be added to the Declaration:

"7.10 The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of

claims adjustment. To the extent the Association settles claims for damages to the Property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. No property policy of insurance of which the Association or its designee is the beneficiary shall include a deductible clause in an amount less than one thousand dollars (\$1,000). Any loss less than the specified deductible of such policy shall be borne by the person or entity who is responsible for the repair and maintenance of the property which is damaged or destroyed. In the event of a joint duty of repair and maintenance between the Association and a Unit Owner of the damaged or destroyed property, then the deductible shall be borne by the Association. In the event that more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible required by such policy. Notwithstanding the foregoing, after notice and hearing, the Executive Board may determine that a loss, either in the form of a deductible to be paid by the Association or an uninsured loss resulted from the act or negligence of an Owner. Upon such determination, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as an Individual Assessment in accordance with Paragraph 5.4(b) of this Declaration.”

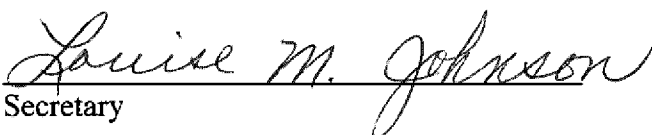
IN WITNESS WHEREOF, this Third Amendment to The Condominium Declaration of the Hover Ridge Town Homes, a Condominium is executed by the undersigned, who certify that Owners holding at least sixty-seven percent (67%) of the votes allocated in the Association have provided their written consent this Third Amendment.

The Hover Ridge Town Homes Condominium Association

By:   
President

The undersigned, as Secretary of The Hover Ridge Town Homes Condominium Association, hereby certifies that the Owners holding at least sixty-seven percent (67%) of votes in the Association have given their written consent to this Third Amendment to The Condominium Declaration of the Hove Ridge Town Homes, a Condominium. The originals of such written consents by Owners, along with the recorded amendment, are records of the Association, and available for inspection.

The Hover Ridge Town Homes Condominium Association

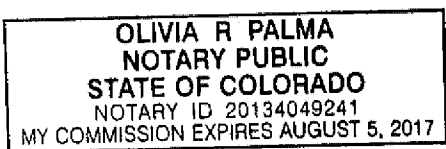
By:   
Secretary

[NOTARIZATION OF SIGNATURES ON NEXT PAGE]

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Boulder )

The foregoing was acknowledged before me this 8<sup>th</sup> day of June 2017, by Erin Kathleen Graham, as President of The Hover Ridge Town Homes Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.  
My commission expires: 08/05/2017

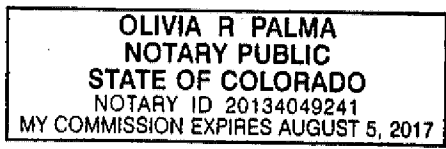


[Signature]  
Notary Public

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Boulder )

The foregoing was acknowledged before me this 8<sup>th</sup> day of June, 2017, by Louise Johnson, as Secretary of The Hover Ridge Town Homes Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.  
My commission expires: 08/05/2017



[Signature]  
Notary Public