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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PARKSIDE FLATS

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Exhibit A
Exhibit B
Exhibit C

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

PARKSIDE FLATS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, 1660 Steele St., LLC, a Colorado limited liability company (hereinafter called "Declarant"), is the owner of that certain real property situated in the City and County of Denver, State of Colorado, being more particularly described on Exhibit A attached hereto and incorporated herein by this reference; and

WHEREAS, Declarant has chosen the name Parkside Flats to refer to the condominium community to be created on the property described on Exhibit A and Parkside Flats Owners Association, Inc., to refer to the homeowners association to be created to care for the condominium community; and

WHEREAS, Declarant plans to convert a multi-unit building on the above-described property, and it desires hereby to provide for the condominium ownership of the same pursuant to the provisions of the Condominium Ownership Act and Colorado Common Interest Ownership Act of the State of Colorado; and

WHEREAS, Declarant desires to subject and place upon the above-described property certain covenants, conditions, restrictions, easements, reservations, rights-of-way and other charges set forth herein for the purpose of protecting the value and desirability of said property and for the purpose of furthering a plan for the improvement, sale and condominium ownership of said property, to the end that a harmonious and attractive development of said property may be accomplished and the health, comfort, safety, convenience and general welfare of the Declarant, its successors and assigns in said property, or any portion thereof, promoted and safeguarded.

NOW, THEREFORE, the Declarant hereby submits the above-described property, together with all improvements, appurtenances and facilities thereto and now or hereafter thereon, to condominium ownership under the Condominium Ownership Act and the Colorado Common Interest Ownership Act of the State of Colorado, as the same may be amended from time to time, and hereby imposes upon all of said property the following terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations and obligations, which shall be deemed to run with the above-described property and all property hereafter annexed to this Declaration and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the above-described property, their grantees, successors, heirs, executors, administrators, devisees or assigns.

ARTICLE ONE

DEFINITIONS

1.1 Agencies. "Agencies" shall mean and collectively refer to, the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by any of such entities.

1.2 Association. "Association" shall mean and refer to Parkside Flats Owners Association, Inc., a Colorado nonprofit corporation, its successors and assigns. The Association shall act by and through its Board of Directors and officers.

1.3 Common Elements. "Common Elements" shall mean and refer to the totality of:

(a) The Property; and

(b) The Condominium Building (including, but not by way of limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, chimneys, roofs, patios, parking areas, stairs, corridors, stairways, entrances and exits, and the mechanical installations of the Condominium Building consisting of the equipment and materials making up any services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, incinerating, including the pipes, vents, ducts, flues, chutes, conduits, wires, and other similar utility installations used in connection therewith), except for the Individual Air Space Units; and

(c) Parking spaces, and other facilities, if any, located on the Property; and

(d) The tanks, boilers, pumps, motors, fans, compressors, ducts and, in general, all apparatus, installations and equipment of the Condominium Building existing for common use of the Owners; and

(e) In general, all other parts of the Project existing for the common uses of the Owners, and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

1.4 Condominium Building. "Condominium Building" shall mean and refer to the building (including all fixtures and improvements therein contained) located on the Property and within which the Individual Air Space Units are located.

1.5 Condominium Map. "Condominium Map" shall mean and refer to the Condominium Map for Parkside Flats recorded in the records of the office of the Clerk and

Recorder of the City and County of Denver, Colorado, and which is attached hereto as Exhibit C and incorporated herein by this reference and any amendments or supplements thereto.

1.6 Condominium Unit. "Condominium Unit" shall mean and refer to the fee simple interest in and to an Individual Air Space Unit, together with all fixtures and improvements therein contained, and together with the undivided interest in the Common Elements appurtenant to the Individual Air Space Unit as shown on Exhibit B attached hereto and incorporated herein by this reference.

1.7 Declarant. "Declarant" shall mean and refer to 1660 Steele St. , LLC, a Colorado limited liability company, its successors and assigns; provided, however, that for the purposes of Sections 3.3, 5.3, 11.4, 15.2, and 15.3 of this Declaration, no person or entity shall be considered a Declarant under any of the aforesaid provisions, unless such person or entity shall first be designated by 1660 Steele St. , LLC, as a Declarant for one or more of said purposes by a written instrument duly recorded in the City and County of Denver, Colorado.

1.8 Declaration. " Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Parkside Flats as it may be from time to time.

1.9 First Mortgage. "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument encumbering a Condominium Unit, and recorded in the records of the office of the Clerk and Recorder of the City and County of Denver, Colorado, having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.10 First Mortgagee. "First Mortgagee" shall mean and refer to any person named as a mortgagee or beneficiary under any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

1.11 General Common Elements. "General Common Elements" shall mean and refer to all of the Common Elements except the Limited Common Elements. Subject to any other applicable terms and provisions of this Declaration, upon the written consent of all Owners any General Common Element may be conveyed to any person or entity other than the Owners.

1.12 Individual Air Space Unit. "Individual Air Space Unit" shall mean and refer to the air space contained within the enclosed rooms occupying part of a floor or floors in the Condominium Building and bounded by the unfinished interior surfaces of the perimeter walls (or the adjoining walls, if two or more Individual Air Space Units adjoin each other), unfinished interior surfaces of floors (or the lowermost floors, if it is an Individual Air Space Unit containing more than one level), unfinished interior surfaces of ceilings (or the uppermost ceilings, if it is an Individual Air Space Unit containing more than one level), and the unfinished interior surfaces of windows and window frames, doors and door frames of the Condominium Building, and which is separately identified on the Condominium Map. Said Individual Air

Space Unit is to be used for residential purposes and shall have access to a public street.

1.13 Limited Common Elements. "Limited Common Elements" shall mean and refer to those parts of the Common Elements which are either limited to and reserved for the exclusive use of the Owner or Owners of a particular Condominium Unit or are limited to and reserved for the common use of the Owners of more than one, but fewer than all, of the Condominium Units. Without limiting the foregoing, the Limited Common Elements shall include any patio, landing or fenced yard appurtenant or adjacent to any Individual Air Space Unit and intended for its exclusive use, and the utility, heating, air conditioning and domestic hot water equipment contained within or providing exclusive service to any such Individual Air Space Unit, which Limited Common Elements shall be used in connection with the applicable Individual Air Space Unit to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance or other instrument. Limited Common Elements shall also include any parking space or storage area as shown on the Condominium Map conveyed by Declarant to an Owner.

1.14 Member. "Member" shall mean and refer to each Owner of a Condominium Unit that is subject to assessment hereunder; membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condominium Unit.

1.15 Owner. "Owner" shall mean and refer to any record owner (including Declarant and including a contract seller), whether one or more persons or entities, of a fee simple title interest to any Condominium Unit; but excluding, however, any such record owner having such an interest merely as security for the performance of an obligation (unless such person has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof).

1.16 Project. "Project" shall mean and refer to the totality of all the Property, Condominium Building, Condominium Units and Common Elements.

1.17 Property. "Property" shall mean and refer to that certain property described on Exhibit A attached hereto and incorporated herein by this reference.

ARTICLE TWO

DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP

2.1 Division Into Condominium Units. The Project is hereby divided into twelve (12) separate Condominium Units as identified on Exhibit B attached hereto. Twelve (12) is the maximum number of Condominium Units.

2.2 Inseparability. Each Condominium Unit, as well as all other appurtenances, rights and burdens connected therewith, shall be inseparable and may be transferred, conveyed, leased, devised, encumbered or otherwise disposed of only as a Condominium Unit. Every conveyance,

transfer, devise, lease, encumbrance or other disposition of a Condominium Unit shall be deemed to be a conveyance, transfer, devise, lease, encumbrance or other disposition, as the case may be, of the entire Condominium Unit, together with all appurtenant rights, interests, duties and obligations, created by law or by this Declaration.

2.3 Non-Partitionability. The Common Elements shall be owned in common by all of the Owners and shall remain undivided. By the acceptance of his deed or other instrument of conveyance or assignment, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Elements. Furthermore, each Owner agrees that this Section 2.3 may be pleaded as a bar to the maintenance of such an action. Any violation of this Section shall entitle the Association to collect, jointly and severally, from the parties violating the same, the actual attorney's fees, costs, expenses and all damages which the Association incurs in connection therewith.

ARTICLE THREE

CONDOMINIUM MAP

3.1 Recording. The Condominium Map, covering all of the Property, shall be recorded in the office of the Clerk and Recorder of the City and County of Denver, Colorado, prior to conveyance of the first Condominium Unit shown on such Condominium Map.

3.2 Content. The Condominium Map shall depict and show at least the following: the name and a general schematic map of the entire common interest community; the location and dimensions of all real estate not subject to development rights or subject only to the development right to withdraw, and the location and dimensions of all improvements within the real estate; a legally sufficient description of any real estate subject to development rights, labeled to identify the rights applicable to each parcel; the extent of any existing encroachments across any common interest community boundaries; to the extent feasible, a legally sufficient description of all easements serving or burdening any portion of the common interest community; the location and dimensions of any vertical unit boundaries not shown or projected on the Map and that Condominium Unit's identifying number; the location with reference to established data, of horizontal unit boundaries not shown or projected on the Map and that Condominium Unit's identifying number; the legal description of the land and a survey thereof; the location of the Condominium Building in reference to the exterior boundaries of the land; the floor and elevation plans; the location of the Individual Air Space Units within the Condominium Building, both horizontally and vertically; the Condominium Unit designations; the distance between noncontiguous parcels of real estate comprising the common interest community; and the approximate locations and dimensions of limited common elements. The Condominium Map shall contain the certificate of a registered professional engineer, licensed architect or registered land surveyor certifying that the Condominium Map substantially depicts the location and the horizontal and vertical measurements of the aforesaid information, and an affirmation that such Condominium Map was prepared subsequent to substantial completion of the improvements

shown thereon. In interpreting the Condominium Map, the existing physical boundaries of each separate Condominium Unit, as constructed, shall be conclusively presumed to be its boundaries.

3.3 Amendments. Declarant hereby reserves unto itself and the Association, the right, from time to time, without obtaining the consent or approval of any Owner or First Mortgagee, to amend any Condominium Map in order to conform such Condominium Map to the actual location of any improvement(s) constructed, installed or erected on the Property, to establish and designate any General Common Elements as Limited Common Elements or to construct Limited Common Elements. The rights accorded to Declarant in this Section 3.3 shall expire on the date of conveyance of the last Condominium Unit by Declarant to the first purchaser thereof (other than Declarant).

ARTICLE FOUR

OWNER'S PROPERTY RIGHTS IN COMMON ELEMENTS

4.1 Rights of Owner's Easements of Enjoyment and Rights of Ingress and Egress. Every Owner, his family members, guests and licensees shall have a right and easement of enjoyment in and to the General Common Elements and those Limited Common Elements appurtenant to his Condominium Unit, plus a right and easement of ingress and egress over, across and upon the General Common Elements and those Limited Common Elements appurtenant to his Condominium Unit for the purpose of getting to and from his Condominium Unit, parking areas and public ways, for both pedestrian and vehicular travel, which rights and easements shall be appurtenant to and pass with the transfer of title to the Owner's Condominium Unit; provided, however, that such rights and easements shall be subject to the following:

(a) The terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations and obligations contained in this Declaration, the Bylaws and Articles of Incorporation of the Association and the Condominium Map; and

(b) The right of the Association to suspend the voting rights and any and all rights of any Owner to the use of any facilities for any period during which any Association assessment against such Owner or against such Owners Condominium Unit remains unpaid and, for any period not to exceed sixty (60) days, as a result of such Owner's infraction, or the infraction by any member of such Owner's family or such Owner's guests or invitees, of any rule or regulation of the Association; and

(c) The right of the Association to charge reasonable admission and other fees for the use of any facility which is part of the Common Elements, which fees may be in addition to the annual assessments and special assessments provided for in this Declaration; and

(d) The right of the Association to limit the number of guests or invitees of each Owner which may use the Common Elements and the right of the Association to limit the

number of guests or invitees of each Owner which may use any facilities to which Unit Owners have a right of use; and

(e) The right of the Association to adopt, from time to time, rules and regulations concerning the Condominium Units, Common Elements, and/or any property owned by the Association, and any facilities located thereon, as the Association may determine is necessary or prudent; and

(f) The right but not the obligation of the Declarant to designate, in any deed whereby Declarant conveys title to any Condominium Unit, on any Condominium Map, or on any other recorded instrument, specific parking space(s), including any improvements thereto and thereon, as Limited Common Elements for the exclusive use of the Owner(s) of particular Condominium Units, provided that this right shall terminate upon conveyance by Declarant of the last Condominium Unit to the first purchaser thereof (other than Declarant). The subsequent allocation of parking spaces as Limited Common Elements shall also be reflected in an amendment to this Declaration, prepared, executed and recorded by the Declarant; and

(h) Subject to Section 6.7 hereof, the right of the Association to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

4.2 Limited Common Elements. Subject to the terms and provisions of this Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to his Condominium Unit. Further, any allocation of Limited Common Elements may not be altered without the consent of the unit owners whose units are affected.

ARTICLE FIVE

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

5.1 Membership. Every Owner of a Condominium Unit which is subject to assessment hereunder shall be a Member of the Association and shall remain a Member for the period of his ownership of a Condominium Unit; provided, however, that in no event shall the total number of Association votes which are cast with respect to such Condominium Unit exceed the total number of votes allocable thereto, as provided in Section 5.2 hereof. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condominium Unit.

5.2 Voting. The Members shall be all Owners, including the Declarant, and shall be entitled to one vote for each Condominium Unit owned. When more than one Owner holds an interest in the same Condominium Unit, all such Owners shall be members and the vote for such Condominium Unit shall be cast as the Owners thereof agree, but in no event shall more than one

vote per question be cast with respect to such Condominium Unit. If the Owners of such Condominium Unit do not agree as to the manner in which their vote should be cast when called upon to vote, then they shall be treated as having abstained.

5.3 Rights of Declarant. Notwithstanding anything contained in this Declaration to the contrary, Declarant, or persons designated by Declarant, shall have the right to appoint and remove officers and members of the Board of Directors of the Association. However, not later than sixty (60) days after conveyance of 25% of the Condominium Units to Owners other than Declarant, at least one member and not less than 25% of the members of the Board of Directors must be elected by the Owners other than Declarant. Further, not later than sixty (60) days after the conveyance of 50% of the Condominium Units to Owners other than Declarant, not less than 33% of the members of the Board of Directors must be elected by Owners other than the Declarant.

Declarant's rights to appoint and remove officers and directors under this Paragraph 5.3 shall terminate on the happening of any of the following events, whichever occurs earliest:

(a) No later than sixty (60) days after conveyance of 75% of the Condominium Units to Owners other than Declarant;

(b) Two (2) years after the last conveyance of a Condominium Unit by Declarant in the ordinary course of business;

(c) On a date which is seven (7) years after the date of recording of this Declaration in the office of the Clerk and Recorder of the City and County of Denver, Colorado; or

(d) A date certain set forth in written notice from the Declarant; provided, however, that in the event there is more than one Declarant owning property within the Project, such notice must be signed by all of the Declarants.

ARTICLE SIX

THE ASSOCIATION

6.1 Management and Maintenance Duties. Subject to the rights of Owners as set forth in this Declaration, the Association shall, except as otherwise specifically provided herein with respect to certain Limited Common Elements:

(a) be responsible for the management, control, maintenance, repair, replacement and improvement of the Common Elements, including facilities, furnishings and equipment related thereto, and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner shall be responsible for exclusive maintenance

and repair of any patios located adjacent to the garden level Units, all fixtures, equipment and utilities installed or located within such Owner's Individual Air Space Unit, and all other equipment providing exclusive service thereto or therefor and any service lines therefor to the Condominium Unit, including without limitation all utility, heating, plumbing, air conditioning and domestic hot water equipment and appurtenances, compressors, and hot water heaters, if any, regardless of whether such fixtures, equipment and utilities are owned by said Owner or are Common Elements;

(b) maintain and repair the exterior surfaces of the Condominium Buildings (including, without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, and the maintenance and repair of roofs, stairways, landings, fences and awnings but excluding window washing, window maintenance or repair, door maintenance or repair (excluding painting), maintenance and repair of patios which are Limited Common Elements, or any maintenance, repair or replacement as provided in Section 6.2 of this Declaration); and

The expenses, costs and fees of such management, operation, maintenance, repair, replacement and improvement by the Association, as provided in this Section 6.1, shall be part of the annual common expense assessment levied by the Association and the prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees, regardless of the amounts thereof. Notwithstanding the foregoing, all expenses related to the maintenance of the fences which surround the patios adjacent to Condominium Units 102 and 104 shall be charged only to the Owners of those Condominium Units

6.2 Owner's Negligence: Prohibition of Certain Activities.

(a) Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or replacement of the Common Elements, or any portion thereof, is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family or by an Owner's guests or invitees (such determination of negligence or willful act or omission, and the amount of the Owner's liability therefor, having been determined by the Association by a hearing after notice to the Owner), then the expenses, costs and fees incurred by the Association for such maintenance, repair or replacement shall be the personal obligation of such Owner; and, if not repaid to the Association within ten (10) days after the Association shall have given notice to the Owner of the total amount of such expenses, costs and fees, or any portions thereof, from time to time, then the failure to so repay shall automatically become a default assessment determined and levied against such Condominium Unit and Owner, and the Association may proceed in accordance with Section 7.8 hereof.

(b) Further, nothing shall be done or kept in any Condominium Unit or in or on the 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 having jurisdiction over the same. No damage to, or waste of, the Common Elements, or any part

thereof, shall be committed by any Owner, or by any member of an Owner's family, or by a guest, invitee, or contract purchaser of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless from and against all loss and damage resulting from any action or activity committed by him, the members of his family, his guests, invitees or contract purchasers, which is in violation of this Section 6.2(b). At its own initiative or upon the written request of any Owner (and, if the Association determines that further action by it is proper), then after notice and a hearing by the Association, the amounts to be indemnified shall be and constitute a default assessment in accordance with Section 7.8 hereof, and the Association shall enforce the foregoing indemnity in the same manner as provided in Section 10.2 hereof with respect to an Owner's indemnity against mechanic's liens.

6.3 Management Agreements and Other Contracts. Any agreement for professional management of the Association's business or other contract providing for services of the Declarant shall have a maximum term of three (3) years, and any such agreement shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon thirty (30) days prior written notice.

6.4 Acquiring and Disposing of Personal Property. The Association may acquire, own and hold for the use and benefit of all Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such beneficial interest of an Owner shall not be transferable except with the transfer of that Owner's Condominium Unit. Transfer of a Condominium Unit, including transfer pursuant to foreclosure, shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property without any reference thereto. Each Owner may use such personal property in accordance with the purposes for which such property is intended provided that such use shall not hinder or encroach upon the lawful rights of other Owners.

6.5 Promulgation of Rules and Regulations. The Board of Directors of the Association may promulgate and enforce, including without limitation enforcement by levying and collecting charges for the violation thereof, reasonable rules and regulations governing the use of the Condominium Units, Common Elements, and/or any property owned by the Association, which rules and regulations shall be consistent with the rights and duties established in this Declaration.

6.6 New Additions to Common Elements. Subject to the other provisions of this Declaration (specifically including, but not limited to, Section 7.6 hereof), the Association shall have the right to construct new additions to the Common Elements. Ownership of any such additions to the Common Elements shall be apportioned among all condominium units in proportion to the respective undivided interest in the Common Elements appurtenant thereto, as shown on Exhibit B attached hereto. The common expenses for any such additions to the Common Elements shall be apportioned among all condominium units as provided in Section 7.2

hereof. The construction of new additions to the Common Elements shall not affect an Owner by way of modification of his voting power in the Association.

6.7 Contracts, Licenses and Other Agreements. The Association, through its Board of Directors, shall have the right, to enter into, make, perform or enforce: contracts, agreements, licenses, leases, easements and/or rights-of-way, for the use by Owners, other persons, their family members, guests and invitees, of real property, and any facilities or improvements thereto and thereon, for pedestrian and vehicular access, ingress and egress to and from the Project, or any portion thereof, for vehicular parking, or for recreational use and enjoyment; and/or contracts, licenses, leases or other agreements for cable or satellite television service to the Project, or any portion thereof. Any of such contracts, licenses, leases, agreements, easements and/or rights-of-way, as provided for in this Section 6.7, shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors of the Association, which may include provisions by which the Association covenants and agrees that it shall pay part or all of the costs and expenses of maintaining and repairing such real property, and the facilities and improvements thereto and thereon, providing such cable or satellite television service, or other amounts which the Board determines are reasonably necessary to secure any such contracts, licenses, leases, agreements, easements and/or rights-of-way, and any such costs shall be treated by the Association as common expenses pursuant to Article Seven hereof.

6.8 Limited Common Elements. Notwithstanding anything to the contrary contained in this Declaration, each Owner or Owners shall be responsible for the maintenance, repair and replacement of all Limited Common Elements which are either limited to or reserved for the exclusive use of such Owner or Owners with the exception of Parking Spaces and storage areas. Any Limited Common Element, including Parking Spaces and storage areas, or portion thereof, shall be kept in a good, clean, sanitary and attractive condition by the Owner or Owners who are entitled to the exclusive use of said Limited Common Elements. In the event an Owner or Owners who have the exclusive right to use a Limited Common Element fail to maintain, repair, replace or otherwise fail to keep the Limited Common Element in a good, clean, sanitary and attractive condition, the Association may, after ten (10) days written notice to said Owner or Owners, undertake such maintenance, repairs, replacement or cleaning of said Limited Common Element and the costs, expenses and fees of the same shall be the personal obligation of such Owner or Owners. If any cost, expense or fee incurred by the Association in connection with the same is not repaid to the Association within ten (10) days after the Association shall have given written notice to the Owner or Owners of the total amount of such expenses, costs and fees, or any portion thereof from time-to-time, then the failure to so repay shall automatically become a default assessment determined and levied against such Condominium Unit or Units and Owner or Owners and the Association may proceed in accordance with Section 7.8 hereof. All expenses, costs and fees associated with the maintenance, repair or cleaning of Limited Common Elements, including any incurred by the Association, shall be shared equally by those Owners who have a right to use said Limited Common Element. Specifically, any costs associated with the maintenance, repair or replacement of the fences which surround the patios adjacent to Condominium Unit 102 and 104 shall be the obligation those Owners.

ARTICLE SEVEN

ASSESSMENTS

7.1 Personal Obligation for Assessments. All Owners, including Declarant, covenant and agree, and shall be personally obligated, to pay to the Association: (a) monthly common expense assessments imposed by the Association to meet the common expense and reserve requirements of the Association; (b) special assessments, pursuant to Section 7.6 of this Declaration; and (c) other charges, costs, fees and assessments, including without limitation default assessments, as provided in this Declaration. All Owners of each Condominium Unit shall be jointly and severally liable to the Association for the payment of all assessments, fees and charges attributable to their Condominium Unit. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title or interest unless expressly assumed by them. No Owner may waive or otherwise escape personal liability for the payment of the assessments, charges and fees provided for herein by non-use of the Common Elements or the facilities contained therein or by abandonment or leasing of his Condominium Unit. In addition to the foregoing assessments, charges and fees, each Owner shall have the obligation to pay real property ad valorem taxes and special assessments imposed by Colorado governmental subdivisions against his Condominium Unit, as well as all charges for separately metered utilities servicing his Condominium Unit, including without limitation, electrical and gas service. The charges for utilities which are not separately metered to or measured for an individual Condominium Unit such as water and sewer shall be included in the monthly common expense assessments levied by the Association.

7.2 Amount of Monthly Common Expense Assessments.

(a) The initial monthly common expense assessment for each Condominium Unit shall be based upon the percentages as set forth in Exhibit B. Commencing with the initial assessment year and thereafter, the maximum monthly common expense assessment shall be based upon the Association's advance budget of all cash requirements which may be needed by the Association to provide for the payment of all estimated expenses related to or connected with the administration, maintenance, ownership, repair, operation, addition, alteration and improvement of the Project, the Common Elements, and real or personal property owned by the Association, except as otherwise provided in this Declaration. The amount of said advance budget may include, but shall not be limited to: expenses of management; premiums for insurance; landscaping and care of common grounds; common lighting and heating; maintenance, repair and renovation of Common Elements; wages; common water and sewer charges; taxes, legal and accounting fees; management fees; costs, expenses and liabilities incurred by the Association's Board of Directors on behalf of the Owners under or by reason of this Declaration, the Articles of Incorporation or Bylaws of the Association; the creation of reasonable reserves, working capital and/or sinking funds; and any and all other costs and expenses relating to the Common Elements, the Project, and/or real or personal property owned by the Association. However, no assessment may increase by more than 25% of the previously

assessed amount unless approved by at least 67% of the Owners and at least 51% of the First Mortgagees.

Within thirty days after adoption of any proposed budget for the common interest community, the board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the board.

(b) The Board of Directors of the Association may, at any time and from time to time, upon written notification thereof to each Owner, levy an actual common expense assessment in an amount less than the maximum for any monthly assessment period.

7.3 Reserves. The Association shall establish an adequate reserve fund for the maintenance repair and replacement of those Common Elements that must be periodically maintained, repaired or replaced. Such reserves shall be funded through the monthly payments of the common expense assessments.

7.4 Date of Commencement of Monthly Common Expense Assessments. The initial monthly common expense assessment shall commence on the date of the recording of this Declaration and the Condominium Map in the records of the office of the Clerk and Recorder for the City and County of Denver, Colorado. Subsequent monthly common expense assessment periods shall correspond with the fiscal year of the Association. The monthly common expense assessments shall be made due and payable on the first of each month without setoff or deduction, or on such dates as determined by the Board. Any Owner purchasing a Condominium Unit between installment due dates shall pay a pro rata share of the last installment due. Notwithstanding the foregoing, the Declarant may elect to pay all common expenses of the Association in lieu of levying an assessment.

7.5 Rate of Assessment. Both monthly common expense and special assessments for each Condominium Unit shall be based upon the percentages as set forth in Exhibit B.

7.6 Special Assessments. In addition to the assessments authorized above, the Association may at any time, from time to time, determine, levy and assess, which determination, levy and assessment may be made by the Association's Board of Directors with the consent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for that purpose, a special assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of the Common Elements, specifically including without limitation any fixtures and

personal property related thereto. The amounts determined, levied and assessed pursuant hereto shall be set against each Condominium Unit as provided in Section 7.5 hereof. Such special assessment(s) shall be due and payable as determined by the Association's Board of Directors. "Capital Improvements," as used herein, shall mean the construction, erection or installation of substantial structure(s) or other substantial improvements on the Property, but shall not include the construction, reconstruction, erection, installation, maintenance, repair or replacement of Common Elements presently located on the Property or which may hereafter be constructed, erected or installed on the Property by Declarant in its development of the Project. Notice in writing setting forth the amount of such special assessment per Condominium Unit and the due date for payment thereof shall be given to the Owners not less than thirty (30) days prior to such due date.

7.7 Notice of Quorum for Action Authorized Under Section 7.6. Written notice of any meeting called for the purpose of voting on a special assessment pursuant to Section 7.6 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast 60% of the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

7.8 Lien for Assessments. The assessments, charges and fees, including, without limitation any default assessments, as well as any monthly or other installments thereof, provided for in this Declaration (together with any and all interest, costs, late charges, expenses and reasonable attorney's fees which may arise under the provisions of this Declaration), shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Condominium Unit to which such assessments apply. To evidence such lien upon a Condominium Unit, the Association may prepare a written lien notice setting forth a description of the Condominium Unit, the amount of assessments thereon which are unpaid as of the date of such lien notice, the name of the Owner or Owners thereof and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board of Directors of the Association or by an officer, the Managing Agent or the attorney of the Association; and shall be recorded in the office of the Clerk and Recorder of the City and County of Denver, State of Colorado. The recording of any written lien notice shall not constitute a condition precedent nor delay the attachment of the lien, but such lien is a perpetual lien upon each Condominium Unit and attaches without notice at the beginning of the first day of any period for which any assessment is levied or assessed.

7.9 Effect of Non-Payment of Assessments. Any assessments, charges, costs or fees provided for in this Declaration, including, without limitation, any default assessment arising under the provisions of this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, shall bear interest from the due date

at the rate of eighteen percent (18%) per annum, or at such lesser rate as may be set by the Association from time to time, and the Association may assess a monthly late charge thereon. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue assessments, charges, costs or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such owner's Condominium Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments, charges, costs or fees, or any monthly or other installment thereof, may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. In the event that any such assessment, charge, cost or fee, or monthly or other installment thereof, is not fully paid when due and the Association shall commence such an action (or shall counterclaim or crossclaim for such relief in any action) against any Owner personally obligated to pay the same, or shall proceed to foreclose its lien against the particular Condominium Unit, then all unpaid assessments, charges and fees, and all unpaid monthly or other installments thereof, any and all late charges and accrued interest under this Section 7.9, the Association's costs, expenses and reasonable attorney's fees incurred for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorney's fees incurred for any such action and/or foreclosure proceedings, shall be taxed by the court as a part of the costs of any such action or foreclosure proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Condominium Unit. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments, charges, costs or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Condominium Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same.

7.10 Successor's Liability for Assessments. Notwithstanding any terms and provisions of this Declaration to the contrary, except as provided in this Section 7.10 and Section 7.11 below, the sale or transfer of any Condominium Unit shall not affect the lien for assessments, charges, costs or fees levied hereunder, except that sale or transfer of a Condominium Unit pursuant to foreclosure of a First Mortgage or any proceeding in lieu thereof, shall extinguish the lien of Association assessments which became due prior to any such sale or transfer or foreclosure, or any proceeding in lieu thereof: provided, however, that any such foreclosure or proceeding in lieu thereof shall not extinguish the Association's lien for six (6) months of assessments as provided by C.R.S. §38-33.3-316. Further, except as provided herein, no First Mortgagee shall be liable for any unpaid assessment, charges, costs or fees, of portion thereof, accruing against a Condominium Unit prior to the time such First Mortgagee takes title to such Condominium Unit pursuant to any remedy provided in its First Mortgage or by law. No such sale, transfer, foreclosure or any proceeding in lieu thereof, shall relieve any owner from liability for any assessments, charges, costs or fees, or any portion thereof, thereafter becoming due, nor such Owner's condominium Unit from the lien for assessments which attaches thereafter.

7.11 Subordination of Association's Lien for Assessments. The Association's perpetual lien on a Condominium for assessments, charges, costs and fees, provided for herein, shall be superior to any homestead exemption as is now or may hereafter be provided by state or federal law. The acceptance of a deed to a Condominium Unit subject to this Declaration shall constitute a waiver of the homestead exemption against all such assessments charges, costs or fees. Said assessment lien shall also be superior to all other liens and encumbrances except: (a) real property ad valorem tax and special assessment liens duly imposed by a Colorado governmental subdivision, and (b) except as provided by Colorado law, specifically C.R.S. Section 38-33.3-316, the lien of any First Mortgage encumbering a Condominium Unit and recorded in the records of the office of the Clerk and Recorder of the City and County of Denver, Colorado, prior to the date such assessment became due, including without limitation any and all advances made by a First Mortgagee, and notwithstanding that any of such advances may have been made subsequent to the date of the attachment of the Association's lien.

7.12 Certificate of Status of Assessments. Upon receipt of a written request from any Owner, or any First Mortgagee, purchaser, prospective purchaser or prospective mortgagee, of a Condominium Unit, and upon payment of a reasonable fee, but in no event less than Fifteen Dollars (\$15.00), the Association, through its Board of Directors or by its managing agent, shall issue a written statement setting forth the amount of any unpaid Association assessments, charges, fees, or portions thereof, if any, with respect to the subject Condominium Unit, the amount of the current monthly common expense assessment and the date that such assessment becomes due, the due date of any special assessment then existing against the Condominium Unit, the amount of any credit for any advanced payments of assessments and for prepaid items (such as insurance premiums), and any other information deemed appropriate by the Association. Said written statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith.

7.13 Working Capital Fund. The Association or Declarant shall require the first owner of each Condominium Unit, other than the Declarant, to make a non-refundable contribution to the Association in an amount equal to two (2) times the monthly common expense assessment against that Condominium Unit in effect at the closing thereof. In the event the Declarant has not levied an assessment, the working capital reserve contribution shall be equal to two (2) times the proposed monthly common expense assessment against that Condominium unit. Within sixty (60) days of the conveyance of the first Condominium Unit to the first Owner thereof, other than Declarant, the Owner shall make the contribution to the working capital fund for each Condominium Unit it owns which is subject to assessment under this Declaration. Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Condominium Unit and shall be maintained in a segregated account with other such working capital funds for the use and benefit of the Association, including without limitation to meet unforeseen expenditures, general operating expenses or to purchase additional equipment. Such contribution to working capital funds shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of his Condominium Unit, an Owner shall be entitled to a credit from his transferee for the aforesaid contribution to

working capital fund. Under no circumstances shall the Declarant utilize any working capital funds of the Association to defray any of the Declarant's expenses, reserve contributions or construction costs.

7.14 First Mortgagees May Pay Assessments and Cure Defaults. In the event any assessment on any Condominium Unit shall not be paid by the Owner thereof within thirty (30) days after the same is due, or if a default by any Owner of any provision of this Declaration, the Articles of Incorporation or Bylaws of the Association, shall not be cured within thirty (30) days after written notice thereof is given to such Owner, then any First Mortgagee may (but shall not be required to) pay such assessment, together with any other amounts secured by the Association's lien created by this Article Seven, and may (but shall not be required to) cure any such default.

7.15 Liens. In accordance with the requirements of the Colorado Condominium Ownership Act, as , Declarant hereby states that it is possible that liens other than mechanics' liens and assessment liens may be obtained against the Common Elements.

ARTICLE EIGHT

INSURANCE

8.1 Insurance Maintained By The Association. The Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as a common expense. Notwithstanding any of the specific insurance requirements contained in this Article Eight, the Association may also consider, in determining the types and amounts of insurance it needs to obtain, the then existing requirements of the Agencies with respect to their insurance, guaranty, or purchase of First Mortgages secured by real property located within the Property.

(a) A policy of property insurance covering all insurable improvements located within the Project (except for land, excavation and other matters normally excluded from coverage), in an amount not less than necessary to comply with any co-insurance percentage stipulated in the insurance policy. Further, said policy shall contain a "Replacement Cost Endorsement" providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and include an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement." The Association may also purchase a "Demolition Endorsement," an "Increased Cost of Construction Endorsement," "Contingent Liability from Operation of Building Laws Endorsement," a "Vacancy Permit Endorsement" or the equivalent, and/or coverage on personal property owned by the Association including fixtures and building service equipment, furnishings and supplies. Such insurance shall afford protection against at least the following:

- (1) loss or damage by fire and other perils normally covered by the

standard extended coverage endorsement; and

(2) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available.

(b) A comprehensive policy of public liability insurance covering the Project, insuring the Association in an amount not less than \$1,000,000 covering bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Project, legal liability arising out of lawsuits related to management contracts of the Association, and protection against liability for non-owned and hired automobiles; such coverage may also include, if applicable, comprehensive automobile liability insurance, garagekeeper's liability, liability for property of others, host liquor liability, water damage liability, employment and contractual liability, workmen's compensation insurance for employees of the Association, and such other risks as shall customarily be required by private institutional mortgage investors with respect to condominium projects similar in construction, location and use.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle or are responsible or handling funds of the Association, in an amount at least equal to the estimated maximum amount of funds, including maintenance reserves in the custody of the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than the greater of three (3) months aggregate assessments on all Condominium Units, plus such reserve funds, or one hundred and fifty percent (150%) of the Association's estimated annual operating expenses and reserves. Such fidelity coverage or bonds shall meet the following requirements:

(1) all such fidelity coverage or bonds shall name the Association as an obligee;

(2) such fidelity coverage or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

In the event the Association has delegated some or all of its responsibility for the handling of funds to a managing agent, the Association may require the managing agent to purchase at its own expense, a policy of fidelity insurance or bonds which fully complies with the provisions of this subparagraph (c)

(d) If the Project, or any portion thereof, is located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance

coverage has been made available under the National Flood Insurance Program ("NFIP"), a "master" or "blanket" policy of flood insurance on the Condominium Buildings and any other property covered by the required form of policy (herein "insurable property") in an amount deemed appropriate, but not less than the lesser of

(1) the maximum coverage available under the NFIP for all Condominium Buildings and other insurable property within any portion of the Project located within a designated flood hazard area; or

(2) one hundred percent (100%) of current replacement cost of all Condominium Buildings and other insurable property within any portion of the Project located within a designated flood hazard area.

(e) In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including but not limited to personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association and, if appropriate, coverage for loss or damage resulting from steam boiler equipment, conditioning equipment or other equipment accidents in an amount not less than \$2,000,000.00 per accident per location or such greater amount as may be deemed prudent by the Association based on the nature of the property.

8.2 General Provisions of Insurance Policies. The policies of insurance carried by the Association shall be carried in blanket policy form naming the Association as insured, or designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association or interest in the Common Elements. The policy or policies shall contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each First Mortgagee, insurer or guarantor of the First Mortgage. The Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including First Mortgagees, upon request. Any such Owner policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association and no act or omission by any Owner unless acting within the scope of such Owner's authority on behalf of the Association shall void a policy or be a condition to recovery under the policy.

8.3 Deductibles. No policy of insurance of which the Association or its designee is the beneficiary shall include a deductible clause in an amount which is greater than the lesser of \$10,000.00 or 4% of the face amount of the policy. Any loss falling within the deductible

portion 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 of the damaged or destroyed property between an Owner and The Association, then the deductible shall be borne by the Association. Notwithstanding the foregoing, after notice and hearing, the Association 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 a Owner. Upon said determination by the Association, 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 any annual assessment.

8.4 Insurance Trustee. The Association may authorize a representative to act for it, including any trustee or successor thereto, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance. Such insurance trustee shall act as attorney-in-fact for the purpose of purchasing and maintaining insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. Said party may also receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Owners and their First Mortgagees as their interest may appear.

8.5 Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association's policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of policies of insurance of an Owner; provided that if such amount(s) are not repaid to the Association within ten (10) days after the Association shall have given notice to the Owner of the total of such amount(s), from time to time, then the failure to so repay shall automatically become a default assessment determined and levied against such Condominium Unit and Owner, and the Association may proceed in accordance with Section 7.9 hereof. Any such Owner's policy shall also contain waivers of subrogation.

8.6 Acceptable Insurance Companies. Any hazard insurance policy purchased by the Association must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better, or a financial rating of Class V provided it has a general policy holder's rating of at least A, and is authorized by law to do business in the State of Colorado. The Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds.

8.7 Insurance to be Maintained by Owners. Insurance coverage on furnishings, including draperies and other items of personal property belonging to an Owner and public liability coverage within each Condominium Unit, shall be the sole and direct responsibility of the Owner(s) thereof, and the Association, its Board of Directors and/or the managing agent of the Association shall have no responsibility therefor. Owners shall also be responsible for obtaining such policies of title insurance related to any sale of a Condominium Unit other than the purchase by the initial Owner from the Declarant.

8.8 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors of the Association to ascertain that the coverage provided by such policies adequately covers those risks insured by the Association. Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Directors or the managing agent of the Association may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or other person knowledgeable as to replacement costs, which appraiser shall reasonably estimate the full replacement value of the improvements to the insured for the purpose of determining the amount of insurance required pursuant to the provisions of this Article. Any First Mortgagee shall be furnished with a copy of such appraisal upon request.

8.9 Payment and Disbursement of Insurance Proceeds. Any loss covered by a property insurance policy described in Paragraph 8.1 above must be adjusted with the Association, but the proceeds may be paid to any insurance trustee for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds for the Owners and lienholders as their interests may appear. Except as provided in Paragraph 13.2 below, the insurance proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Association terminated.

ARTICLE NINE

CONVEYANCES AND TAXATION OF CONDOMINIUM UNITS

9.1 Contracts Entered into Prior to Recording of Condominium Map and Declaration. A contract or other agreement for the sale of a Condominium Unit entered into prior to the filing for record of the Condominium Map and/or this Declaration in the office of the Clerk and Recorder of the City and County of Denver, Colorado, may legally describe such Condominium Unit in the manner set forth in Section 9.2 hereof and may indicate that the Condominium Map and/or this Declaration are to be recorded. Upon recordation of the Condominium Map and this Declaration in the City and County of Denver, Colorado, such description shall be conclusively presumed to describe the corresponding Condominium Unit shown on the Condominium Map and such Condominium Unit shall be subject in all respects to this Declaration.

9.2 Contracts Entered Into Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Condominium Map and this Declaration, every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Condominium Unit may legally describe that Condominium Unit as follows:

Condominium Unit _____, Parkside Flats, according to the Condominium Map thereof, recorded on _____, 2009, at Reception No. 2009 _____, in the records of the office of the Clerk and Recorder of the City and County of Denver, Colorado, and as defined and described in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARKSIDE FLATS recorded on _____, 2009 at Reception No. 2009 _____, in said records.

Together with the exclusive use of Parking Space No. _____ and Storage Space No. _____ as designated on the recorded condominium plat as a limited common element, in accordance with the terms and provisions of the Declaration for Parkside Flats.

9.3 Legal Effect of Description. Every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Condominium Unit which legally describes said Condominium Unit in the manner set forth in Section 9.2 hereof shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Unit, but also the undivided interest in the Common Elements appurtenant thereto and all other appurtenant properties and property rights, and incorporate all of the rights, limitations and burdens incident to ownership of a Condominium Unit as described in this Declaration and the Condominium Map. Each such description shall be construed to include a nonexclusive easement for ingress and egress to and from each Condominium Unit and the use of all the General Common Elements as well as all of the Limited Common Elements appurtenant to said Condominium Unit, all as more fully provided in this Declaration.

9.4 Taxation. Each Condominium Unit shall be assessed separately for all taxes, assessments and other charges of the State of Colorado, any political subdivision thereof, any special improvement district, and any other tax or assessing authority, in accordance with the Condominium Ownership Act of the State of Colorado. For the purpose of such assessments, the valuation of the Common Elements shall be apportioned among the Condominium Units in proportion to the undivided interest in the Common Elements appurtenant thereto. The Association shall furnish to the Tax Assessor of the City and County of Denver, Colorado, and to all other appropriate persons and authorities, all necessary information with respect to such apportionment. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

ARTICLE TEN

MECHANIC'S LIENS

10.1 Mechanic's Liens. No labor performed and/or materials furnished for use and incorporated in any Condominium Unit with the consent or at the request of the Owner thereof, his agent, contractor or subcontractor, shall be the basis for the filing of a lien against a Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Individual Air Space Unit of the Owner for whom such labor shall have been performed or such materials furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien against the Condominium Unit of any other Owner, the Common Elements, or any part thereof, for labor performed and/or for materials furnished in work on the first Owner's Condominium Unit.

10.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner, if the Association determines that further action by it is proper and the mechanic's lien(s) are not disputed claims with a reasonable basis for such dispute, the Association, after notice and hearing, shall enforce the indemnity provided by Section 10.1 hereof by collecting from the Owner of the Condominium Unit on which the labor was performed and/or materials furnished, the amount necessary to discharge any such mechanic's lien, including all costs and reasonable attorney's fees incidental thereto, and obtain a discharge of such lien. In the event that the Owner of the Condominium Unit on which the labor was performed and/or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount, or any portions thereof, from time to time, to be indemnified, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 10.2 and such amount to be indemnified shall automatically become a default assessment determined and levied against such Condominium Unit, and the Association may proceed in accordance with Section 7.9 hereof.

10.3 Effect of Part Payment. In the event a lien attributable to labor performed and/or materials furnished on the Project, or any portion thereof, is effected against two or more Condominium Units, the Owner(s) of any of the affected Condominium Units may pay to the lienholder the amount of the lien attributable to such Owner's Condominium Unit and the lienholder shall release such Condominium Unit from the lien. The amount required to be paid by any such Owners in order to obtain release of their Condominium Unit from any such lien shall be equal to the quotient of (I) the amount of the lien, divided by (ii) the total number of Condominium Units affected by the lien. Partial payment and release of any such lien with respect to any Condominium Unit(s) shall not prevent the lienholder from enforcing his rights against any Condominium Unit for which payment has not been received.

ARTICLE ELEVEN

EASEMENTS

11.1 Recorded Easements. In addition to all easements and rights-of-way of record at or before the recording of this Declaration, the Property, and all portions thereof, shall be subject to the easements as shown on any recorded plat of the Property, or any portion thereof, as shown on the recorded Condominium Map.

11.2 Encroachments. In the event that any portion of the Common Elements encroaches upon any Condominium Unit(s) or in the event that any portion of a Condominium Unit encroaches upon any other Condominium Unit(s) or upon any portion of the Common Elements, or in the event any encroachment shall occur in the future as a result of: (I) settling of a Condominium Building, or (ii) alteration or repair to the Common Elements, or (iii) repair or restoration of one or more Condominium Buildings and/or Condominium Unit(s) after damage by fire or other casualty, or condemnation or eminent domain proceedings, then, in any of said events, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the encroachment exists. In the event that any one or more of the Condominium Units, Condominium Buildings or other improvements comprising part of the Common Elements are partially or totally destroyed and are subsequently rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding or reconstruction any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Condominium Units for purposes of marketability of title or other purposes. In interpreting any and all provisions of this Declaration, subsequent deeds, mortgages, deeds of trust or other security instruments relating to Condominium Units, the actual location of a Condominium Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations, either horizontally, vertically or laterally, from the location of such Condominium Unit as indicated on the Condominium Map.

11.3 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or persons to enter upon all streets and upon the Common Elements in the proper performance of their duties.

11.4 Utilities. There is hereby created a blanket easement upon, across, over and under the Common Elements for utilities and the installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electricity and master television antenna or cable or satellite television systems, if any. By virtue of this blanket easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances on the Common Elements and to affix, repair, and maintain water and sewer pipes, gas, electric, telephone and television wires, cables, satellite reception dishes, circuits, conduits and meters. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, Declarant reserves and is hereby given

the right and authority to grant such easement upon, across, over or under any part or all of the Common Elements without conflicting with the terms hereof; provided, however, that such right and authority shall cease and terminate upon conveyance by Declarant of the last Condominium Unit to the first Owner thereof (other than Declarant), at which time said reserved right shall vest in the Association. The easement provided for in this Section 11.4 shall in no way affect, avoid, extinguish or modify any other recorded easement(s) on the Common Elements. Under no circumstances are the provisions of this Section 11.4 to be construed to provide any easement rights to any party other than the Declarant or the Association.

11.5 Maintenance Easement. An easement is hereby granted to the Association, its officers, agents, employees and assigns upon, across, over, in and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it may be obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain on the Common Elements maintenance for use by the Association.

11.6 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within Individual Air Space Units or may be conveniently accessible only through Individual Air Space Units. The Owners of other Individual Air Space Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Individual Air Space Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal or replacement of any of the Common Elements located therein or accessible there from, or for making emergency repairs therein, necessary to prevent damage to the Common Elements or to any Individual Air Space Unit. The Association shall also have such right, independent of any agency relationship. Subject to the provisions of Section 6.2 hereof, damage to the interior of any part of an Individual Air Space Unit resulting from the maintenance, repair, emergency repair, removal or replacement of any of the Common Elements or as a result of emergency repairs within any Individual Air Space Unit at the instance of the Association or any Owner, shall be an expense of all the Owners. Non-emergency repairs shall be made only during regular business hours on business days after twenty-four (24) hours notice to the occupants of the Individual Air Space Unit wherein such repairs are to be made, except where the occupants have no objections to earlier entry for repairs. In emergency situations the occupants of the affected Individual Air Space Unit shall be warned of impending entry as early as is reasonably possible.

11.7 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Elements and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to the complete construction of the Project; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access by any Owner, his family members, guests or invitees to or of his Condominium Unit or the General Common Elements.

11.8 Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article Eleven, even though no specific reference to such easements or to this Article Eleven appears in the instrument for such conveyance.

ARTICLE TWELVE

RESTRICTIVE COVENANTS

12.1 Residential Use. Subject to Section 12.2 hereof, Condominium Units shall be used for residential purposes only, including uses related to the convenience and enjoyment of such residential use, and no structures of a temporary character, trailer, shack, 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. However, an Owner may use his Condominium Unit for professional or home occupation(s) so long as the applicable zoning permits such use, there is no external evidence thereof, and no unreasonable inconveniences to other residents is created thereby.

12.2 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible and proper for Declarants, its employees, agents, and contractors to perform such reasonable activities, and to maintain upon portions of the Project, such facilities as Declarants deems reasonably necessary or incidental to the construction, sale or leasing of Condominium Units and development of the Project, specifically including without limiting the generality of the foregoing, maintaining business offices, construction yards and equipment, signs, model units, sales offices, parking areas and lighting facilities; provided, however, that the rights retained by Declarants in this Section 12.2 shall terminate upon conveyance by Declarants of the last Condominium Unit to the first purchaser thereof (other than Declarants). Declarants shall at any one time maintain only one sales office, one management office and one construction office, and said offices may be located in a Condominium Unit, in a temporary building or trailer and may be relocated from time to time by the Declarants. Declarants shall be entitled to maintain sales models in such number and locations as it deems proper. Notwithstanding the foregoing, Declarants shall not perform any activity or maintain any facility on any portion of the Project in such a way as to unreasonably interfere with or disturb any Owner, or to unreasonably interfere with the use, enjoyment or access of such Owner, his family members, guests or invitees of and to his Condominium Unit, the Common Elements or facilities, the parking areas or to a public right of way.

12.3 Household Pets. No animals, livestock, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on the Project; provided, however, that up to two cats may be kept in any Condominium Unit, so long as they are not kept for any commercial purpose and is not kept in such in such manner as to create a nuisance to other Owners. Dogs and birds are specifically prohibited. The Association shall have, and is hereby given, the right and authority to determine in its sole discretion that cats or other household pets are being kept for commercial

purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance to other Owners, or that an Owner is otherwise in violation of this Section 12.3, and to take such action or actions as it deems reasonably necessary to correct the same. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such Owner's pet(s). Pets shall be under the Owner's control at all times, and shall be leashed when walking on the Common Elements. Notwithstanding the foregoing, tenants are specifically prohibited from having any pets.

12.4 Use of Common Elements. Subject to the rights of Declarants as provided in this Declaration, there shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written approval of the Association. Except as specifically provided herein, no bicycles, scooters, baby carriages or similar vehicles or toys or other personal articles shall be allowed to stand unattended in any portion of the Common Elements. Notwithstanding the foregoing, each Owner may store one bicycle in the bicycle rack which is located in the Common Area, and each Owner may store one motor scooter in the designated storage area located in the Common Area. Nothing shall be stored in the common laundry room or the mechanical room. Except for those improvements erected or installed by Declarants in its construction and completion of the Project, nothing shall be altered on, constructed in or removed from the Common Elements without the prior written approval of the Board of Directors of the Association.

12.5 Exterior Changes. Except for those improvements erected or installed by Declarants in its construction and completion of the Project, no exterior additions to, alterations or decoration of any Condominium Building, including but not limited to any structural alterations to any Condominium Unit or Common Element, nor any changes in fences, gates, walls or other structures, nor any change in the color or stain of the exterior, including the exteriors of all doors and fences, nor installation of window mounted air conditioning units or any exterior television, radio or other communication antennas of any type, shall be commenced, erected, placed or maintained, without the prior written approval of the Board of Directors of the Association. Notwithstanding the foregoing, Owners of Condominium Units 102 and 104 may modify any patio or landscaping which is located within the fenced yard adjacent to their Unit without the approval of the Association, so long as such modification does not affect any other Owner and proper measures are taken to insure that the Association's irrigation system is adequately protected.

12.6 Interior Changes and Use Restrictions. No Owner of any Condominium shall make or order any modification or alteration within his Unit affecting any bearing wall or other Common Element without the prior written approval of the Association. No Owner shall cause to be installed or used in his Unit items which shall place a greater load upon the Unit floor than 60 pounds per square foot the "live floor load limit." In particular any use of waterbeds is at the sole risk of the Unit Owner and the Declarants shall not in any way be responsible for any damage or nuisance caused thereby.

12.7 Signs and Advertising. Except as hereinafter provided by applicable law, no signs (except one (1) sign of not more than six (6) square feet per Condominium Unit advertising that the Condominium Unit is for sale or for rent), advertising, billboards, unsightly objects or nuisances of any kind shall be placed, erected or permitted to remain in or on any Condominium Unit, nor shall any sign(s) be permitted in or on the Common Elements, without the prior written approval of the Association. Notwithstanding the foregoing, reasonable signs, advertising, or billboards used by the Declarants in connection with its sale or rental of Condominium Units, or otherwise in connection with its development of the Project, shall be permissible, provided that such use by the Declarants shall not interfere with the Owners' use and enjoyment of the Common Elements, their Condominium Units, or their ingress and egress from a public way to the Common Elements or their Condominium Units. Further, notwithstanding the foregoing, until such time as the Declarant has sold and closed on all of the Condominium Units, or one year from the recording of this Declaration, whichever ever occurs first, no Owner shall be permitted to place any for sale or for rent signs in or on any Condominium Unit or on the Property.

12.8 Commercial Vehicles. Subject to Sections 11.7 and 12.2 hereof, no commercial vehicles, boats, trailers, campers, recreational vehicles or trucks shall be parked within the Project except while temporarily engaged in transport to or from a Condominium Unit, and except such construction vehicles and equipment which may be necessary or incidental to the construction of improvements within the Property by Declarants. For the purposes of this Section 12.8, a 3/4-ton or smaller vehicle, commonly known as a pickup truck, shall not be deemed to be a commercial vehicle or truck.

12.9 Abandoned or Inoperable Vehicles. No abandoned or inoperable automobiles or vehicles of any kind, except as hereinafter provided, shall be stored or parked on any portion of the Project. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, boat, trailer, camper, house trailer, self-contained motorized recreational vehicle, or other similar vehicle, which has not been driven under its own propulsion for a period of two (2) weeks or longer, or any vehicle which does not have an operable propulsion system installed therein; provided, however, that the foregoing restrictions shall not include otherwise permitted vehicles parked by Owners while on vacation or during a period of illness, so long as the Owners provide written notice to the Association of the same. In the event the Association shall determine that a vehicle is an abandoned or inoperable vehicle, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the abandoned or inoperable vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

12.10 Leases. The term "lease", as used herein, shall include any agreement for the leasing or rental of a Condominium Unit and shall specifically include, without limitation, a month-to-month rental. The Owner of a Condominium Unit shall have the right to lease his Condominium Unit under the following conditions:

(a) All leases shall be in writing.

(b) All leases shall provide that the terms of the lease and lessee's occupancy of the Condominium Unit shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease.

(c) No lease shall be for less than thirty (30) days.

(d) No Condominium Unit shall be rented by its Owner for transient or hotel purposes.

12.11 Nuisances. No nuisance shall be allowed on the Project, 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. As used herein, the term "nuisance" shall not include any activities of Declarants in regard to the development and construction of the 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 any fire hazard to exist. Further, no immoral, improper, offensive or unlawful use shall be permitted or made of the Project or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Project, or any portion thereof, shall be observed.

12.12 Patios. The patios of any Condominium Unit shall be kept in a clean, slightly and orderly condition, and the hanging of garments or cleaning of rugs or other household items thereon or the use thereof for storage purposes is expressly prohibited. Owners of Condominium Units with patios may keep outdoor furniture and plants on their patios. No barbeques shall be permitted in any Unit or Common Area, except that the Owners of Condominium Units 102 and 104 may have a gas barbeque in their fenced yard.

12.13 Laundry Room. The laundry facilities located in the Common Area shall only be used between the hours of 7:00 a.m. and 9:00 p.m. No party may store any items in the laundry room. Laundry facilities located within the individual Condominium Units shall not be used from 10:00 PM to 7:00 AM.

12.14 Exterior Appearance of Curtains in Residences. All curtains, shades and/or blinds in each Residence shall be white or lined with white material so as to appear white from the building exterior.

12.15 Flooring. No hardwood or tile floors are permitted in the bedrooms of the Condominium Units or in any other area where not originally installed by the Declarants, except for Condominium Units 101, 102, 103 and 104 which may have hardwood or tile floors installed anywhere. Further, with the exception of Condominium Units 101, 102, 103 and 104, where hardwood or tile is installed by the Declarants in Condominium Units, it must at all times be

covered by rugs or carpets covering no less than fifty percent (50%) of the floor area which is hardwood or tile. No Owner may penetrate the concrete floor in any condominium without the prior written permission of the Association.

12.16 Parking. Parking of motor vehicles is permitted only in designated parking spaces. Parking of motor scooters is permitted only in the parking spaces designated for such parking.

12.17 Storage Area. No party may store or place any item or substance in the storage areas that is hazardous or noxious, including but not limited to paint, chemicals or solvents. Further, no party may store any item outside of a Condominium Unit except as expressly permitted under this Declaration or as permitted by the Association.

12.18 Doors and Gates. All building entrance doors and property gates shall be kept closed and locked except when entering or exiting the property

ARTICLE THIRTEEN

DAMAGE, DESTRUCTION, OBSOLESCENCE OR CONDEMNATION

13.1 Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project in the event of its destruction, damage, obsolescence or condemnation, including the repair, replacement and improvement of any Condominium Units, Condominium Buildings, Common Elements or other portions of the Project which have been destroyed, damaged, condemned or become obsolete. Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarants or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association as their true and lawful attorney in their name, place and stead, for the purpose of dealing with the Project upon its damage, destruction, obsolescence or condemnation, as is hereinafter provided. As attorney-in-fact, the Association by its President and Secretary or Assistant Secretary, or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instruments with respect to the interest of an owner which are necessary and appropriate to exercise the powers herein granted. In the event that the Association is dissolved or becomes defunct, a meeting of the Owners shall be held within thirty (30) days after either such event. At such meeting a new attorney-in-fact, to deal with the Project upon its destruction, damage, obsolescence or condemnation, shall be appointed. Such appointment must be approved by the Owners representing an aggregate ownership interest of sixty-seven percent (67%) or more of the Common Elements and at least sixty-seven percent (67%) of the First Mortgagees (based upon one vote for each such mortgage held).

13.2 Damage or Destruction. "Repair and reconstruction" of the improvements, as used

in the succeeding subparagraphs, means restoring the improvement(s) to substantially the same condition in which they existed prior to their damage or destruction, with each Condominium Unit and the General and Limited Common Elements having substantially the same vertical and horizontal boundaries as before, and all improvements being reconstructed or repaired in substantial conformance with the Project's original architectural plan and scheme, to the extent then reasonably and economically feasible. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction, restoration or replacement, in accordance with the provisions hereinafter set forth:

(a) In the event of damage or destruction due to fire or other adversity or disaster, the insurance proceeds, if sufficient to repair or reconstruct the improvement(s) shall be applied by the Association, as attorney-in-fact, to such repair and reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and reconstruction of the improvement(s). Assessments for common expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment, to be made, notwithstanding anything to the contrary contained in Section 7.6 hereof, without a vote of the Owners, against all of the Owners and their Condominium Units. Such special assessment shall be assessed against all Condominium Units in accordance with Section 7.6 hereof, and shall be due and payable not sooner than thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of the improvement(s), using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the aforesaid special assessment. The special assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit, and may be enforced and collected as provided in Section 7.9 hereof, including the provisions therein pertaining to the payment of interest, late charges, costs and expenses. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

(c) Notwithstanding the foregoing provision of this Section 13.2 but subject to the provisions of Article Sixteen hereof, the Owners may agree not to repair or reconstruct the improvements; in such event, the Association shall forthwith record a notice in the office of the Clerk and Recorder of the City and County of Denver, Colorado, setting forth such facts and upon the recordation of such notice executed by the Association President and Secretary or Assistant Secretary, the entire Project shall be sold by the Association pursuant to the provisions of this Section, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Condominium Map, and the Articles of Incorporation and Bylaws of the Association. In the event such a sale of the Project is attempted, those Condominium Units which have been substantially or totally destroyed shall be demolished

within 45 days of the decision to sell the Project and the land upon which they stood shall be attractively replanted and restored. All such costs wherefore shall become part of the assessment for common expenses shared by all owners as provided in Article Seven hereof. Assessments for common expenses shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, combined with all sale proceeds, and all such proceeds shall be divided into portions by the Association, each portion representing one Condominium Unit, with the amount of each portion to be reasonably, and in good faith, allocated by the Board of Directors of the Association to each Condominium Unit based on the comparative value of the Condominium Units as they existed immediately prior to the damage and destruction, using such evidence of the appraised values as is then available, including but not limited to recent appraisals of the Property, portions thereof, or comparable property. Such divided proceeds shall be paid into separate accounts, with each such account in the name of the Association and further identified by the Condominium Unit designation and the name of the Owner(s) and First Mortgagee thereof. From each separate account, the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of each such account without contribution from one account to another, toward payment of the liens encumbering the Condominium Unit represented by such separate account, in the following order:

- (1) For payment of taxes and special assessment liens in favor of any assessing entity;
- (2) For payment of the lien of any First Mortgage;
- (3) For payment of unpaid Association common expense assessments, other assessments, charges and fees, and all costs, expenses and fees incurred by the Association, including customary expenses of sale;
- (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the Owner(s) of the Condominium Unit.

13.3 Obsolescence.

(a) Sixty-seven percent (67%) of the Owners may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction thereof. If a plan for renewal or reconstruction is adopted, notice of such plan shall be recorded in the City and County of Denver, Colorado, and the expenses of renewal and reconstruction shall be payable by all of the Owners as a common expense, whether or not they have previously consented to the plan of renewal and reconstruction. The aforesaid common expense assessment for the renewal and reconstruction of the Common Elements shall be a debt of each Owner and a lien on his Condominium Unit, and may be enforced and collected as provided in Section 7.9 hereof.

(b) Subject to the provisions of Article Sixteen hereof, the Owners may agree that the Condominium Units are obsolete and that the same should be sold. In such instance, the Association shall forthwith record in the office of the Clerk and Recorder of the City and County of Denver, Colorado, a notice setting forth such facts, and upon the recordation of such notice executed by the Association's President and Secretary or Assistant Secretary, the entire Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Condominium Map, and the Articles of Incorporation and Bylaws of the Association. The sale proceeds shall be divided by the Board of Directors of the Association as more fully provided in Section 13.2(c) hereof and paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association and shall be further identified by the Condominium Unit designation and the name of the Owner(s) thereof. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of each such account, without contribution from one account to another, for the same purposes and in the same order as provided in Section 13.2(c) hereof.

13.4 Condemnation. If at any time or times during the continuance of condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions of this Section 13.4 shall apply:

(a) All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award," shall be payable to the Association.

(b) In the event that the entire Project is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners by the Board of Directors of the Association as more fully provided in Section 13.2(c) hereof; provided, however, that if a standard different from the value of the Project as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. The Association shall, as soon as practicable, determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed, as soon as practicable, in the same manner as provided in Section 13.2(c) hereof.

(c) Subject to the provisions of Article Sixteen hereof, in the event that less than the entire Project is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium 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 in accordance with the

formula set forth in Section 7.2(a) hereof; (ii) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned; (iii) the respective amounts allocated to the taking of or damage to a particular Condominium Unit, including but not limited to the Limited Common Elements appurtenant thereto, and to the improvements an Owner has made within his Condominium Unit, shall be apportioned to the particular Condominium Unit involved; and (iv) the total amount allocated to consequential damages and any other taking or injuries shall be apportioned as the Association determines to be equitable in the circumstances, or as determined by judicial decree. Notwithstanding anything to the contrary contained in this Declaration, the allocation of the Condemnation Award to each affected Condominium Unit shall be based on the comparative values of the affected Condominium Units as they existed immediately prior to the condemnation, using such evidence of the appraised values as is then available, including but not limited to recent MAI appraisals of the affected property or comparable property. If the allocation of the Condemnation Award is already 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 disbursed, as soon as practicable, in the same manner as provided in Section 13.2(c) hereof.

(d) In the event a partial taking results in the taking of a complete Condominium Unit, the Owner(s) thereof shall automatically cease to be a Member, shall cease to hold any right, title or interest in the remaining Common Elements, and shall execute any and all documents necessary to accomplish the same. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratio in accordance with this Declaration according to the principles employed in this Declaration at its inception, and shall submit such reallocation to the Owners and to the First Mortgagees of all remaining Condominium Units for amendment of this Declaration as provided in Article Sixteen hereof. The Condemnation Award as to each such completely taken Condominium Unit shall be paid into a separate account and disbursed, as soon as practicable, in the same manner as provided in Section 13.2(c) hereof.

(e) Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 13.2 hereof.

ARTICLE FOURTEEN

BURDENS AND BENEFITS OF DECLARATION

14.1 Covenants Running with Property. The benefits, burdens, and all other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

14.2 Binding Upon and Inure to the Successors. The benefits, burdens, and all other provisions contained in this Declaration shall be binding upon, and inure to the benefit of the Declarants, the Association and all Owners, and upon and to their respective heirs, executors, administrators, personal representatives, successors and assigns. Any right or any interest

reserved or contained in this Declaration to or for the benefit of the Declarants may be transferred or assigned by the Declarants, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association or other entity.

ARTICLE FIFTEEN

AMENDMENT OF DECLARATION

15.1 Amendment. Except for those matters governed by Sections 15.2, 15.3 and 16.1(b) hereof, the provisions of this Declaration may be , in whole or in part, at any time and from time to time, by an instrument (which instrument may be executed in identical counterparts, subject to the provisions of Section 17.11 hereof) approved in writing by not less than fifty-one percent (51%) of the Members.

15.2 Technical Amendment. Declarants hereby reserves and is granted the right and power to record technical amendments to this Declaration, the Articles of Incorporation and/or Bylaws of the Association, at any time prior to the conveyance of the last Condominium Unit in the Project by Declarants to the first Owner thereof (other than Declarants) or seven (7) years from the date this Declaration is recorded in the City and County of Denver, Colorado, whichever occurs first, for the purposes of correcting spelling, grammar, dates, typographical errors, or as may otherwise be necessary to clarify the meaning of any provisions of any of such documents.

15.3 Special Amendment. Declarants hereby reserves and is granted the right and power to record special amendments to this Declaration, the Articles of Incorporation and/or Bylaws of the Association, at any time prior to the conveyance of the last Condominium Unit in the Project by Declarants to the first Owner thereof (other than Declarants) or seven (7) years from the date this Declaration is recorded in the City and County of Denver, Colorado, whichever occurs first, in order to comply with any requirements of the Agencies or to induce any of the Agencies to make, purchase, sell, insure, or guarantee First Mortgages.

15.4 Recording of Amendments. To be effective, all amendments to or revocation or termination of this Declaration must be recorded in the office of the Clerk and Recorder of the City and County of Denver, Colorado, and must contain evidence of the required approval thereof.

15.5 Secretary's Certificate. One method of satisfying the requirements of Section 15.4 hereof shall be the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Condominium Units, and that the requisite percentage of First Mortgagees, have given notarized written consent to the amendment. The Secretary must further certify that originals of such written consents by Owners and First Mortgagees, along with the recorded amendment, are in the corporate records of the Association and available for inspection.

ARTICLE SIXTEEN

FIRST MORTGAGEES

16.1 Member and First Mortgagee Approval. Subject to Sections 15.2 and 15.3 hereof, but notwithstanding any other provisions of this Declaration to the contrary, the Association shall not:

(a) unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the Members and sixty-seven percent (67%) of the First Mortgagees (based on one vote for each First Mortgage held):

(1) seek to abandon or terminate the Project, whether by act or omission, except:

(A) for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty; or

(B) in the case of a taking by condemnation or eminent domain, in which event the provisions of Section 13.4 of this Declaration shall control; or

(c) for amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association made as a result of destruction, damage or condemnation of the Property or improvements thereon;

(2) change the pro rata interest or obligations of any individual Condominium Unit for the purpose of:

(A) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(B) determining the pro rata share of ownership of each Condominium Unit in the Common Elements;

(3) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (excluding the granting of permits, licenses and easements for public utilities, roads or other purposes reasonably necessary or useful for the proper maintenance or operation of the Project);

(4) partition or subdivide any Condominium Unit; or

(5) use hazard insurance proceeds for losses to any condominium property

(whether to Condominium Units or Common Elements) for other than the repair, replacement or reconstruction of such condominium property in accordance with the procedures set forth in Section 13.2 hereof, except as may be provided by statute in the case of substantial loss to such Condominium Units and/or Common Elements.

(b) unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the Members, and fifty-one percent (51%) of the First Mortgagees (based upon one vote for each First Mortgage owned), add or amend any material provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association which establish, provide for, govern or regulate any of the following, provided that such additions or amendments shall not be considered material if they are for the purpose of correcting technical errors or for clarification only:

- (1) voting rights;
- (2) increases in assessments that raise the previously assessed amount by more than 25%, assessments, assessment liens or the priority of such liens;
- (3) reserves for maintenance, repair and replacement of those elements of the Common Elements which must be maintained, repaired or replaced on a periodic basis;
- (4) responsibility for maintenance and repair, of any portion of the Project;
- (5) allocation of interests in the general or Limited Common Elements, or rights to their use;
- (6) boundaries of any Condominium Unit;
- (7) convertibility of Condominium Units into Common Elements or of Common Elements into Condominium Units;
- (8) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;
- (9) insurance, including but not limited to fidelity bonds;
- (10) leasing of Condominium Units;
- (11) imposition of any restriction on the right of any Owner to sell or transfer his Condominium Unit;

(12) any decision by the Association to assume self-management of the Association, when professional management has previously been required by any First Mortgagee or any insurer or guarantor of a First Mortgage;

(13) any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, other than substantially in accordance with this Declaration, the Articles of Incorporation and Bylaws of the Association;

(14) any action to terminate the legal status of the Project after substantial destruction or condemnation; or

(15) any provisions which are for the express benefit of First Mortgagees, or insurers or guarantors of First Mortgages.

16.2 Notice of Action. Upon written request therefor, a First Mortgagee, insurer or guarantor of a First Mortgage, shall be entitled to timely written notice of:

(a) any condemnation loss or casualty loss which affects a material portion of the Project or any Condominium Unit subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor of a First Mortgage;

(b) any delinquency in the payment of assessments or charges owed to the Association by the Owner of the Condominium Unit subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor, or any default by such Owner in any obligation under the Declaration, Articles of Incorporation or Bylaws of the Association and the Board of Directors of the Association has actual knowledge of such default, when such delinquency and/or default remains uncured for a period of sixty (60) days;

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) any proposed action which would require the consent of a specified percentage of First Mortgagees as provided in this Article Sixteen.

16.3 Audit. The First Mortgagees shall be entitled to have an audited financial statement prepared at their expense if one is not otherwise available. However, FNMA and/or FHLMC may require the Association to prepare and furnish within a reasonable time an audited financial statement for the immediately preceding fiscal year. The cost of said audited financial statements shall be paid by the Owner or Owners whose First Mortgagee has requested the same.

ARTICLE SEVENTEEN

MISCELLANEOUS

17.1 Period of Condominium Ownership. The condominium ownership created by this Declaration and the Condominium Map shall continue until this Declaration is terminated in any manner provided in this Declaration or by law.

17.2 Supplement to Condominium Ownership Act. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act and the Colorado Common Interest Ownership Act of the State of Colorado, as they may be from time to time, and to all other applicable provisions of law.

17.3 Conveyance of Condominium Units. All Condominium Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way and all other terms and provisions contained in this Declaration, as it may be from time to time.

17.4 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or rules and regulations of the Association, as , shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Association, Declarants and any aggrieved Owner shall have the right to institute, maintain and/or prosecute any such proceedings, and the Association shall further have the right to levy and collect charges for the violation of any provision of any of the aforesaid documents, which charges shall be a perpetual lien in favor of the Association against each Condominium Unit, as more fully provided in Article Seven hereof. In any such action instituted or maintained under this Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the court.

17.5 Registration of Mailing Address. Each Owner and each First Mortgagee, insurer or guarantor of a First Mortgage, shall register his mailing address with the Association, and notices or demands intended to be served upon any such Owner, First Mortgagee, insurer or guarantor shall be delivered by messenger or sent by mail, postage prepaid, addressed in the name of such person or entity, at such registered address.

17.6 Non-Waiver. Failure by the Declarants, the Association, any Owner, First Mortgagee, or any other person or entity to enforce any covenant, condition, restriction, easement, reservation, right-of-way or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

17.7 Severability. The provisions of this Declaration shall be deemed to be independent

and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

17.8 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

17.9 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration or the intent of any provision hereof.

17.10 Conflicts in Documents. In case of any conflict between this Declaration and the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and Bylaws of the Association, the Articles of Incorporation shall control.

17.11 Counterparts. This Declaration, any Statements of Intention to Annex or any documents of consent, may be executed in several counterparts and all counterparts so executed shall constitute one document binding on all signatories thereof, notwithstanding that all signatories have not executed the original or the same counterpart. In the event that any such document is executed in counterparts, those pages from the counterparts on which signatures and/or certificates of notaries public appear may be attached to the original instrument for the recordation thereof, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are identical.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal this ____ day of _____, 2009.

1660 Steele St. , LLC
a Colorado limited liability company

By: _____
Lorraine Klein, Manager

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

THE ABOVE AND FOREGOING DECLARATION FOR PARKSIDE FLATS was acknowledged before me this ____ day of _____, 2009, by Lorraine Klein as Manager of 1660 Steele St. , LLC, a Colorado limited liability company.

Notary Public

My commission expires: _____

Vectra Bank N.A., as the holder of a deed of trust recorded on _____ at Reception No. 200 _____ in the records of the Clerk and Recorder for the City and County of Denver, State of Colorado, which deed of trust encumbers the property described in Exhibit A, hereby consents to the execution and recording of this Declaration for Parkside Flats.

VECTRA BANK N.A.

Dated: _____

By: _____
Ryan Green, Its: _____

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Acknowledged before me this ____ day of _____, 2009, by _____ as _____ of Vectra Bank N.A.

Notary Public

My commission expires: _____

EXHIBIT A
TO
DECLARATION FOR
PARKSIDE FLATS

LEGAL DESCRIPTION:

LOTS 7 TO 9, INCLUSIVE
BLOCK 8
COLFAX AVENUE PARK SUBDIVISION
CITY AND COUNTY OF DENVER,
STATE OF COLORADO

ALSO KNOWN AND NUMBERED AS 1660 STEELE STREET, DENVER, CO

EXHIBIT B
TO
DECLARATION FOR
PARKSIDE FLATS

<u>Condo Unit No.</u>	<u>Percentage of Undivided Interest in Common Elements Appurtenant to the Condominium Unit</u>	<u>Percentage of Association Common Expenses Allocable to the Condominium Unit</u>
101	8.522	8.522
102	8.522	8.522
103	8.522	8.522
104	6.258	6.258
201	8.522	8.522
202	8.522	8.522
203	8.522	8.522
204	8.522	8.522
301	8.522	8.522
302	8.522	8.522
303	8.522	8.522
304	8.522	8.522

EXHIBIT C
TO
DECLARATION FOR
PARKSIDE FLATS

Map

(Map to be provided.)