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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

FAIRVIEW PLACE RESIDENCES

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Fairview Partners, 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 Fairview Place Residences to refer to the condominium community to be created on the property described on Exhibit A and Fairview Place Residences Condominium 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 Fairview Place Residences Condominium Association, Inc., a Colorado nonprofit limited liability company, 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, fireplaces and flues, roofs, patios, decks, storage areas, 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) Driveways, parking areas, parking spaces, garages and other facilities, if any, located on the Property; and

(d) The tanks, 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 any building (including all fixtures and improvements therein contained) located on the Property and within which one or more Individual Air Space Units are located.

1.5 Condominium Map. "Condominium Map" shall mean and refer to the Condominium Map for Fairview Place Residences recorded or to be 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 Fairview Partners, LLC, a Colorado limited liability company, its successors and assigns, if such successors and assigns acquire one or more portions of the Property from the Declarant, for the purpose of constructing Condominium Buildings thereon; 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 Fairview Partners, 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 Fairview Place Residences as it may be amended 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 any 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

ning more than one level), and the unfinished interior surfaces of windows and window frames, and door frames of the Condominium Building, and which is separately identified on the ominium Map. For purposes of this definition, an enclosed room shall be deemed to include the ace between the floor, the damper and the walls of any fireplace hearth.

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

1.14 Member. "Member" shall mean and refer to each Owner of a Condominium Unit that oject to assessment hereunder; membership in the Association shall be appurtenant to, and may e separated from, ownership of a Condominium Unit.

1.15 Owner. "Owner" shall mean and refer to any record owner (including Declarant and ding a contract seller), whether one or more persons or entities, of a fee simple title interest to Condominium Unit; but excluding, however, any such record owner having such an interest ly as security for the performance of an obligation (unless such person has acquired fee simple 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 ding, Condominium Units and Common Elements.

1.17 Property. "Property" shall mean and refer to that certain property described on Exhibit tached hereto and incorporated herein by this reference and any other property annexed into the ociation pursuant to Article 17 hereof.

ARTICLE TWO

DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP

2.1 Division Into Condominium Units. The Project is initially divided into 22 separate ndominium Units as identified on Exhibit B attached hereto; provided, however, that such number

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of Condominium Units may be modified by annexations to this Declaration pursuant to the provisions of Article 17 hereof. Declarant reserves the right to create a total of 36 separate Condominium Units. The undivided interest in the Common Elements appurtenant to each of the initial Condominium Units is set forth on Exhibit B attached hereto, and the undivided interest in the Common Elements appurtenant to all of the Condominium Units in the event that Declarant constructs all 36 Condominium Units is set forth on Exhibit B-1 attached hereto.

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 or any portion of the Property, and each subsequent Condominium Map 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. Each 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 Condominium Building designation; the distance between noncontiguous parcels of real estate comprising the common interest community; and the approximate locations and dimensions of limited common elements. Each such 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 any 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, or to establish and designate any General Common Elements as 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 or by separate deed, on any Condominium Map, or on any other recorded instrument, specific parking space(s), including any improvements thereto and thereon, including garages, 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 designation of specific parking spaces or garages as Limited Common Elements may be made in conjunction with or separate from the conveyance of title to Condominium Units. Further, an owner who has been assigned the right to a specific parking space as a Limited Common Element may relinquish that right by conveying the same to the Association. If said conveyance is made while the Declarant still possesses the right to designate parking spaces pursuant to this Section 4.1(f), the Declarant shall be entitled to designate the reconveyed parking space to another owner as a Limited Common Element. The allocation of parking spaces or garages as Limited Common Elements shall also be reflected in an amendment to this Declaration, prepared, executed and recorded by the Declarant; and

(g) The right but not the obligation of the Association, from time to time, to assign specific parking spaces or areas for the exclusive use of the Owners of particular Condominium Units, and to vacate or change the assignment thereof. Notwithstanding the foregoing, in the event that any Owner is not, for whatever reason, assigned a garage or parking space which is designated as a Limited Common Element for the exclusive use of that Owner, the Association shall be obligated to assign a parking space for the exclusive use of that Owner; 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 collective 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 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 and awnings but excluding window washing, window maintenance or repair, door, including garage door, maintenance or repair, or any maintenance, repair or replacement as provided in Section 6.2 of this Declaration).

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.

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. Any Limited Common Element, including garages, 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 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 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 garages, including any incurred by the Association, shall be shared equally by those Owners who have a right to use said garages.

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) Commencing with the first 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 maximum common expense assessment per Condominium Unit shall be calculated by taking the total amount of the aforesaid advance budget of the requirements estimated to be needed by the Association for the fiscal year, multiplied by the percentages for each Condominium Unit shown on the attached Exhibit B. In the event that additional Condominium Units are annexed into the Association pursuant to Article 17 hereof, the percentages for each Condominium Unit will change to reflect said annexation(s) as set forth in Exhibit B-1. 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.

(c) The Board of Directors of the Association may also levy an assessment with respect to those Owners who have a garage to cover the costs associated with the maintenance, repair or replacement of the garages. Said assessment shall be deemed a part of the assessment set forth in Section 7.2(a) above. All assessments for the maintenance, repair or replacement of garages shall be divided equally between all Owners who have the exclusive right to use a garage.

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.

7.5 Rate of Assessment. Both monthly common expense (with the exception of assessments related to garages) and special assessments shall be fixed at rates for each Condominium Unit in accordance with the percentages shown on Exhibit B or Exhibit B-1, as the case may be, sufficient to meet the advance budget of the Association, and apportioned as provided in Section 7.2 hereof.

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 7.2 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 each class of 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 (1/2) 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 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. 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 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 amended, 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 on Common Elements. 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 employment and 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, 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 or conditioning 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 1% 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, public liability coverage within each Condominium Unit and insurance coverage of the Condominium Unit itself, 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 be responsible for any insurance deemed necessary to cover the Owner's liability for any deductible under the Association's insurance policies. 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 _____, Fairview Place Residences, according to the Condominium Map thereof, recorded on _____, 19_____, at Reception No. _____, 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 FAIRVIEW PLACE RESIDENCES, recorded on _____, 19_____, at Reception No. _____, in said records together with any Limited Common Elements which are appurtenant to said Condominium Unit, whether acquired concurrently or in the future.

If a specific parking space or garage is to be designated as a Limited Common Element for the exclusive use of an Owner, the designation may be set forth in a deed as follows:

[Together with the exclusive use of] Parking Space (or Garage Space) No. ____, Fairview Place Residences, according to the Condominium Map thereof, recorded on _____, 19_____, at Reception No. _____, 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 FAIRVIEW PLACE RESIDENCES, recorded on _____, 19_____, at Reception No. _____, in said records which Parking Space (or Garage Space) shall be appurtenant to and a part of Condominium Unit _____.

The description of parking spaces or garages as Limited Common Elements for the exclusive use of an Owner may be made in conjunction with and included in the deed for the conveyance of a Condominium Unit or by way of a separate document and/or at a later date.

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 and any amendments thereto. However, the legal descriptions set forth in Section 9.2 above shall not be the exclusive legal descriptions to describe a Condominium Unit, parking space or garage and any legal description which adequately describes the Condominium Unit, parking space or garage and otherwise conforms to local law shall also be acceptable. 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, as amended. 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 Maps, or as reflected on Exhibit D attached hereto.

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.

The Property does encroach on the property to the west as reflected 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 and storage facilities 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