

52-2c

ARTICLES OF INCORPORATION
OF
NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC.
(A COLORADO NONPROFIT CORPORATION)

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act, C.R.S. §§7-20-101, et seq.

ARTICLE 1
Name

The name of this corporation is the NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC. (the "Association").

ARTICLE 2
Duration

The duration of the Association shall be perpetual.

FILED - CUSTOMER COPY
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

20001029922 C
\$ 65.00
SECRETARY OF STATE
02-11-2000 11:10:25

ARTICLE 3
Purposes and Powers of Association

3.1 The Association shall operate the common interest community known as the No. 25 Downing Condominiums (the "Condominium Community"), located at 25 Downing Street Parkway in the City and County of Denver, Colorado, in accordance with the Colorado Common Interest Ownership Act of the Colorado Revised Statutes, as amended, the Colorado Nonprofit Corporation Act, as amended, and the Condominium Declaration for No. 25 Downing Condominiums (the "Declaration").

3.2 The Association does not contemplate pecuniary gain or profit to its members. The Association shall promote the health, safety, welfare, and common benefit of the owners and residents of the Condominium Community.

3.3 The Association shall do any and all permitted acts, and shall have and exercise any and all powers, rights, and privileges which are granted to a nonprofit corporation or condominium association under the applicable laws of the State of Colorado and the Declaration, Bylaws, Rules and Regulations, and other governing documents of the Association.

AD

3.4 The foregoing statements of purpose shall be construed as a statement of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers.

ARTICLE 4 Nonprofit Corporation; No Shares of Stock

The Association shall be a nonprofit corporation, without shares of stock.

ARTICLE 5 Membership Rights and Qualifications; Voting

5.1 The classes, rights, and qualifications and the manner of election or appointment of members are as follows: any person who holds title to a Condominium Unit in the Condominium Community shall be a member of the Association. There shall be one (1) membership for each Condominium Unit owned within the Condominium Community. This membership shall be automatically transferred upon the conveyance of that Condominium Unit. Voting shall be one (1) vote per Condominium Unit. If a Condominium Unit is owned by more than one person, those persons shall agree among themselves how the vote for that Condominium Unit's membership will be cast, as more fully provided in the Bylaws. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Condominium Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Condominium Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted and the Owners shall be treated as having abstained.

5.2 The members shall be of one class, i.e., Owners who own Condominium Units as defined in the Declaration. These Owners shall elect all members of the Executive Board, following the period of Declarant control defined below, in accordance with the provisions of the Declaration and the Bylaws.

5.3 Notwithstanding the foregoing, the Declarant of the Condominium Community shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Declaration, including the right to appoint members of the Executive Board as follows: during the period of Declarant control, the Declarant, or persons designated by it, subject to limitations, may appoint and remove the officers of the Association and members of the Executive Board. The period of Declarant control shall terminate no later than the earlier of: (a) sixty (60) days after conveyance of 75% of the Condominium Units that may be created in the Condominium Community to Owners other than Declarant; (b) two (2) years after Declarant has last conveyed a Condominium Unit in the ordinary course of business or after any right to add new Condominium Units was last exercised; or (c) three (3) years after the first sale of a

Condominium Unit to an Owner other than Declarant. The Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Executive Board before termination of the period of Declarant control, but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before the same become effective.

5.4 Not later than sixty (60) days after conveyance of 25% of the Condominium Units that may be created in the Condominium Community to Owners other than Declarant, at least one member, and not less than 25% of the members of the Executive Board, shall be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of 50% of the Condominium Units that may be created in the Condominium Community to Owners other than Declarant, not less than one-third of the members of the Executive Board must be elected by Owners other than Declarant.

5.5 The Executive Board of the Association may suspend the voting rights of a member for failure either to comply with the Bylaws or any Rules and Regulations of the Association, or to satisfy any obligation of the Owners of a Condominium Unit under the Declaration, or an agreement created pursuant thereto. The Executive Board may suspend the right of such person to vote, under such conditions as the Executive Board may specify, for a period not to exceed ninety (90) days for each violation, provided however, that before invoking such suspension of voting rights, the Executive Board shall give such person reasonable notice and an opportunity to be heard.

ARTICLE 6

Registered Agent for Service and Address; Principal Office

The initial registered agent of the Association shall be Stephen L. Owen at the registered address of 600 South Cherry Street, Suite 529, Denver, Colorado, 80246. The Association's initial principal office is located at 600 South Cherry Street, Suite 529, Denver, Colorado, 80246.

ARTICLE 7

Executive Board

The initial Executive Board shall consist of two (2) members. At such time as the Owners of Condominium Units are entitled to elect at least one member under the provisions of Section 5.4 above and Section 5.2 of the Declaration, the number of members of the Executive Board shall automatically be increased to three (3), and thereafter the number of members shall be governed by Section 2.1 of the Bylaws of the Association, or by a duly adopted amendment to the Bylaws, except that in no event may the number of members be less than one (1). The names and

addresses of the persons who shall initially serve as members until their successors shall be elected and qualified are as follows:

Stephen L. Owen
600 South Cherry Street, Suite 529
Denver, Colorado 80246

Amy Harmon
600 South Cherry Street, Suite 529
Denver, Colorado 80246

ARTICLE 8 Incorporator

The name and address of the incorporator is:

Stephen L. Owen
600 South Cherry Street, Suite 529
Denver, Colorado 80246

ARTICLE 9 Limitation of Liability

In accordance with the provisions of C.R.S. §7-22-101(r), the members of the Executive Board and officers of the Association shall have no personal liability to the Association or its members for breach of fiduciary duty other than under the circumstances identified in C.R.S. §7-22-101(r) or elsewhere in the Colorado Nonprofit Corporation Act (as in effect from time to time). This provision is effective on the date of incorporation of the Association. However, this provision shall not limit the rights of members of the Executive Board or officers of the Association for indemnification or other assistance from the Association. Nor shall this provision restrict or otherwise diminish the provisions of C.R.S. §13-21-116(2)(b), as amended, or any other applicable law that would limit or eliminate such liabilities. Any repeal or modification of the foregoing provisions of this Article by the members of the Association, or any repeal or modification of the provisions of the Colorado Nonprofit Corporation Act which permits the limitation on or elimination of liabilities of members of the Executive Board or officers of the Association shall not adversely affect any elimination of liability, or any other right or protection, for any breach, act, omission, or transaction that occurred prior to the time of such repeal or modification.



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT

ACCORDING TO THE RECORDS OF THIS OFFICE

NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC.
(COLORADO CORPORATION)

FILE # 20001029922 WAS FILED IN THIS OFFICE ON February 11, 2000
AND HAS COMPLIED WITH THE APPLICABLE PROVISIONS OF THE
LAWS OF THE STATE OF COLORADO AND ON THIS DATE IS IN GOOD
STANDING AND AUTHORIZED AND COMPETENT TO TRANSACT BUSINESS
OR TO CONDUCT ITS AFFAIRS WITHIN THIS STATE.

Dated: February 11, 2000

Donetta Davidson

SECRETARY OF STATE

ARTICLE 10
Dissolution

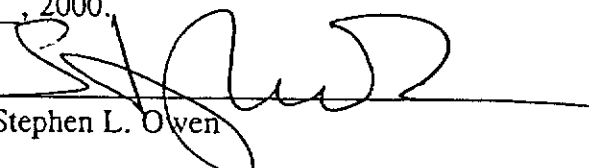
The Association may be dissolved in accordance with the provisions contained in C.R.S. §7-26-102. Upon dissolution or final liquidation of the Association, the Association shall follow the procedures set forth in C.R.S. §7-26-103 as then in effect (or any equivalent statutory provision), with all remaining assets of the Association to be distributed to its members in accordance with their interests in the Condominium Community as set forth in the applicable provisions of the Declaration.

ARTICLE 11
Amendment

Amendment of these Articles shall require the assent of at least sixty-seven percent (67%) of the votes in the Association or as otherwise specifically provided in the Colorado Nonprofit Corporation Act and the Declaration; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

ARTICLE 12
Execution

IN WITNESS WHEREOF, the undersigned incorporator and registered agent has signed these Articles in duplicate and has consented to his appointment as the initial registered agent for the Association this 10 day of February, 2000.



Stephen L. Owen

STATE OF COLORADO)
) SS.
City and County of Denver)

The foregoing instrument was acknowledged before me this 10 day of February, 2000 by Stephen L. Owen.

Witness my hand and official seal.

My Commission Expires: Feb 10 2002



Notary Public

BYLAWS
OF
NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC.

ARTICLE 1
Introduction

These are the Bylaws of the No. 25 Downing Condominium Association, Inc. (the "Association"), which shall operate under the Colorado Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended (the "Act"). Unless otherwise defined in these Bylaws, any capitalized terms in the following provisions shall have the meanings provided in the Condominium Declaration for No. 25 Downing Condominiums (the "Declaration").

ARTICLE 2
Executive Board

Section 2.1 Number and Qualification--Termination of Declarant Control.

(a) The affairs of the No. 25 Downing Condominiums, a Colorado common interest community (the "Condominium Community") and the Association shall be governed by an Executive Board. The Executive Board initially shall consist of two (2) members (sometimes hereinafter referred to as "Directors"); at such time as the Owners of Condominium Units are entitled to elect at least one Director under the provisions of Section 5.2 of the Declaration, the Executive Board shall automatically be increased to three (3) Directors. Upon termination of the period of Declarant control as provided in Section 5.2 of the Declaration, the Executive Board shall then consist of five (5) persons, the majority of whom shall be Owners other than the Declarant or designated representatives of Owners other than the Declarant, and thereafter shall consist of from three (3) to seven (7) persons, as established from time to time by resolution of the Executive Board (provided that there shall always be an odd number of Directors). If any Condominium Unit is owned by a partnership, limited liability company, corporation, trust, or other entity, any officer, partner, manager, trustee, or employee of that Owner shall be eligible to serve as a Director and shall be deemed to be an Owner for the purposes of the preceding sentence. Directors shall be elected by the Owners, except for those appointed by the Declarant as permitted in Section 5.2 of the Declaration. At any meeting at which Directors are to be

elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.

(b) The terms of at least one-third (1/3) of the Directors not appointed by the Declarant shall expire annually, as established in a resolution of the Owners.

(c) Section 5.2 and any other applicable provision of the Declaration shall govern appointment of Directors of the Executive Board during the period of Declarant control.

(d) The Executive Board shall elect the Association's Officers, with the Directors and Officers to take office upon election.

(e) At any time after Owners other than the Declarant are entitled to elect a Director, the Association shall call a meeting and give not less than ten (10) nor more than fifty (50) days' notice to the Owners for this purpose. This meeting may be called and the notice given by any Owner if the Association fails to do so.

Section 2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, all powers and duties necessary for the administration of the affairs of the Association and of the Condominium Community, including but not limited to the following powers and duties:

(a) To adopt and amend these Bylaws and the Rules and Regulations governing the Condominium Community;

(b) To adopt and amend budgets for revenues, expenditures and reserves;

(c) To determine and collect assessments for Common Expenses from Owners;

(d) To hire and discharge managing agents in accordance with Section 6.3 of the Declaration;

(e) To hire and discharge employees, independent contractors and agents other than managing agents;

(f) To institute, defend or intervene, in the Association's name, in litigation or administrative proceedings or seek injunctive relief for violations of

the Declaration, Bylaws or Rules and Regulations, on behalf of the Association or two or more Owners on matters affecting the Condominium Community;

(g) To make contracts and leases and incur liabilities;

(h) To regulate the use, maintenance, repair, replacement and modification of any of the Common Elements;

(i) To cause additional improvements to be made as a part of the Common Elements;

(j) To acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 312 of the Act and Section 6.8 of the Declaration;

(k) To grant easements, leases, licenses and concessions through or over the Common Elements;

(l) To impose and receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Elements, if applicable, other than the Limited Common Elements described in subsections 202(l)(b) and (d) of the Act and Section 1.14 of the Declaration;

(m) To impose a reasonable charge for late payment of assessments and, after notice and hearing, levy a reasonable fine and/or suspend the right to use facilities or Common Elements and the right to vote in Association matters, for a violation of the Declaration, Bylaws, or Rules and Regulations of the Association;

(n) To impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;

(o) To provide for the indemnification of the Association's Officers and the Executive Board and maintain Directors' and Officers' liability insurance;

(p) To assign the Association's right to future income, including the right to receive assessments for Common Expenses, but only to the extent and subject to the voting requirements contained in the Declaration.

(q) To exercise any and all other powers conferred by the Declaration or these Bylaws;

(r) To exercise any and all other powers that may be exercised in the State of Colorado by a nonprofit corporation;

(s) To exercise any and all other powers necessary and proper for the governance and operation of the Association; and

(t) By resolution, to establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Owner within forty-five (45) days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 2.3 Manager. The Executive Board may employ a Manager for the Condominium Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to the Manager only the powers granted to the Executive Board by these Bylaws under Section 2.2, subsections (c) (but only with respect to the collection of assessments), (e), (g) and (h). Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget.

Section 2.4 Removal of Directors. The Owners, by a vote of sixty-seven percent (67%) of the votes held by all persons present and entitled to vote, at any meeting of the Owners at which a quorum is present, may remove any Director of the Executive Board, other than a Director appointed by the Declarant, with or without cause. Vacancies created by the removal of Directors by a vote of the Owners shall be filled by the vote of a majority of the votes held by Owners at a special meeting, to be held within thirty (30) days of such removal, at which a quorum of Owners is present.

Section 2.5 Vacancies. Vacancies in the Executive Board, caused by any reason other than the removal of a Director by a vote of the Owners, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be made in the following manner:

(a) As to vacancies of Directors elected by Owners other than the Declarant, by a majority of the remaining Directors so elected constituting the Executive Board; and

(b) As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 2.6 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Owners shall be held within ten (10) days after the annual meeting at a time and place to be set by the Owners at the meeting at which the Executive Board has been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice will be required for such regular meetings.

Section 2.7 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three (3) business days' notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

Section 2.8 Location of Meetings. All meetings of the Executive Board shall be held within the City and County of Denver, unless all Directors consent in writing to another location.

Section 2.9 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.10 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any reconvened adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.11 Unanimous Written Consent to Corporate Action. To the extent not prohibited by the provisions of Section 2.14 below, in accordance with §7-23-110 of the Colorado Nonprofit Corporation Act, if all Directors, or all Directors of a committee established for such purposes, as the case may be, and entitled to vote with respect to the subject matter thereof, unanimously consent in writing to any action taken or to be taken by the Association, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as applicable. The Secretary shall file all such consents with the minutes of the meetings of the Executive Board.

Section 2.12 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Executive Board committee by using an electronic or telephonic communication

method whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board or the committee. The Director's vote shall be counted and the presence noted as if that Director were present in person at that particular meeting or for that particular vote.

Section 2.13 Limitations on Executive Board. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Condominium Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of members of the Executive Board; however, the Executive Board may fill vacancies in its membership for the unexpired portion of any term of a Director as provided elsewhere in these Bylaws.

Section 2.14 Executive or Closed Door Sessions. In accordance with the provisions of C.R.S. §§38-33.3-308(2) et seq. of the Act, adopted effective July 1, 1995, and notwithstanding any provisions of these Bylaws to the contrary:

(a) All regular and special meetings of the Executive Board, or any committee thereof, shall be open to attendance by all Members of the Association or their representatives.

(b) The Members of the Executive Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Executive Board members and such other persons requested by the Executive Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such executive session shall be expressly limited to the following and no other matters:

(i) matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

(ii) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

(iii) investigative proceedings concerning possible or actual criminal misconduct;

(iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and

(v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

(c) Prior to the time the members of the Executive Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated in paragraphs (i) to (v) above.

(d) No rule or regulation of the Executive Board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

(e) The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session.

ARTICLE 3

Owners

Section 3.1 Annual Meeting. Annual meetings of Owners shall be held in the City and County of Denver on the date set forth in a notice of the annual meeting. At these meetings, the Directors shall be elected by ballot of the Owners, in accordance with the provisions of Article 2 of these Bylaws. The Owners may transact other business as may properly come before them at these meetings.

Section 3.2 Budget Meeting. Meetings of Owners to consider proposed budgets shall be called in accordance with subsection 303(4) of the Act as reflected in subsection 7.3(b) of the Declaration; within thirty (30) days after adoption of any proposed budget, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of the votes held by all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the owners ratify subsequent budget proposed by the Executive Board. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.3 Special Meetings. Special meetings of the Owners may be called by the President, by a majority of the members of the Executive Board or by Owners holding twenty percent (20%) of the votes in the Association.

Section 3.4 Place of Meetings. Meetings of the Owners shall be held at the Condominium Community or may be adjourned to a suitable place convenient to the Owners, as may be designated by the Executive Board or the President.

Section 3.5 Notice of Meetings. The Secretary or other officer specified in these Bylaws shall cause notice of meetings of the Owners to be hand-delivered or sent prepaid by first-class United States mail to the mailing address of each Condominium Unit or to the mailing address designated in writing by the Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting (except for budget ratification meeting notices, which must be sent at least 14 but no more than 60 days in advance of the meeting). The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board. No action shall be taken at a meeting except as stated in the notice.

Section 3.6 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall be deemed equivalent to the receipt of proper notice.

Section 3.7 Adjournment of Meeting. At any meeting of Owners, a majority of the Owners present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.8 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of Directors of the Executive Board (if required and properly noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Directors of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);

- (i) Unfinished business;
- (j) New business; and
- (k) Adjournment.

Section 3.9 Voting.

(a) As set forth in Section 5.1 of the Declaration, each Condominium Unit shall be entitled to one (1) vote to be exercised by the Owner or Owners thereof. A new Condominium Unit resulting from an approved combination of two or more existing Condominium Units shall have one (1) vote in the Association.

(b) If only one of several Owners of an individual Condominium Unit is present at a meeting of the Association, the Owner present is entitled to cast all vote allocated to the Condominium Unit. If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of the Owners, and failing such agreement, the vote shall not be counted and the Owners shall be treated as having abstained. There is majority agreement if any one of the Owners casts the vote allocated to the Condominium Unit without protest being made promptly to the presiding officer of the meeting by another Owner of the Condominium Unit.

(c) The vote allocated to a Condominium Unit may be cast under a proxy duly executed by the Owner or Owners. If a Condominium Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual notice of revocation to the presiding officer of a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

(d) The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific responsible person by the board of directors or bylaws of such corporation or business trust. The vote of a partnership may be cast by any general partner of the partnership in the absence of such express notice of the designation of a specific responsible person by such partnership. The vote of a limited liability company may be cast by any manager thereof in the absence of express notice of the designation of a specific responsible person by the managers of such limited liability company. The presiding officer of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company, or business trust Owner is qualified to vote.

(e) The vote allocated to a Condominium Unit owned by the Association may not be cast.

Section 3.10 Quorum. Except as otherwise provided in these Bylaws, the Owners present in person or by proxy at the beginning of any meeting of Owners who are entitled to cast twenty percent (20%) of the votes in the Association shall constitute a quorum at that meeting.

Section 3.11 Majority Vote. A majority of the votes in the Association held by the Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage of votes is required in the Declaration, these Bylaws or by applicable law.

Section 3.12 Action by Unanimous Written Consent. In accordance with §7-23-110 of the Colorado Nonprofit Corporation Act, any action required to be taken at a meeting of the Owners may be taken without any meeting if a consent in writing, setting forth the action so taken, is signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any documents filed with the Colorado Secretary of State or for all other purposes.

ARTICLE 4

Officers

Section 4.1 Designation. The principal Officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an Assistant Treasurer, an Assistant Secretary and other officers as it finds necessary. The President and Vice President, but no other Officers, need to be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. The office of Vice President may be vacant.

Section 4.2 Election of Officers. The Officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board. They shall hold office at the pleasure of the Executive Board.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any Officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

Section 4.4 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Owners and of the Executive Board. The President shall have all of the general powers and duties which are incident to the office of President of a nonprofit corporation organized under the laws of the State of Colorado,

including but not limited to the power to appoint committees from among the Owners from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may fulfill the role of Treasurer in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Executive Board or by the President.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Owners and the Executive Board. The Secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of Secretary of a nonprofit corporation organized under the laws of the State of Colorado. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment, as applicable.

Section 4.7 Treasurer. The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of Treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the Treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board may decide. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two Directors, one of whom may be the Treasurer if the Treasurer is also a Director.

Section 4.8 Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7, and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any Officer of the Association or by any other person or persons designated by the Executive Board.

Section 4.9 Statements of Unpaid Assessments. The Treasurer, Assistant Treasurer, a Manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of the Act as reflected in Section 7.15 of the Declaration. The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as an Individual Purpose Assessment against the Condominium Unit for which the certificate or statement is furnished.

ARTICLE 5 Enforcement

Section 5.1 Abatement and Prohibition of Violations by Owners. The violation of any of the Rules and Regulations adopted by the Executive Board or the breach of any provision of the Declaration shall give the Executive Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

(a) To enter the Condominium Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Unit) creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Declaration. The Executive Board shall not be deemed liable for any manner of trespass by this action; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2 Fine for Violation; Suspension of Right to Use and Right to Vote. By resolution, following notice and hearing, the Executive Board may levy a fine of up to \$50.00 per day for each day that a violation of the Declaration or Rules and Regulations persists after notice and hearing, but this amount shall not exceed the amount necessary to insure compliance with the rule or order of the Executive Board. The Executive Board may also suspend the voting rights and right to use any common facilities within the Project as set forth in Section 5.5 of the Association's Articles of Incorporation and subsection 4.1(b) of the Declaration.

ARTICLE 6 Indemnification

The Directors and Officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in Colorado Nonprofit Corporation Act, the provisions of which are incorporated by reference and made a part of these Bylaws.

ARTICLE 7 Records

Section 7.1 Records and Audits. The Association shall maintain financial records. The cost of any audit shall be a Common Expense unless otherwise provided in the Declaration.

Section 7.2 Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Owner, any holder of a Security Interest in a Condominium Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 Records. The Association shall keep the following records:

(a) An account for each Condominium Unit, which shall designate the name and address of each Owner, the name and address of each holder of a Security Interest who has given notice to the Association that it holds a Security Interest in the Unit, the amount of all Common Expense assessments, the dates on which each assessment comes due, the amounts paid on the account and the balance due;

(b) An account for each Owner showing any other fees payable by the Owner;

(c) A record of any capital expenditures in excess of \$3,000 approved by the Executive Board for the current and next two succeeding fiscal years;

(d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;

(e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(f) The current operating budget adopted pursuant to Section 315(1) of the Act and ratified pursuant to the procedures of Section 303(4) of the Act as reflected in subsection 7.3(b) of the Declaration;

(g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;

(h) A record of insurance coverage provided for the benefit of Owners and the Association;

(i) A record of any alterations or improvements to Condominium Units or Limited Common Elements which violate any provisions of the Declaration of which the Executive Board has knowledge;

(j) A record of any violations, with respect to any portion of the Condominium Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Executive Board has knowledge;

(k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;

(l) Balance sheets and other records required by Colorado corporate law;

(m) Tax returns for state and federal income taxation;

(n) Minutes of proceedings of incorporators, Owners, Directors, committees of Directors and waivers of notice; and

(o) A copy of the most current versions of the Declaration, Bylaws, Rules and Regulations, and resolutions of the Executive Board, along with their exhibits and schedules.

ARTICLE 8 Miscellaneous

Section 8.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Owners and to all holders of Security Interests in the Condominium Units who have notified the Association that they hold a Security Interest in a Unit. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Association. All

notices to holders of Security Interests in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Declaration or these Bylaws, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2 Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

Section 8.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 Office. The principal office of the Association shall be at the Project or at such other place as the Executive Board may from time to time designate.

Section 8.5 Working Capital. A working capital fund is to be established in the amount of two (2) months' regularly budgeted initial Common Expense assessments, measured as of the date of the conveyance of each Condominium Unit, for all Units as they are conveyed to Owners other than Declarant in proportion to their respective Allocated Interests in Common Expenses or as the allocation for Common Expenses is otherwise expressly provided in the Declaration. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Condominium Unit's share of the working capital fund may be collected and then contributed to the Association by the Declarant at the time the sale of the Unit is closed or at the termination of Declarant control. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense assessment, with a lien on the Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Executive Board, the working capital shall be deposited without interest into a segregated fund. While the Declarant is in control of the Executive Board, the Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions or construction costs or to make up budget deficits.

Section 8.6 Reserve. As a part of the adoption of the regular budget, the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain, based upon the Project's age, remaining life and the quantity and replacement cost of major Common Element improvements.

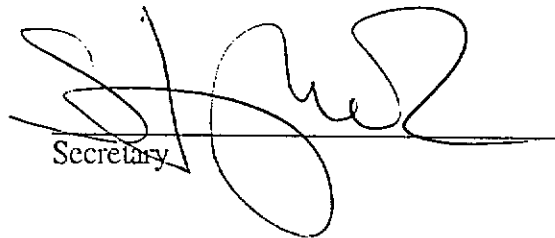
Section 8.7 Surplus Funds. Unless otherwise provided in the Declaration, any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment or provision for reserves shall be paid to the Owner or Owners in proportion to their liabilities for Common Expenses or credited to them to reduce their future assessments for Common Expenses.

ARTICLE 9
Amendments to Bylaws

Section 9.1 These Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Executive Board, following notice and comment to all Owners, at any meeting duly called for such purpose.

Section 9.2 No amendment of these Bylaws shall be adopted which would affect or impair the validity or priority of any deed of trust or mortgage covering any Unit or which would change the provisions of these Bylaws with respect to institutional mortgagees of record.

ATTEST: Certified to be the Bylaws adopted by consent of the Executive Board of the No. 25 Downing Condominium Association, Inc., dated effective as of February 10, 2000.


Secretary

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 1 of 7

NOTE: This chart shows whether Owners or the Association is responsible for the maintenance, repair and replacement of various items pursuant to the Condominium Declaration for No. 25 Downing Condominiums.

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
	BUILDING EXTERIOR				
1.	Building-structure* (Declaration, Article VI, Section 6.1(b) and Article VIII, Section 8.1(a))	X		X	
2.	Exterior Building Surfaces* (Declaration, Article VI, Section 6.1(b) and Article VIII, Section 8.1(a))	X		X	
3.	Painting and replacement of exterior building surfaces and trim* (Declaration, Article VI, Section 6.1(b) and Article VIII, Section 8.1(a))	X		X	
4.	Roof and roof underlay* (Declaration, Article VI, Section 6.1(b) and Article VIII, Section 8.1(a))	X		X	
5.	Gutters and downspouts* (Declaration, Article VI, Section 6.1(b) and Article VIII, Section 8.1(a))	X		X	

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 6.2.

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 2 of 7

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
6.	Window boxes attached to Unit as a Limited Common Element* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
7.	Patios and balconies attached to Unit as a Limited Common Element* ((Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
8.	Patios and balconies attached to Unit as a Limited Common Element* (Keeping patios and balconies in a clean and neat manner)		X		n/a
9.	Windows, frames, glass* (Declaration, Article I, Section 1.21, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
10.	Exterior Door (of building) and frame* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
11.	Patio or balcony light fixtures - repair and replacement (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))		X	X	

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 6.2.

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 3 of 7

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
12.	Patio or balcony door and frame* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
	UTILITIES				
13.	Utilities outside of an individual Unit, serving only that Unit (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))		X	X	
14.	Utilities located within a Unit and serving only that Unit (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))		X	X	
15.	Air conditioners and air conditioning equipment, serving one Unit (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.7)		X		X
16.	Furnaces within a Unit or serving only one Unit (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.7)		X		X
17.	Water heaters within a Unit or serving only one Unit (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.7)		X		X

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 6.2.

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 4 of 7

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
18.	Air conditioners, furnaces and water heaters serving more than one Unit or the Common Elements* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
	UNIT INTERIORS				
19.	Material making up the finished walls and ceilings, including lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper and paint (Declaration Article I, Section 1.21 and Article VIII, Section 8.1(a) and 8.7)		X		X
20.	Interior surface of windows and frames (Declaration Article I, Section 1.21 and Article VIII, Section 8.1(a))		X	X	
21.	Interior surface of exterior doors and frames (Declaration Article I, Section 1.21 and Article VIII, Section 8.1(a))		X	X	
22.	Furnishings, appliances, draperies, and permanent fixtures (Declaration Article VIII, Section 8.1(a) and 8.7)		X		X

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 8.2.

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 5 of 7

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
23.	Cabinets (Declaration Article I, Section 1.21 and Article VIII, Section 8.1(a) and 8.7)		X		X
24.	Floor coverings including carpet, tile, and hardwood (Declaration, Article I, Section 1.21 and Article VIII, Section 8.1(a) and 8.7)		X		X
25.	Subflooring* (Declaration Article I, Section 1.21, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
	GROUND				
26.	Courtyard flagstone patio* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
27.	Snow removal (Declaration, Article VI, Section 6.1(a))	X		N/A	N/A
28.	Private drives, sidewalks, steps, walkways* (Declaration Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 6.2.

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 6 of 7

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
29.	Courtyard fountain* (Declaration Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
30.	Trellises* (Declaration Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
31.	Landscaping (grass, shrubs, trees, planters)* (Declaration Article VI, Section 6.1(c) and Article VIII, Section 8.1(a))	X		X	
32.	Underground garage and parking spaces* (Declaration Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
33.	Above ground parking area* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
	OTHER				
34.	Garbage collection	X		N/A	
35.	Limited Common Element Storage Area - general cleaning (Declaration Article IV, Section 4.5(a))		X	N/A	N/A

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 6.2.

**MAINTENANCE, REPAIR AND INSURANCE RESPONSIBILITIES
FOR NO. 25 DOWNING CONDOMINIUMS**

(May, 2001)

Page 7 of 7

		MAINTENANCE RESPONSIBILITY		INSURANCE	
		ASS'N	OWNER	ASS'N	OWNER
36.	Limited Common Element Storage Area - repair and replacement* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
37.	Mailboxes* (Declaration, Article I, Section 1.13, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
38.	Lobby, loggia, fitness center and all furnishings, equipment therein* (Declaration Article I, Section 1.13, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
39.	Interior hallways, including flooring, walls and ceilings* (Declaration, Article VI, Section 6.1(a) and Article VIII, Section 8.1(a))	X		X	
40.	Any improvement or installation installed by Owner and not otherwise listed		X		X
41.	Common Elements depicted on the Map or described in the Declaration and not otherwise listed (Declaration, Article VI, Section 6.1 and Article VIII, Section 8.2)	X		X	

W:\CLIENT\No. 25 DOWNING\CHART.001.WPD

* An Owner is responsible for the costs of maintenance, repair and/or replacement of these items if caused by the Owner's negligent or intentional acts.
Declaration, Article VI, Section 6.2.

52-2a
1-66

CONDOMINIUM DECLARATION
FOR
NO. 25 DOWNING CONDOMINIUMS

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - DEFINITIONS	
1.1 Agencies	
1.2 Allocated Interests	
1.3 Association	
1.4 Building	
1.5 Common Elements	
1.6 Common Expenses	
1.7 Condominium Map	
1.8 Condominium Unit	
1.9 Declarant	
1.10 Declaration	
1.11 First Mortgage	
1.12 First Mortgagee and Eligible First Mortgagee	
1.13 General Common Elements	
1.14 Limited common elements	
1.15 Member	
1.16 Owner	
1.17 Project	
1.18 Real Estate	
1.19 Security Interest	
1.20 Special Declarant Rights	
1.21 Unit	
ARTICLE II - DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP	
2.1 Division into Condominium Units	
2.2 Inseparability	
2.3 Non-Partitionability	
2.4 Restricted Right to Relocate Boundaries of Condominium Units	
2.5 Owner's Right to Alter Units	

ARTICLE III - CONDOMINIUM MAP

- 3.1 Recording
- 3.2 Content
- 3.3 Amendments

ARTICLE IV - OWNER'S PROPERTY RIGHTS IN COMMON ELEMENTS

- 4.1 Right of Ingress and Egress
- 4.2 Limited common elements
- 4.3 Major Recreational Facilities
- 4.4 Parking Spaces
- 4.5 Storage Areas

ARTICLE V - MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

- 5.1 Membership and Voting
- 5.2 Executive Board

ARTICLE VI - THE ASSOCIATION

- 6.1 Management and Maintenance Duties; Access to Units
- 6.2 Owner's Negligence; Prohibition of Certain Activities; Indemnification
- 6.3 Management Agreements
- 6.4 Acquiring and Disposing of Real and Personal Property
- 6.5 Promulgation of Rules and Regulations
- 6.6 New Additions to Common Elements
- 6.7 Assignment of Right to Future Income
- 6.8 Conveyance or Encumbrance of Common Elements
- 6.9 Contracts, Licenses and Agreements

ARTICLE VII - ASSESSMENTS

- 7.1 Personal Obligation for Assessments, Taxes, Utilities,
and Other Matters
- 7.2 Allocation of Common Expenses
- (a) In General
- (b) Possible Separate Allocation of Parking Expenses
- 7.3 Assessments for Common Expenses; Budgets
- 7.4 Reserves

7.5	Date of Payment of Monthly Common Expense Assessments
7.6	Rate of Assessment
7.7	Special Assessments
7.8	Individual Purpose Assessments
7.9	Lien for Assessments
7.10	Effect of Non-Payment of Assessments
7.11	Successor's Liability for Assessments
7.12	Homestead Waiver
7.13	Working Capital Fund
7.14	Mortgagees May Pay Assessments and Cure Defaults
7.15	Statement Regarding Assessments
7.16	Liens

ARTICLE VIII - INSURANCE

8.1	Insurance on Common Elements
8.2	General Provisions of Insurance Policies
8.3	Deductibles
8.4	Insurance Trustee
8.5	Association Insurance as Primary Coverage
8.6	Acceptable Insurance Companies
8.7	Insurance to be Maintained by Owners
8.8	Annual Review of Insurance Policies
8.9	Notice of Cancellation
8.10	Prohibition of Increases in Insurable Risks and Certain Activities

ARTICLE IX - CONVEYANCE AND TAXATION OF CONDOMINIUM UNITS

9.1	Contracts Entered into Prior to Recording of Condominium Map and Declaration
9.2	Contracts Entered into Subsequent to Recording of Condominium Map and Declaration
9.3	Legal Effect of Description
9.4	Taxation

ARTICLE X - MECHANIC'S LIENS

10.1	Mechanic's Liens
10.2	Enforcement by the Association
10.3	Effect of Partial Payment

ARTICLE XI - EASEMENTS

11.1	Recorded Easements
11.2	Encroachments
11.3	Emergency Easement
11.4	Utilities
11.5	Maintenance Easement
11.6	Drainage Easement
11.7	Easements of Access for Installation, Repair, Maintenance and Emergencies
11.8	Owner's Construction Utility Easement
11.9	Declarant's Rights Incident to Completion of the Project
11.10	Easements Deemed Created

ARTICLE XII - RESTRICTIVE COVENANTS

12.1	Residential Use
12.2	Declarant's Use
12.3	Household Pets
12.4	Use of Common Elements
12.5	Exterior Changes
1.6	Signs and Advertising
12.7	Leases
12.8	Nuisances
12.9	Garbage Collection

ARTICLE XIII - DAMAGE, DESTRUCTION, TERMINATION, OBSOLESCENCE OR CONDEMNATION

13.1	Association as Attorney-in-Fact
13.2	Termination of Condominium Project
13.3	Damage or Destruction; Repair and Reconstruction
13.4	Obsolescence
13.5	Condemnation or Eminent Domain

ARTICLE XIV - BURDENS AND BENEFITS OF DECLARATION

14.1	Covenants Running with Real Estate
14.2	Binding Effect

ARTICLE XV - AMENDMENT OF DECLARATION

- 15.1 Amendment
- 15.2 Technical Amendment
- 15.3 Special Amendment
- 15.4 Recording of Amendments or Termination
- 15.5 Amendment by Court Petition

ARTICLE XVI - FIRST MORTGAGEES

- 16.1 Member and First Mortgagee Approval
- 16.2 Notice of Action
- 16.3 Notice of Objection
- 16.4 Association Books and Records; Financial Statements; Audit

ARTICLE XVII - MISCELLANEOUS

- 17.1 Period of Condominium Ownership
- 17.2 Supplement to Common Interest Act
- 17.3 Conveyance of Condominium Units
- 17.4 Enforcement
- 17.5 Notices; Registration of Mailing Address
- 17.6 Non-Waiver
- 17.7 Severability
- 17.8 Number and Gender
- 17.9 Captions
- 17.10 Conflicts in Documents
- 17.11 Rule against Perpetuities
- 17.12 Special Declarants Rights
- 17.13 Counterparts
- 17.14 Declarant's Ownership of Unsold Units

- EXHIBIT A Legal Description of the Real Estate
- EXHIBIT B Allocated Interests
- EXHIBIT C Easements
- EXHIBIT D Certificate of Completion
- EXHIBIT E Consent of Lienholder to Condominium Declaration and Condominium Map

CONDOMINIUM DECLARATION
FOR
NO. 25 DOWNING CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, NO. 25 DOWNING, LLC, a Colorado limited liability company (hereinafter called "Declarant"), is the owner of that certain real property known as 25 Downing Street Parkway, City and County of Denver, State of Colorado, being more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("Real Estate"); and

WHEREAS, there has been constructed on the Real Estate a multi-story building containing a parking garage and other improvements as to which Declarant desires to establish condominium ownership under this Declaration pursuant to the provisions of the Colorado Common Interest Ownership Act (the "Common Interest Act"), C.R.S. §§38-33.3-101 et seq., as amended; and

WHEREAS, Declarant desires to subject the above-described Real Estate and all improvements to be constructed thereon to those 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 Real Estate and for the purpose of furthering a plan for the improvement, sale and condominium ownership of said Real Estate for residential use, to the end that a harmonious and attractive development of the designated portions of said Real Estate may be accomplished and the health, comfort, safety, convenience and general welfare of Declarant, its successors and assigns in the designated portions of said Real Estate, or any parts thereof, promoted and safeguarded.

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

ARTICLE I
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 Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Colorado Housing and Finance Authority (CHFA) 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 Allocated Interests. "Allocated Interests" shall mean and refer to, with respect to each Condominium Unit, a percentage of the undivided interests in the Common Elements and of the Common Expenses of the Association allocated to such Condominium Unit and a portion of the votes in the Association allocated to such Condominium Unit.

1.3 Association. "Association" shall mean and refer to No. 25 Downing Condominium Association, Inc., a Colorado nonprofit corporation, its successors and assigns. The Association shall act by and through its Executive Board and officers unless the Articles of Incorporation or Bylaws of the Association or this Declaration specifically require otherwise.

1.4 Building. "Building" shall mean and refer to any buildings (including the two multi-story buildings containing all of the Condominium Units and parking garage [the "Parking Garage"] and all fixtures and improvements therein contained) located on the Real Estate and within which one or more Units or Common Elements are located.

1.5 Common Elements. "Common Elements" shall mean and refer to the Real Estate and all improvements constructed thereon, except the Units, and shall include without limitation the following:

(a) The Real Estate; and

(b) The Building (including, but not by way of limitation, the foundation, columns, girders, beams, supports, perimeter and supporting walls, flues, hallways, roofs, elevators, stairs, stairways, mechanical rooms, maintenance/storage rooms, storage areas, entrances and exits, common areas and amenities for use by Owners and/or their guests, and all mechanical and/or utility installations of the Building consisting of the equipment and materials making up any utilities or other services such as security, power, light, gas, hot and cold water, heating, refrigeration and air conditioning, which exist for the common use of some or all of the Owners, including the pipes, vents, ducts, flues, chutes, conduits, wires, and other similar installations used in connection therewith), except for the Units; and

(c) Any sidewalks, walkways, paths, grass, shrubbery, trees, driveways, private streets, parking areas and parking structures, signs and supporting structures for signs, landscaping and gardens, if any, located on the Real Estate and any such areas situated on real estate owned by others as to which the Owners or any of them have a right of use by easement or license; and

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

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

1.6 Common Expenses. "Common Expenses" shall mean and refer to all expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations by the Association to reserves.

1.7 Condominium Map. "Condominium Map" shall mean and refer to the condominium map(s) and/or plat(s) of the Real Estate and improvements that are subject to this Declaration and which are designated as the Condominium Map for No. 25 Downing Condominiums, recorded or to be recorded in the records of the Office of the Clerk and Recorder of the City and County of Denver, Colorado. More than one Condominium Map or supplement thereto may be recorded, and, if so, then the term "Condominium Map" shall collectively mean and refer to all of such condominium maps and supplements thereto.

1.8 Condominium Unit. "Condominium Unit" shall mean and refer to a Unit, together with all fixtures and improvements therein contained (unless such fixtures and improvements are deemed Common Elements pursuant to Sections 1.5 and 1.21 or under the Common Interest Act) and together with the undivided interest in all of the Common Elements as shown on Exhibit "B" attached hereto and incorporated herein by this reference.

1.9 Declarant. "Declarant" shall mean and refer to No. 25 Downing, LLC, a Colorado limited liability company, its successors and assigns, if such successors and assigns are designated by the then-Declarant to serve as a Declarant for any specified purposes or for all purposes under this Declaration in a written instrument duly executed by the then-Declarant and the designated successor or assignee and recorded in the Office of the Clerk and Recorder of the City and County of Denver, Colorado.

1.10 Declaration. "Declaration" shall mean and refer to this Condominium Declaration, as it may be amended from time to time.

1.11 First Mortgage. "First Mortgage" shall mean and refer to a Security Interest on a Condominium Unit which has priority over all other Security Interests in that Condominium Unit.

1.12 First Mortgagee and Eligible First Mortgagee. "First Mortgagee" shall mean and refer to any person named as a mortgagee or beneficiary under any First Mortgage, or the insurer or guarantor of any First Mortgage, or any successor to the interest of any such person under such First Mortgage. "Eligible First Mortgagee" shall mean and refer to those First Mortgagees or insurers or

guarantors of First Mortgages who have made written request to the Association for notification of certain proposed matters and actions requiring the consent of a specified percentage of Eligible First Mortgagees in accordance with the provisions of Section 16.2.

1.13 General Common Elements. "General Common Elements" shall mean and refer to all of the Common Elements except the Limited common elements. The General Common Elements include, by way of example but not limitation, the Building lobby, loggia, fitness center, mailbox areas, courtyard and walkways (but excluding ground-level patio areas allocated exclusively to specific Condominium Units as shown on the Condominium Map) and certain specified exterior parking spaces, all as more fully indicated on the Condominium Map. The General Common Elements may not be conveyed or encumbered except as permitted under the Common Interest Act and in accordance with Section 6.8 and subsection 16.1(a)(iii) of this Declaration; provided, however, that the granting of permits, licenses and easements for public utilities or other purposes consistent with the intended use of the Common Elements or reasonably necessary or useful for the proper maintenance or operation of the Project will not be deemed to be a conveyance.

1.14 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, and as further shown on the Condominium Map, the Limited common elements shall include the balconies, patios, terraces, flower boxes, utility, heating, air conditioning and domestic hot water equipment associated with or providing service to a Condominium Unit, the Parking Space(s) assigned to each Condominium Unit in accordance with Section 4.4, and the Storage Area(s) assigned to each Condominium Unit under Section 4.5, and the Devices. The Limited common elements shall be used in connection with the applicable Unit(s) to the exclusion of the use thereof by the other Owners, except by invitation. Any gates leading to and from the courtyard areas allocated to individual Condominium Units may be locked or otherwise made secure by the Owners of such Units, subject to access by the Association and management employees in the case of emergency or as otherwise reasonably required.

1.15 Member. "Member" shall mean and refer to each Owner of a Condominium Unit; membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condominium Unit.

1.16 Owner. "Owner" shall mean and refer to any record owner (including Declarant and including a contract vendor), 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).

1.17 Project. "Project" shall mean and refer to the totality of all the Real Estate, Building, Condominium Units and Common Elements.

1.18 Real Estate. "Real Estate" shall mean and refer to that certain property located at 25 Downing Street in the City and County of Denver, Colorado, and more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

1.19 Security Interest. "Security Interest" shall mean an interest in real estate or personal property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association and any other consensual lien or title retention contract intended as security for an obligation.

1.20 Special Declarant Rights. "Special Declarant Rights" shall mean and refer to the development and other rights expressly reserved for the benefit of Declarant in accordance with the specific terms and conditions of this Declaration.

1.21 Unit. "Unit" shall mean and refer to the air space contained within the enclosed rooms occupying all or part of a floor or floors in the Building and bounded by the unfinished interior surfaces of the perimeter walls (or the demising walls, if two or more Units adjoin each other), unfinished interior surfaces of floors (or the lowermost floor in respect of the Units containing more than one level), unfinished interior surfaces of ceilings, including the unfinished surfaces of any "drop" ceilings originally constructed for the Unit (or the uppermost ceilings, in respect of the Units containing more than one level), and unfinished interior surfaces of windows and window frames, doors and door frames. Each Unit is separately identified on the Condominium Map and shall have access to a public street through the Common Elements. The term "Unit" does not include any structural component of the Building or utility facility located within the Unit or any other Common Element or portion thereof located within the Unit. Accordingly, as provided in Section 202 of the Common Interest Act, if any chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or other fixture lies partially within and partially outside the boundaries of a Unit, the same shall not be considered part of the Unit; any portion thereof serving only that Unit shall be a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements shall be a part of the Common Elements, either a Limited Common Element allocated to the specific Units served thereby or a General Common Element if such portion serves all of the Units. All shutters, awnings, window boxes, door steps, stoops, porches, balconies, terraces, courtyard areas, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited common elements allocated exclusively to that Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, and finished flooring and any other materials constituting any part of the finished surfaces thereof is part of the Unit and all other portions of such walls, floors, or ceilings will be deemed part of the Common Elements.

ARTICLE II

Division of Project into Condominium Ownership

2.1 **Division into Condominium Units.** The Project is hereby divided into seventy-four (74) separate Condominium Units, each of which shall have an undivided interest in all of the Common Elements as identified on Exhibit "B" attached hereto. The maximum number of Condominium Units which may be created within the Project, after giving effect to the subdivision rights set forth in Sections 2.4 hereof, is eighty (80) Units. The undivided interest has been computed for each Unit by dividing the approximate square footage of such Unit by the total approximate square footage of all Units, with such square footage determined in good faith by Declarant and consistently applied to all Units, without regard to the areas of any Limited common elements in either instance, and then multiplying the quotient derived thereby by 100 to obtain the percentages contained on Exhibit "B" under the column heading "Undivided Interests in All Common Elements."

2.2 **Inseparability.** Except as provided in Section 2.4, each Condominium Unit, and all 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 a deed or other instrument of conveyance or assignment of the Condominium Unit, each Owner specifically waives any 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 conclusively 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. Any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements made without the Unit to which that interest is allocated is void.

2.4 **Restricted Right to Relocate Boundaries of Condominium Units.**

(a) Except as hereinafter specifically provided with respect to Declarant, no Owner or Owners may relocate the boundaries of any Condominium Unit(s) except by amendment to this Declaration in accordance with the applicable requirements hereof, including but not limited to any prior approvals of Owners and Eligible First Mortgagees mandated by Article XVI and in accordance with the procedures set forth in the Common Interest Act, in particular Section 212. All costs incurred in connection with such relocation of boundaries shall be borne by the Owner or Owners

of the affected Condominium Units, including all costs incurred by the Association in connection therewith. In the case of any such relocation of boundaries, the Owners of the affected Condominium Units shall have the right, with the prior written approval of the Executive Board of the Association, to redesignate, as part of a Unit or as a Limited Common Element, any portion of the Common Elements or any walls, floors or other separations between the affected Condominium Units, which may be necessary or appropriate to accomplish such combination or division; provided, however, that the exercise of the rights granted herein shall be subject to the prior written consent of any First Mortgagee having an interest in any such affected Condominium Units, in addition to the other approvals required by this Section 2.4 and Article XVI. If Condominium Units are combined, the undivided interest in the Common Elements and other applicable Allocated Interests for the combined Condominium Unit shall be the sum of the undivided interests and other applicable Allocated Interests of the Condominium Units that were combined. Any previously combined Condominium Units which are later divided into their previous configurations shall be reinstated to the undivided interests in the Common Elements and other applicable Allocated Interests which they had prior to the combination. An amendment to the Declaration and Map implementing a relocation of Unit boundaries under this Section shall be executed and filed in accordance with the Common Interest Act.

(b) Notwithstanding any other provision of this Section 2.4, Declarant shall have, as part of its development or other Special Declarant Rights with respect to Units owned by Declarant, the right (i) to combine or relocate any common boundaries between adjoining or contiguous Units (whether horizontally or vertically), (ii) to subdivide any Unit, or (iii) to otherwise change the dimensions of any Unit(s) owned by Declarant, in accordance with applicable provisions of subsection (a) above dealing with the combination or division of the Allocated Interests of the Units in question. However, no consent will be required from the Association, the Executive Board, any First Mortgagees (unless holding a First Mortgage on the subject Unit), or any other person for Declarant to exercise such rights and any amendment to this Declaration or the Condominium Map that is required to implement such combination, subdivision, or change in dimensions of such Units may be executed solely by Declarant. Declarant's development or other Special Declarant Rights set forth in this Section 2.4 shall terminate on the first to occur of the tenth (10th) anniversary of the date this Declaration is recorded or the date of conveyance of the last Condominium Unit by Declarant to the first purchaser thereof (other than Declarant).

2.5 Owner's Right to Alter Units. Subject to the provisions of this Declaration and other applicable requirements of law, an Owner: (a) may make any improvements or alterations to his Unit that do not impair the structural integrity, electrical, mechanical, or other utility or Building systems or services involving other Units, or lessen the support of any portion of the Building; but (b) may not change the appearance of any of the Common Elements, unless otherwise expressly permitted herein,

without permission of the Executive Board of the Association. Those measures described in Section 211(c) of the Common Interest Act having to do with the removal or alteration of any intervening partition or the creation of an aperture between Units owned by the same Owner, shall be considered a combination of Units under this Declaration subject to the provisions and required approvals set forth in Section 2.4 and Article XVI hereof.

ARTICLE III Condominium Map

3.1 Recording. The 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 all items required under Section 209 of the Common Interest Act, including but not limited to: the legal description of the land and a land survey plat thereof in accordance with C.R.S. §38-51-106; the location of the Building in reference to the exterior boundaries of the land; the floor and elevation plans; the identifying numbers and location and dimensions of the Units within the Building, both horizontally and vertically; a designation of which Common Elements contained in the Building are Limited common elements, other than those described in subsections 202(1)(b) and (1)(d) of the Common Interest Act, including their approximate location and dimensions; the Storage Area(s) and Parking Space(s), the allocations of which shall be made pursuant to Sections 4.4 and 4.5 hereof; and to the extent not provided in this Declaration, the allocation of Limited common elements to a specific Unit or Units. Each Condominium Map shall contain the certificate of a registered land surveyor certifying that the Condominium Map substantially depicts all required information under Section 209 of the Common Interest Act, subsequent to substantial completion of the improvements shown thereon. In interpreting the Condominium Map, the existing physical boundaries of each Unit, as constructed, shall be conclusively presumed to be its boundaries.

3.3 Amendments. To the extent permitted under the Common Interest Act, Declarant hereby reserves unto itself the right, from time to time, without obtaining the consent or approval of any Owner or First Mortgagee, the Association, or the Executive Board, 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 Real Estate or to designate as Limited common elements any General Common Elements that were erroneously identified as General Common Elements on the Condominium Map, or to reflect Declarant's exercise of its development and other Special Declarant Rights expressly reserved in this Declaration. 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), or ten (10) years after this Declaration is recorded, whichever occurs first. The Condominium Map may also be amended, from time to time, as provided in Section 2.4 and Section 15.2 hereof or in accordance with other applicable provisions of this Declaration or the Common Interest Act relating to amendments to the Declaration.

ARTICLE IV
Owner's Property Rights in Common Elements

4.1 Right of Ingress and Egress. Every Owner, tenant and their respective family members, guests, invitees and licensees shall have a right and easement of enjoyment in and to the General Common Elements and those Limited common elements allocated to such Owner's Condominium Unit (whether separately or together with other Units), plus a right and easement of ingress and egress over, across and upon the Common Elements for the purpose of entering and exiting such Owner's Condominium Unit, parking and storage areas, any recreational facilities 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 and the Condominium Map;

(b) The right of the Association to suspend the voting rights and any and all rights of any Owner or such Owner's tenant or their family, guests, licensees or invitees to the use of any facilities within the Project for any period during which any Association assessment against such Owner or against such Owner's Condominium Unit remains unpaid and, for any period of time, not to exceed ninety (90) days per infraction, which the Association may deem to be appropriate, for such Owner's infraction, or the infraction by any Owner's tenant, any member of such Owner's or tenant's family or such Owner's or tenant's guests, licensees or invitees, of any rule or regulation of the Association, after reasonable notice and an opportunity to be heard;

(c) 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

(d) The right of the Association to grant permits, licenses and easements over the Common Elements for utilities 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 those Limited Common Elements allocated solely to such Owner's Condominium Unit.

4.3 Major Recreational Facilities. Major recreational facilities that are to exist within the Project consist of a landscaped courtyard, fitness center and loggia, as identified on the Condominium Map. No other major recreational facilities are planned to be built by Declarant.

4.4 Parking Spaces.

(a) The parking spaces to be assigned to each Condominium Unit ("Parking Spaces") are located within or above the Parking Garage or within the surface level parking areas identified on the Condominium Map. The Declarant will allocate one (1) or more Parking Spaces to each Condominium Unit, as depicted on the Condominium Map, and as a Limited Common Element thus allocated to each Condominium Unit, such subject Parking Space(s) may not be assigned or transferred apart from the transfer of the subject Condominium Unit. The Parking Space(s) so allocated will be described by number in the deed by which Declarant conveys each Condominium Unit to its first Owner other than Declarant. Any subsequent sale of the Condominium Unit, after the initial sale by Declarant, shall terminate the selling Owner's right, title and interest to such assigned Parking Space(s) and shall cause the exclusive right to use such assigned Parking Space(s) to vest in the purchaser of the selling Owner's Condominium Unit. Parking Spaces may be reallocated among the Condominium Units with the consent of the Association, the Owner and First Mortgagee of each Condominium Unit whose Parking Space(s) assignment is being changed, and with additional Owner and Eligible First Mortgagee consents as required under subsection 16.1(b)(v), so long as each Condominium Unit always has one or more Parking Space(s) and such reallocation otherwise conforms to the requirements of Section 208(2) of the Common Interest Act and subsection 16.1(b)(v) hereof as applicable. Any Parking Spaces ultimately not allocated to specific Condominium Units and the exterior visitor parking areas will constitute General Common Elements, as reflected on the Condominium Map, whose use will be governed by the Association.

(b) Notwithstanding any other provisions in Section 4.4(a) to the contrary, Declarant may, as part of its development rights and other Special Declarant Rights: complete any Parking Space(s) identified on the Condominium Map as a Parking Space, reallocate Parking Space(s) among Condominium Units owned by Declarant in any manner desired by Declarant (so long as each Condominium Unit has at least one (1) Parking Space permanently and exclusively allocated to it), prior to the sale of such Units to their initial Owners (other than Declarant), and amend the Condominium Map accordingly, all without the consent of the Association, the Executive Board, any First Mortgagees, or any other person. Declarant's development rights or other Special Declarant Rights set forth in this Section 4.4(b) shall terminate on the first to occur of the tenth (10th) anniversary of the date this Declaration is recorded or the date of conveyance of the last Condominium Unit by Declarant to the first purchaser thereof (other than Declarant). Notwithstanding the provisions of this Section 4.4(b), Declarant's right to reallocate Parking Spaces will not apply to Parking Spaces specifically identified in any executed purchase agreement for Declarant's sale of a Condominium Unit, without the prior consent of the contract purchaser.

4.5 Storage Areas.

(a) Each Condominium Unit shall be allocated one (1) or more storage lockers ("Storage Areas"), located in the Building, as depicted on the Condominium Map. The Storage Area(s) shall be a Limited Common Element allocated to such Unit and may not be assigned or transferred apart from that Unit. The Storage Area(s) so allocated will be described by number in the deed by which Declarant conveys each Condominium Unit to its first Owner other than Declarant. Any subsequent sale of the Condominium Unit, after the initial sale by Declarant, shall terminate the selling Owner's right, title and interest to the assigned Storage Area(s) and shall cause the exclusive right to use such assigned Storage Area(s) to vest in the purchaser of the selling Owner's Condominium Unit. Storage Areas may be reallocated among the Condominium Units with the consent of the Association, the Owner and First Mortgagee of each Condominium Unit whose Storage Area assignment is being changed, and with additional Owner and Eligible First Mortgagee consents as required under subsection 16.1(b)(v), so long as each Condominium Unit always has an assigned Storage Area and such reallocation otherwise conforms to the requirements of Section 208(2) of the Common Interest Act and subsection 16.1(b)(v) hereof as applicable. Each Owner shall be responsible for maintaining the Storage Area(s) allocated to his Condominium Unit in a slightly condition, clean and free from debris of any kind. Further, the storage of gasoline or other flammable materials, or noxious or hazardous wastes or materials of any kind within any Condominium Unit or appurtenant Storage Area is absolutely prohibited.

(b) Notwithstanding any provisions in Section 4.5(a) to the contrary, Declarant may, as part of its development rights and other Special Declarant Rights: complete any Storage Area(s) identified on the Condominium Map as a Storage Area, reallocate Storage Area(s) among Condominium Units owned by Declarant in any manner desired by Declarant (so long as each Condominium Unit has at least one (1) Storage Area permanently and exclusively allocated to it), prior to the sale of such Units to their initial Owners (other than Declarant), and amend the Condominium Map accordingly, all without the consent of the Association, the Executive Board, any First Mortgagees, or any other person. Declarant's development rights and other Special Declarant Rights set forth in this Section 4.5(b) shall terminate on the first to occur of the tenth (10th) anniversary of the date this Declaration is recorded or the date of conveyance of the last Condominium Unit by Declarant to the first purchaser thereof (other than Declarant). Notwithstanding the provisions of this Section 4.5(b), Declarant's right to reallocate Storage Areas will not apply to Storage Areas specifically identified in any executed purchase agreement for Declarant's sale of a Condominium Unit, without the prior consent of the contract purchaser.

ARTICLE V
Membership and Voting Rights in the Association

5.1 Membership and Voting. Every Owner of a Condominium Unit shall be a Member of the Association and shall remain a Member for the period of his ownership of a Condominium Unit. Each Condominium Unit shall be entitled to one (1) vote to be exercised by the Owner or Owners thereof. A Condominium Unit resulting from an approved combination of two or more existing Units shall have one (1) vote in the Association. Each Condominium Unit resulting from an approved subdivision of an existing Unit shall also have one (1) vote in the Association. Declarant shall retain and be entitled to exercise the applicable voting rights for each Condominium Unit that remains unsold at the time control of the Association is relinquished by Declarant to the Owner as set forth in Section 5.2 below, until such time as the Units are sold to initial Owners other than Declarant and such Owners shall thereafter exclusively exercise the applicable voting rights.

5.2 Executive Board. The affairs of the Association shall be managed by an Executive Board, which shall consist of the number of members set forth in the Association's Articles of Incorporation, as amended ("Articles"), or Bylaws, as amended ("Bylaws") from time to time. From the date of formation of the Association until the termination of Declarant's control as provided below, Declarant shall have the right to appoint and remove all members of the Executive Board and all officers of the Association. The period of Declarant's control of the Association shall terminate upon the first to occur of the following: sixty (60) days after conveyance of 75% of the Condominium Units that may be created in the Project to Owners other than Declarant, two (2) years after the last conveyance of a Condominium Unit by Declarant in the ordinary course of its business, two (2) years after any right to add new Units was last exercised, or three (3) years after the first sale of a Condominium Unit to an Owner other than Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant's control, but in that event Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. Not later than sixty (60) days after conveyance of 25% of the Condominium Units that may be created in the Project to Owners other than Declarant, at least one member and not less than 25% of the members of the Executive Board will be elected by Owners other than Declarant. Not later than sixty (60) days after the conveyance of 50% of the Condominium Units that may be created in the Project to Owners other than Declarant, not less than 33-1/3% of the members of the Executive Board will be elected by Owners other than Declarant. Not later than the termination of the period of Declarant's control as provided above, the Owners (including Declarant) shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant and the Executive Board shall elect the officers, with such Board members and officers to take office upon election. Within sixty (60) days after Owners other than Declarant elect a majority of the Executive Board, Declarant shall deliver to the Association all property of the Owners and the Association held or controlled by Declarant, including without limitation those items specified in Section 303(9) of the Common Interest Act.

ARTICLE VI The Association

6.1 Management and Maintenance Duties; Access to Units. Subject to the rights of Owners as set forth in this Declaration and giving full effect to the powers enumerated in Section 302 of the Common Interest Act, the Association shall:

(a) be responsible for the management, control, maintenance, repair, replacement and improvement of all of the Common Elements and any property owned or leased by the Association, 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, repair and replacement of all fixtures, equipment and utilities installed or located within such Owner's Unit, and all other equipment providing exclusive service thereto or therefor and any service lines from such equipment to the Condominium Unit, including without limitation all utility, heating, plumbing, air conditioning and domestic hot water equipment and appurtenances, but only to the extent such fixtures, equipment and utilities are owned by said Owner or serve only that Unit;

(b) maintain and repair the exterior surface, roof and structural elements of the Building; and

(c) maintain all grass, trees, shrubbery, flowers and other landscaping, if any, constituting part of the Common Elements.

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 monthly assessments for Common Expenses levied by the Association. Except for the Owners' right to reject a budget as described in Section 7.3, the prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees. Each Owner shall afford to the Association and the other Owners, and to their agents or employees, access through such Owner's Unit and Limited common elements allocated to such Unit for emergency repairs or as otherwise reasonably necessary for maintenance, repair and replacement of the Common Elements. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Elements or any Unit through which access is taken, the Owner responsible for the damage, or expense to avoid damage, or the Association if it is responsible, will be liable for the cost of prompt repair.

6.2 Owner's Negligence; Prohibition of Certain Activities; Indemnification.

(a) Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or replacement of any of the Common Elements or any Condominium Unit, or any portion thereof, is caused

through or by the negligent or willful act or omission of an Owner, an Owner's tenant or by any member of an Owner's or tenant's family or by an Owner's or tenant's guests, invitees, licensees, contractors, or other agents, or as a result of any improvements constructed by or on behalf of an Owner in or upon any of the Common Elements or within such Owner's Condominium Unit (with a determination of negligence or willful act or omission, and the amount of the Owner's liability therefor, having been made by the Executive Board of the Association after a hearing with notice to the Owner), then the expenses, costs and fees incurred by the Association or other Condominium Owner for such maintenance, repair or replacement shall be the personal obligation of such Owner; and, if not repaid to the Association or other Condominium Owner 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.

(b) Nothing shall be constructed, done or kept in any Condominium Unit or in or upon any of 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, or any other Condominium Unit, shall be committed by any Owner or Owner's tenant, or by any member of an Owner's or tenant's family, or by a guest, invitee, licensee, contractor, other agent, or contract purchaser of any Owner or Owner's tenant, or shall occur as a result of the construction, operation, use, repair, or replacement of improvements within such Owner's Condominium Unit or constructed by or on behalf of such Owner in or upon any of the Common Elements. 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, his tenant or the members of his or his tenant's family, his or his tenant's guests, invitees, licensees, contractors, other agents, or contract purchasers, or as a result of the construction, operation, use, repair, or replacement of improvements within such Owner's Condominium Unit or constructed by or on behalf of such Owner in or upon any of the Common Elements which is in violation of this Section 6.2(b). At the Association's own initiative or upon the written request of any Owner (and if the Executive Board of the Association determines that further action by it is proper), then after notice and a hearing by the Executive Board, the amounts thereby determined to be indemnified shall be and constitute a default assessment determined and levied against the Owner's Condominium Unit.

6.3 Management Agreements. The Association may have professional management of the Project and its business affairs. Any agreement for professional management of the Association's business shall have a reasonable term not to exceed three (3) years, as determined by the Executive Board, but must nonetheless provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon not more than ninety (90) days' prior written notice.

Declarant may enter into a professional management contract before control of the Association has passed to the Owners under Section 5.2, so long as the management contract gives the Association the right to terminate it without cause at any time after Declarant has relinquished control of the Association in accordance with Section 5.2. Any management agreement or other service contract entered into with an affiliate of or to be performed by Declarant must be on terms no less favorable to the Association than these available from an independent third party.

6.4 Acquiring and Disposing of Real and Personal Property. The Association may lease, acquire, own and hold for the use and benefit of all Owners, tangible and intangible personal property and real property for such uses and purposes as the Executive Board of the Association may in its discretion deem appropriate from time to time, 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 all of the Common Elements as shown on attached Exhibit B. 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 and/or real property without any reference thereto. Each Owner may use such personal and/or real property in accordance with the purposes for which such property is intended and in accordance with such conditions, limitations, restrictions, and rules and regulations as may be placed on any such property by the Executive Board of the Association in its sole discretion from time to time, provided that such use of any Owner shall not hinder or encroach upon the lawful rights of other Owners.

6.5 Promulgation of Rules and Regulations. The Executive Board of the Association, after such prior notice to and comment from the Owners as the Executive Board determines is appropriate, may promulgate and enforce, including, without limitation, enforcement by levying and collecting charges or fines for the violation thereof, reasonable rules and regulations governing the use of the Condominium Units, Common Elements and any property owned by the Association. Without limiting the generality of the foregoing, the Association may establish rules and regulations from time to time governing the reservation and use of the landscaped courtyard, the courtyard room and the unallocated Parking Spaces and exterior guest parking areas at the Project and may set reasonable fees for such use or the use of any other Common Element or for provision of specific services or amenities to Owners (with any resulting fees to be included in the general or reserve funds of the Association as determined by the Executive Board).

6.6 New Additions to Common Elements. 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 interests in all of the Common Elements shown on Exhibit "B" attached hereto, and shall be governed by this Declaration. The Common Expenses for any such additions to the Common Elements shall be apportioned among all Condominium Units as provided in Article VII hereof.

6.7 **Assignment of Right to Future Income.** The Association shall have the ability to assign its right to future income, including the right to receive assessments for Common Expenses, in accordance with the following procedure. After approval by the Executive Board and its recommendation that the proposed assignment of future income is in the best interest of the Association and is consistent with the sound future management of the Project, together with an explanation, in such detail as the Executive Board may deem appropriate, of the justification for such assignment of future income and its proposed use, the terms and conditions of the proposed assignment of future income must be approved by Owners holding at least sixty-seven percent (67%) of the votes in the Association.

6.8 **Conveyance or Encumbrance of Common Elements.**

(a) Portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association if Owners entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes allocated to Units not owned by Declarant, agree to such action; provided, however, that all Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a Security Interest. Proceeds of any such sale shall be an asset of the Association.

(b) An agreement to convey, or subject to a Security Interest, any of the Common Elements must be evidenced by the execution of an agreement, in the same manner as a deed, by the Association. The agreement must specify a date after which the agreement will be void unless approved by the requisite percentage of Owners set forth in subsection (a) above. Any grant, conveyance, or deed executed by the Association must be recorded in the Office of the Clerk and Recorder of the City and County of Denver, and will be effective only upon recordation.

(c) The Association, on behalf of the Owners, may contract to convey or grant a Security Interest in Common Elements pursuant to subsection (a) above, but the contract will not be enforceable against the Association until approved by Owners in accordance with subsection (a) and executed and ratified pursuant to subsection (b). Thereafter, the Association shall have all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

(d) Unless in compliance with this Section 6.8, any purported conveyance, encumbrance, judicial sale, or other transfer of any of the Common Elements is void.

(e) A conveyance or encumbrance of any of the Common Elements pursuant to this Section 6.8 may not deprive any Unit of its rights of ingress and egress to and from the Unit and support of the Unit.

(f) A conveyance or encumbrance of any of the Common Elements pursuant to this Section 6.8 will not affect the priority or validity of existing encumbrances.

(g) The provisions of this Section 6.8 are subject to any future modifications to the governing provisions of Section 312 of the Common Interest Act.

6.9 Contracts, Licenses and Agreements. The Association, through its Executive Board, shall have the right to enter into, make, perform or enforce contracts, leases, licenses, agreements, easements and/or rights-of-way, for the use by Owners, other persons, their family members, guests and invitees, of real property 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 contracts, licenses, leases or other agreements for the provision any services or the acquisition of any real or personal property for the Project or any portion thereof. Any such contracts, leases, licenses, rights-of-way, easements, or other agreements shall extend for a reasonable period of time, as determined by the Executive Board, and if beneficial to the Association, may provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon ninety (90) days prior written notice. Any such contracts, leases, licenses, rights-of-way, easements, or other agreements shall be upon such terms and conditions as agreed to by the Executive Board 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 any such real or personal property, and any improvements thereto and thereon, providing cable or satellite television service, or other amounts which the Executive Board determines are necessary to secure such contracts, licenses, and agreements, and any such costs and expenses shall be treated by the Association as Common Expenses pursuant to Article VII hereof.

ARTICLE VII Assessments

7.1 Personal Obligation for Assessments, Taxes, Utilities, and Other Matters. All Owners, including Declarant, covenant and agree, and shall be personally obligated, to pay to the Association: (a) monthly assessments for Common Expenses imposed by the Association to meet the Common Expense and reserve requirements of the Association; (b) Special Assessments, pursuant to Section 7.7 of this Declaration; (c) Individual Purpose Assessments, pursuant to Section 7.8 of this Declaration; and (d) other charges, costs, interest, 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, charges, costs, interest and fees attributable to their Unit during the period of their ownership of the Unit. The payment of any and all assessments is an independent covenant, with all assessments payable in full, when due, without notice (except as otherwise expressly provided in this Declaration) or demand, and without setoff or deduction. 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 nonuse of the Common Elements or the facilities contained therein or by abandonment or leasing of his 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 or quasi-governmental subdivisions (including, without limitation, any special improvement or other districts) against his Condominium Unit, as well as all charges for separately metered utilities servicing his Condominium Unit. The charges for utilities which are not separately metered to an individual Condominium Unit by the applicable utility company may be collected by the Association as part of the Common Expenses; however, the charges for such utilities shall be allocated among the Condominium Units based on actual usage, if measured, in accordance with Section 7.2 hereof if usage is not measured, or on some other fair and equitable basis if the use of Allocated Interests for the subject Units would be unfair or inequitable in the assessment of utility charges.

7.2 Allocation of Common Expenses.

(a) In General. Except as set forth in subsection (b) below or as otherwise expressly provided or permitted in this Declaration, all assessments for Common Expenses (including Special Assessments but excluding Individual Purpose Assessments and default assessments as hereinafter provided) shall be allocated among the Condominium Units in accordance with the percentages set forth for each Condominium Unit in Exhibit B under the heading "Allocated Common Expense Interests" (provided that any approved combined Condominium Unit will be treated as the sum of the Allocated Common Expense Interests of its constituent Condominium Units for the purpose of calculating its share of assessments) by multiplying the total annual amount of Common Expenses times the Allocated Common Expense Interest for each Condominium Unit. The Allocated Common Expense Interest for each Condominium Unit has been calculated in the same manner used to determine each Condominium Unit's undivided interest in all Common Elements under Section 2.1.

(b) Possible Separate Allocation of Parking Expenses. Notwithstanding the procedures previously set forth in this Section 7.2 for the allocation of Common Expenses, the Executive Board of the Association may elect to allocate some or all of the expenses for the maintenance, repair, improvement or replacement of the Parking Garage, and related parking improvements and equipment on a pro rata basis among all of the Condominium Units based upon the number of Parking Spaces allocated to each Condominium Unit under Section 4.4 compared to the total number of Parking Spaces allocated to all Condominium Units.

7.3 Assessments for Common Expenses; Budgets.

(a) Until the Association makes an assessment for Common Expenses, Declarant shall pay all Common Expenses. After any assessment has been made by the Association, assessments shall be payable monthly, with the amount of the assessments

to be determined by the Executive Board from time to time (but no less frequently than annually) based on a budget adopted from time to time by the Association (but no less frequently than annually). The Executive Board of the Association shall prepare each proposed budget assuming the Association's books and records are maintained on an accrual basis, to provide for the payment of all estimated expenses, costs and fees for the duties described in Section 6.1 of this Declaration and for other costs, fees and expenses, related to or connected with the administration, maintenance, ownership, repair, operation, addition, alteration and improvement to or of the Project, the Common Elements, real or personal property owned or leased by the Association, and any other obligations which may be undertaken by the Association. The amount of said advance budget may include, but shall not be limited to: expenses of management; premiums for insurance maintained by the Association and any other expenses connected with acquiring such insurance; landscaping and care of the common grounds; common lighting and heating; maintenance, repair, replacement and renovation of the Common Elements; trash collection; wages; charges for utilities, including natural gas as measured by the single gas meter servicing the entire Building and all other appropriate heat, water and sewer charges; taxes; legal and accounting fees; management fees; costs, expenses and liabilities incurred by the Association's Executive Board on behalf of the Owners or otherwise arising 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; reimbursement for or payment of any operating deficit, loss, or unbudgeted expense incurred by the Association; and any and all other costs and expenses relating to the Common Elements, real or personal property owned by the Association, and/or any other obligations undertaken by the Association.

(b) Within thirty (30) days after adoption of any proposed budget, the Executive Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) 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 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 Executive Board.

(c) Fees received by the Association for the use of specific Common Elements or for the provision of services or amenities will be paid into the general or reserve funds of the Association as designated by the Executive Board.

7.4 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, and for payment of insurance deductibles. Such reserves shall be included in the

budget and funded through the monthly assessments for Common Expenses, and shall be reasonably allocated, as applicable, in accordance with the manner of assessing Common Expenses provided for in Section 7.2.

7.5 Date of Payment of Monthly Common Expense Assessments. The monthly assessments for Common Expenses shall be due and payable on the first (1st) day of each month, in advance, or on such other dates as may be set by the Executive Board of the Association from time to time. Any person purchasing a Unit between monthly assessment due dates shall pay a pro rata share of the last assessment due. All Units must be allocated full assessments no later than thirty (30) days after the first Unit is conveyed to an Owner other than Declarant.

7.6 Rate of Assessment. Both monthly assessments for Common Expenses and any Special Assessments shall be fixed at such rates as will be sufficient to meet the advance budget of the Association, as provided in Sections 7.3 and 7.7 hereof.

7.7 Special Assessments. In addition to the monthly assessments for Common Expenses authorized above, the Executive Board of the Association may at any time, from time to time, determine, levy and assess a special assessment for the purpose of defraying, in whole or in part, payments for any operating deficit, loss or unbudgeted expense, and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement, management, administration, or maintenance of the Common Elements, or with respect to any other Common Expenses, including without limitation any fixtures and personal property related thereto. Special Assessments shall be based on and included within a budget adopted in accordance with Section 7.3; provided that, if necessary, the Association may adopt a new budget pursuant to Section 7.3 prior to levying a Special Assessment not previously included in an approved budget. Such Special Assessment(s) shall be due and payable as determined by the Association's Executive Board, with at least thirty (30) days prior written notice provided to the Owners.

7.8 Individual Purpose Assessments.

(a) In addition to assessments for Common Expenses and Special Assessments as hereinabove provided, the Executive Board of the Association may at any time, or from time to time, levy and collect assessments against any one or more, but fewer than all, of the Condominium Units for services provided to one or more (but not all) Owners and their family members, guests, and invitees and for any matters of maintenance or repair, replacement or improvement of Limited common elements or other expenses allocated to and benefitting only such Condominium Unit(s) and not all the Condominium Units, including but not limited to expenses for maintaining, repairing, replacing or improving any Limited Common Element allocated to such Condominium Unit(s); expenses of maintaining, repairing and replacing all fixtures, equipment and utilities which are Common Elements but provide exclusive service to such Unit(s) and any service lines from such equipment to the Unit(s), including without limitation all utility, heating, plumbing, air conditioning and domestic hot

water equipment and appurtenances; and costs of insurance assessed in proportion to risk (if reasonably determinable) and costs of utilities assessed in proportion to usage if the same are separately measured or to the extent the same can otherwise be fairly and equitably attributed to the Unit(s) and the use of the Allocated Interests for such Unit(s) would be unfair and inequitable to other Owners in the assessment of such costs. Such Individual Purpose Assessments may be levied against the subject individual Condominium Unit(s) to pay in advance or reimburse the Association for any costs, expenses, fees, and other charges, incurred or reasonably anticipated to be incurred by the Association, for maintenance, repair, replacement and improvement, provision of insurance, or any other purpose, with respect to the Condominium Unit(s) against which such Individual Purpose Assessment is levied which are not applicable to all the Condominium Units.

(b) The amounts determined, levied and assessed pursuant to this Section 7.8 shall be due and payable as determined by the Executive Board of the Association, provided that written notice setting forth the amount of such Individual Purpose Assessment for each Condominium Unit and the due date(s) for payment thereof shall be given to the Owners of the affected Condominium Units not less than thirty (30) days prior to the due date.

7.9 Lien for Assessments.

(a) Under the Common Interest Act and subject to its limitations, the Association has a statutory lien on each Condominium Unit for any assessments levied against that Condominium Unit and for fines imposed against its Owner from the time each assessment or fine becomes due. In addition, fees, charges, late charges, attorneys' fees, fines and interest charged pursuant to this Declaration or the Common Interest Act are enforceable as assessments. If an assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. The foregoing assessments and other obligations shall constitute a burden running with, and a perpetual lien in favor of the Association upon, the Condominium Unit to which such assessments and other obligations apply.

(b) The statutory lien for assessments is prior to all other liens and encumbrances on a Condominium Unit except: (i) liens and encumbrances recorded before the recordation of this Declaration; (ii) a lien of a First Mortgage which was recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Condominium Unit. Notwithstanding the foregoing, the statutory lien for assessments is also prior to the lien of a First Mortgage to the extent of an amount equal to the assessments based on a periodic budget adopted by the Association pursuant to Section 7.3 which would have become due with respect to the

Condominium Unit, in the absence of any acceleration, during the six months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association's statutory lien for assessments of an action or a nonjudicial foreclosure either to enforce or extinguish such lien.

(c) The recording of this Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of lien or assessment is required; however, a claim may be recorded at the Association's option, in which event costs and attorneys' fees incurred in connection with the preparation and filing of such claim shall be assessed against the Owner and his Condominium Unit as a default assessment.

7.10 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 any provision of this Declaration, which are not fully paid within ten (10) days after the due date thereof, will bear interest from the due date at the rate of eighteen percent (18%) per annum, or at such other rate as may be set by the Association from time to time (subject to any limits imposed by law), and the Association may also 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, and may also proceed to foreclose its lien against such Owner's Unit in the manner of a mortgage upon such property. 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, 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 is not fully paid when due and the Association shall commence such an action (or shall counterclaim or cross claim for such relief in any action) against an Owner obligated to pay the same, or shall proceed to foreclose its lien against the particular Unit, then all unpaid assessments, charges and fees, any and all late charges and accrued interest under this Section 7.10, the Association's costs, expenses and reasonable attorneys' fees incurred in collection efforts, and the Association's costs of suit, expenses and reasonable attorneys' and other professional fees incurred for any such action and/or foreclosure proceedings, and any other costs which may be authorized by a court of competent jurisdiction 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 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, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any 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. In any action brought by the Association (or counterclaim or cross claim brought by the Association) to collect assessments or to foreclose a lien for unpaid assessments, the Association shall be entitled to have a receiver of the Owner to collect all sums alleged to be due from the Owner prior to or during the pending of the action. The Court may order the receiver to pay any sums held by the

receiver to the Association during the pendency of the action to the extent of the Association's assessments of any kind or nature permitted hereunder.

7.11 Successor's Liability for Assessments. Notwithstanding any terms and provisions of this Declaration to the contrary, 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, but not the personal obligation of the Owner for the payment of assessments, which became due after the recording of the First Mortgage and prior to any such sale or transfer or foreclosure, or any proceeding in lieu thereof, except to the extent the lien of the Association has priority over the First Mortgage under Section 7.9; provided, however, that any such assessments, charges, costs or fees which are extinguished as provided herein may be reallocated and assessed to all Condominium Units as a Common Expense. A First Mortgagee may be personally liable for any unpaid assessments, charges, costs or fees (but not fees or charges related to collection of the unpaid assessments if liability by First Mortgagees for the same is prohibited by applicable Agency regulations or requirements), or portion thereof, accruing against a Unit prior to the time such First Mortgagee takes title to such Unit, but only to the extent that the lien of the Association has priority over the First Mortgage under Section 7.9. 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 Unit from the lien for such subsequent assessments, charges, costs and fees.

7.12 Homestead Waiver. The Association's lien on a Condominium Unit for assessments, charges, costs and fees, as provided herein, shall be superior to any homestead exemption which is now or may hereafter be provided by state or federal law. The acceptance of a deed to a Condominium Unit shall constitute a waiver of the homestead exemption against all such assessments, charges, costs and fees.

7.13 Working Capital Fund. The Association or Declarant shall require the first Owner of each Unit (other than Declarant) to make at the time of purchase a non-refundable contribution to the Association in an amount equal to two (2) times the monthly assessment for Common Expenses against that Unit in effect at the closing thereof. At the time Declarant's control of the Association terminates under Section 5.2, Declarant shall transfer control of the working capital fund to the Association (if not transferred earlier) and in addition will pay the Association an amount equal to two times the monthly assessment for Common Expenses against all Units then owned by Declarant (unless such payment has previously been made with respect to any such Units). Amounts paid into the working capital fund should not be considered as advance payments of regular assessments. Funds in the working capital account shall be segregated 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, property or services. 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 Unit, an Owner (including Declarant if Declarant has previously paid working capital funds for the sold Unit) shall be entitled to a credit from his transferee (but not from the

Association) for the unused portion of the contribution to the working capital fund. Declarant shall not use any of the working capital funds to defray its expenses, reserve contributions, or construction costs or to make up any budget deficits while Declarant is in control of the Association.

7.14 Mortgagees May Pay Assessments and Cure Defaults. If any assessment on a Condominium Unit is not 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 is not cured within thirty (30) days after written notice thereof is given to such Owner, then any holder of a mortgage or beneficiary of a deed of trust encumbering the Condominium Unit 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 VII, and may (but shall not be required to) cure any such default.

7.15 Statement Regarding Assessments. The Association shall furnish to an Owner or such Owner's designee, prospective purchaser, holder of a Security Interest or its designee, or prospective holder of a Security Interest, upon written request, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the Association's registered agent, a written statement setting forth the amount of any unpaid assessments currently levied against such Owner's Condominium Unit. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association, the Executive Board and every Owner. If no statement is furnished to the Owner or holder of a Security Interest or their designee, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Condominium Unit for unpaid assessments which were due as of the date of the request. The Executive Board of the Association may establish a reasonable fee to be paid in connection with the furnishing of a statement regarding assessments, which fee shall be based upon the time and expense incurred in the preparation of such statement.

7.16 Liens. In accordance with the requirements of applicable Colorado law, Declarant hereby states that it is possible that liens other than mechanics' liens, assessment liens or tax liens may be obtained against the Common Elements, including without limitation judgment liens and construction or purchase money mortgage liens.

ARTICLE VIII

Insurance

8.1 Insurance on Common Elements. Commencing not later than the time of the first conveyance of a Condominium Unit to a person other than Declarant, the Association shall maintain the following types of insurance for the benefit of the Owners after giving due consideration to the extent that such insurance is reasonably available and to the cost and risk coverage provided by such insurance. The cost of insurance coverage shall be paid by the Association as a Common Expense. (Key provisions dealing with the use of insurance proceeds for the repair and reconstruction of improvements after damage or destruction are found in Section 13.3 of this Declaration.)

(a) A "master" or "blanket" type of policy of property and/or hazard insurance covering all insurable improvements located within the Project (including all Common Elements and the Units, but not including finished interior surfaces of the walls, floors, and ceilings, furniture, wall trimmings, improvements, equipment, fixtures, additional or other personal property supplied or installed by Owners, and in connection with which the provisions of Section 8.7 below are relevant), except for land, foundation, excavation and other matters normally excluded from coverage, in an amount not less than the full insurable replacement cost of the insured property (without deduction for depreciation) less applicable deductibles at the time the insurance is purchased and at each renewal date. Further, said policy shall contain a "Guaranteed Replacement Cost Endorsement" or a "Replacement Cost Endorsement," providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and shall also include an "Inflation Guard Endorsement" (if obtainable), an "Agreed Amount Endorsement" if the policy includes a coinsurance clause, a "Construction Code Endorsement" (if applicable) or a Building Ordinance or Law Endorsement (if applicable), and if the Project has central heating or air conditioning, a "Steam Boiler and Machinery Coverage Endorsement" with minimum coverage per incident equal to the lesser of \$2,000,000 or the insurable value of the Building. In lieu of obtaining the "Steam Boiler and Machinery Coverage Endorsement," as an endorsement to the "master" or "blanket" policy, the Association may purchase separate stand-alone boiler and machinery coverage. Such endorsements may be covered by what is referred to as a "Special Condominium Endorsement." The Association will also purchase endorsements and/or coverage on personal property owned by the Association, including fixtures and building service equipment, furnishings, common personal property and supplies. The Association's insurance under this subsection shall afford protection against at least the following:

(i) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(ii) 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, or within the "broad form" covered causes of loss.

(b) A comprehensive policy of public liability insurance covering the Project insuring the Association in an amount not less than One Million Dollars (\$1,000,000.00) 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 (including but not limited to Common Elements, public ways, and any

other areas for which the Association is responsible), legal liability arising out of lawsuits related to employment 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, 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 may customarily be required by private institutional mortgage investors with respect to condominium projects similar in construction, location and use. Such liability insurance shall insure the Executive Board, the Association, any management agent and their respective employees, agents and all persons acting as agents. Declarant shall be included as an additional insured in its capacity as an Owner and, if applicable, member of the Executive Board. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. Such liability insurance shall cover claims of one or more insured parties against the other insured parties.

(c) A blanket policy providing comprehensive fidelity insurance coverage 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 for handling funds of the Association, in an amount at least equal to the greater of (i) \$100,000; or (ii) the estimated maximum of funds (which in no event shall be less in aggregate than the greater of three (3) months' current assessments or two (2) months' current assessments plus reserves, as calculated from the Association's then current budget), in the custody of the Association at any given time. Such fidelity insurance coverage shall be paid for as a Common Expense and shall meet the following requirements:

(i) all such fidelity coverage shall name the Association as an insured;

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

(iii) such fidelity coverage must include a provision that calls for thirty (30) days prior written notice to the Association (or insurance trustee, if applicable) before the fidelity coverage can be cancelled or substantially modified for any reason. Such notice must also be provided to each servicer of an Agency-owned or Agency-securitized First Mortgage;

(iv) to allow a reduction in the cost of required fidelity coverage, the Association may implement any financial controls permitted by an Agency then insuring, guaranteeing, or purchasing

First Mortgages, either by resolution of the Executive Board, amendment to the Association Bylaws, or as otherwise may be approved by the applicable Agency(ies).

In the event the Association has delegated some or all of its responsibility for the handling of funds to a managing agent, the Association must require the managing agent to purchase, at its own expense, a policy of fidelity insurance which fully complies with the provisions of this subparagraph (c), unless the Association names such agent as an insured employee under a policy of fidelity insurance in accordance with subparagraph (c) above.

(d) A policy providing 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.

(e) If the Project improvements are located in an area identified by the Federal Emergency Management Agency as having special flood hazards, or designated as a Special Flood Hazard Area on a relevant Flood Insurance Rate Map, and flood insurance coverage is then available under the National Flood Insurance Administration Program ("NFIAP"), a "master" or "blanket" policy of flood insurance on the Building and any other property and contents of the Building covered by the required form of policy (herein "insurable property") in an amount deemed appropriate, but not less than the lesser of:

(i) the maximum coverage available under the NFIAP for the Building and other insurable property within any portion of the Project located within a designated flood hazard area; or

(ii) one hundred percent (100%) of the insurable value of the Building, including machinery and equipment that are part of the Buildings and other insurable property and contents of the Project located within a designated flood hazard area.

Any policy of flood insurance carried by the Association pursuant to this subsection 8.1(e) shall be in a form which meets the criteria and maximum coverage set forth in the most current guidelines on the subject issued by the Federal Flood Insurance Administration. The maximum deductible amount for policies covering the Common Elements and the Building shall be the lesser of \$5,000 or one percent (1%) of the policy's face amount.

(f) Workmen's compensation, employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(g) 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.

8.2 General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be evidenced by certificates or memoranda of insurance issued to the Association and carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners and First Mortgagees, and each Owner shall be an insured person under such policies with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association. The policy or policies shall recognize any applicable Insurance Trust Agreement and shall contain a standard non-contributory First Mortgagee's clause in favor of and specifically naming each First Mortgagee (including any Agency or the servicers of First Mortgagees and their successors and assigns) and a provision that it cannot be cancelled 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 a First Mortgage under the Declaration. The "loss payable" clause should show the Association or insurance trustee as trustee for each Owner and applicable First Mortgagee, insurer or guarantor of a 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. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner, Owner's tenant, or the Association. The policies shall also contain a waiver by the insurer of any right to claim by way of subrogation against the Owners, Declarant, the Association, and their respective officers, directors and members and any of such parties' respective families, agents, employees or tenants.

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 a Common Expense shared by the Owners in accordance with the applicable provisions of Article VII of this Declaration, with such deductible amounts to be budgeted for in the Association's operating reserve account. 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 an Owner or Owner's, and assess such loss as a default assessment against such negligent Owner or tenant and his or their Unit(s), in such proportion as the Association in its reasonable discretion may determine and subject to all provisions of this Declaration applicable to such assessments.

8.4 Insurance Trustee. The Executive Board shall have authority to authorize an insurance trustee to assist and consult with it and/or to act as its agent and attorney-in-fact for one or more of the following purposes: to purchase and maintain the insurance required under this Declaration; to negotiate and compromise settlement of losses under any insurance; and to collect the proceeds from any insurance, hold such proceeds in trust for the Owners and their First Mortgagees

as their interest may appear and dispose of such proceeds as provided in Article XIII of this Declaration and the Common Interest Act.

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 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 such 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 Unit and Owner.

8.6 Acceptable Insurance Companies. Any property and/or hazard insurance policy purchased by the Association must be written by an insurance carrier which has a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports - International Edition, an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service - if the carrier is issuing the "master" or "blanket" policy for the Project. Insurance carriers that do not meet the foregoing rating requirements may nonetheless be acceptable if any such carrier is covered by reinsurance with a company that meets either one of the A.M. Best general policyholder's ratings or one of the Standard and Poor's claims-paying ability ratings identified in the previous sentence. The insurance carrier must also be 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, the Association, or any Owner, as applicable, from collecting insurance proceeds.

8.7 Insurance to be Maintained by Owners. Any insurance policy issued to the Association does not obviate the need for Owners to obtain separate insurance for their own benefit. Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, equipment and other fixtures or items of personal property installed by or otherwise belonging to an Owner within his Unit or upon any of the Common Elements, as well as other materials constituting the finished surfaces of walls, floors, and ceilings such as plaster, paneling, tiles, wallpaper, and paint, and public liability coverage within each Condominium Unit, together with an Owner's indemnification obligations under this Declaration, shall be the sole and direct responsibility of the respective Owner(s), and the Association, its Executive Board and/or the managing agent of the Association shall

have no responsibility therefor; provided, however, that the Executive Board of the Association may elect to include any such coverage in any Association insurance policy so long as any costs of such coverage not allocable to the Owners on a uniform basis shall be assessed as an Individual Purpose Assessment against each such Unit. Owners may carry other insurance for their benefit and at their expense, including but not limited to insurance covering the Owner's obligations under Section 6.2 of this Declaration, provided that all such policies shall contain waivers of subrogation, and provided further that no liability of the carriers issuing insurance obtained by the Association shall be affected or diminished by reason of any such additional insurance carried by any Owner.

8.8 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Executive Board 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 Executive Board 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. The Association must also consider and reasonably attempt to comply with, in determining the types and amounts of insurance to maintain, the then applicable requirements of the Agencies with respect to their existing insurance, guaranty, or purchase of First Mortgages.

8.9 Notice of Cancellation. If any insurance required in this Article VIII to be obtained by the Association is not reasonably available or is cancelled or not renewed without a replacement policy having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by U.S. Mail to all Owners and First Mortgagees.

8.10 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be constructed, done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of any insurance on the Project, or any part thereof, or increase in the rate of any insurance on the Project, or any part thereof, over such rates that the Association, but for such activity, would pay, without the prior written approval of the Association. 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 such Owner, the members of the Owner's family, guests, invitees, or attendants, which is in violation of this Section 8.10. 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 Executive Board of the Association, the Association shall enforce the resulting indemnified amount as a default assessment determined and levied against the Owner's Condominium Unit.

ARTICLE IX
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 _____, together with the exclusive right to use Parking Space(s) _____, and Storage Area(s) _____, NO. 25 DOWNING CONDOMINIUMS, according to the Condominium Map thereof, recorded on _____, 2000, 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 Condominium Declaration for No. 25 Downing Condominiums, recorded on _____, 2000, at Reception No. _____, in said records.

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 substantially 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 the Condominium Unit, including its undivided interest in all Common Elements 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 allocated 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 taxing or assessing authority, in accordance with the Common Interest Act. For the purpose of such assessments, the Common Elements shall not be separately

taxed or assessed. The valuation of the General Common Elements shall be apportioned among the Condominium Units in proportion to each Unit's allocated undivided interest in all of the Common Elements and, to the extent feasible, the valuation of the Limited common elements shall be apportioned to the individual Condominium Unit or among the Units to which such Limited common elements are allocated. The Common Elements and other property owned by the Association, if any, shall be appraised and valued pursuant to the provisions of Section 105 of the Common Interest Act, as the same may be modified or amended. 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 X

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 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 allocated to the 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 Unit of any other Owner, the Common Elements, or any part thereof, for labor performed and/or for materials furnished in work on the indemnifying 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.

10.3 Effect of Partial Payment. In the event a lien attributable to labor performed and/or materials furnished on the Project, or any portion thereof, is recorded 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 Owner in order to obtain release of his 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 XI 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 Real Estate, and all portions thereof, shall be subject to the easements as shown on any recorded plat of the Real Estate, or any portion thereof, and as shown on the recorded Condominium Map. Further, the Real Estate, or portions thereof, is now or may hereafter be subject to the easements, licenses, and other recorded documents, or any of them, set forth on Exhibit "C" attached hereto and incorporated herein by this reference.

11.2 Encroachments. In the event that any portion of the Common Elements encroaches upon any Unit(s) or in the event that any portion of a Unit encroaches upon any other 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 the Building, or (ii) alteration or repair to the Common Elements, or (iii) repair or restoration of the Building and/or Unit(s) after damage by fire or other casualty, or condemnation or eminent domain proceedings, then, in any of said events, a valid easement is hereby created and does 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 Units, Building 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 is hereby created and shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units for purposes of marketability of title or otherwise. In interpreting any and all provisions of this Declaration, subsequent deeds, mortgages, deeds of trust or other security instruments relating to Units, the actual location of a 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 Unit as indicated on the Condominium Map. However, the foregoing provisions shall not absolve any Owner from liability for failure to adhere to any plats or plans with respect to construction or reconstruction of his Unit, or if such Owner has been guilty of any willful misconduct.

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 the Common Elements in the proper performance of their duties.

11.4 Utilities. There is hereby created a blanket easement upon, across, and through the Project, specifically including but not limited to the Common Elements or areas adjacent thereto, for the installation, replacement, repair and maintenance of utilities for the Project on any portion thereof, including but not limited to water, sewer, gas, telephone, telecopier, electricity, computer, cable, 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 facilities, equipment and appurtenances on the Common Elements necessary to repair, and maintain water and sewer pipes, gas, electric, telephone, computer, television, and other utility wires, cables, circuits, conduits and meters. If 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 the earlier of five (5) years after recordation of this Declaration in the City and County of Denver, Colorado, or 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.

11.5 Maintenance Easement. An easement is hereby granted to the Association, its officers, directors, agents, employees and assigns upon, across, over, in, under and adjacent to 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 is 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 Drainage Easement. An easement is hereby granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Real Estate for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Real Estate to improve the drainage of water on the Real Estate.

11.7 Easements of Access for Installation, Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within a Unit or Units or may be conveniently accessible only through a Unit or Units. The Owners of other Units, the Association, and their agents or employees, shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Elements from time to time during such reasonable hours as may be reasonably necessary for the installation, maintenance, repair, removal or replacement of any of the Common Elements, including but not limited to any utility lines or pipes, located therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit or to complete construction, reconstruction or renovation of any Unit. Subject to the provisions of Sections 6.1, 6.2 and 11.8 hereof, damage to the interior of any part of a Unit resulting from the installation, maintenance, repair, emergency repair, removal or replacement of any of the Common Elements or as a result of emergency repairs within any Unit at the instance of the Association shall be an expense of the Owners apportioned in accordance with

Section 7.2 or Section 7.8, as applicable. Damage to the interior part of any Unit resulting from the installation, movement, repair, emergency repair, removal or replacement of any utility lines or pipes not servicing more than one Condominium Unit shall be the expense of the Owner whose Unit such utility lines and pipes serve and such expense may be reimbursed through an Individual Purpose Assessment. 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 Unit wherein such repairs are to be made, except where the occupants have no objections to earlier entry for repairs. In emergencies the occupants of the affected Unit shall be warned of impending entry as early as is reasonably possible.

11.8 Owner's Construction Utility Easement. Each Owner shall have an easement, to be exercised by the Association as the Owner's agent, in, upon, under, over, across and adjacent to the Common Elements for the construction and installation of any duct work, additional plumbing or other services or utilities in connection with the completion, improvement or alteration of such Owner's Condominium Unit. In connection therewith, such easement shall include the right to reasonably install sanitary sewer lines, plumbing, electrical, and other utility systems, pipes, conduits and duct work serving such Owner's Condominium Unit within or adjacent to the Common Elements located inside or adjacent to another Owner's Unit and the right to repair and maintain such systems, pipes, conduits, and duct work as provided in Sections 11.4, 11.7, and elsewhere in this Article XI. Prior to installing any of the foregoing, the Owner through whose Unit the systems, pipes, conduits, and duct work will be installed will be given reasonable prior notice of such installation as described in the penultimate sentence in Section 11.7 with respect to non-emergency repairs. If damage is inflicted in the exercise of this construction utility easement, or a strong likelihood exists that damage will be thereby inflicted, on any Condominium Unit or Common Elements, the Owner(s) exercising the construction utility easement shall be liable for the prompt repair of any damage caused, or for the expense to avoid such damage, with the foregoing obligations to be enforced as an Individual Purpose Assessment.

11.9 Declarant's Rights Incident to Completion of the Project. Declarant, for itself and its successors and assigns, hereby retains all rights provided other Owners under Section 11.7 and 11.8, together with a right and easement of ingress and egress over, in, upon, under, across and adjacent to the Common Elements and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental for the purpose of the completion or improvement of the Project, the performance of Declarant's obligations hereunder, the sale of the Units and the exercise of Declarant's special rights under Section 12.2 hereof; 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 Common Elements. Without limiting the generality of the foregoing, Declarant reserves the right to use that portion of the Project that is reasonably required for location of construction trailers, construction staging, and storage of materials, until such time as Declarant's control of the Association terminates in accordance with the provisions of Section 5.2 of this Declaration. The rights of Declarant under this section shall terminate upon conveyance by Declarant of all Condominium Units to Owners other than Declarant or ten (10) years after the recording of this Declaration, whichever occurs first.

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

ARTICLE XII

Restrictive Covenants

12.1 Residential Use. Subject to Section 12.2 hereof, Condominium Units shall be used for residential purposes only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes; provided, however, that an Owner may use his Condominium Unit for a professional or home occupation or for other business or financial activities, so long as the applicable zoning permits such use, there is no external evidence thereof, and no unreasonable inconvenience to other residents of Condominium Units is created thereby. In addition, notwithstanding the foregoing, any managing agent and employees hired by the Association to manage the Project may also conduct such management activities from within a Condominium Unit or an apartment designated as a General Common Element, or within the permanent management or related offices and service areas included within the Common Elements as depicted on the Condominium Map.

12.2 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible and proper for Declarant, its employees, agents, and contractors, to perform such reasonable activities, and to maintain upon portions of the Project such facilities as Declarant deems reasonably necessary or incidental to the completion and sale of Condominium Units, specifically including without limiting the generality of the foregoing, maintaining management offices, storage areas, signs, model units, sales offices, parking areas and lighting facilities. Initially, Declarant intends to use one of the Units as a sales, management and/or construction office and/or model unit; provided, however, that Declarant reserves the right at any time to relocate any sales construction or management office or model unit to any other Condominium Unit or Units then owned by Declarant. Permanent management or related offices and service areas are included within the Common Elements as depicted on the Condominium Map. The rights retained by Declarant in this Section 12.2 shall terminate upon conveyance by Declarant of all Condominium Units to Owners other than Declarant or ten (10) years after the recording of this Declaration, whichever occurs first.

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 a reasonable number of dogs, cats or other household pets may be kept in any Condominium Unit, so long as they are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to other Owners. The Association shall have, and is hereby given, the right and authority to determine in its sole discretion that dogs, 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 comply with applicable rules and regulations promulgated by the Association and to pay for any damage caused by such Owner's pet(s), as well as any costs incurred by the Association as a result of such pet(s), and any such amounts shall be and constitute a default assessment subject to and enforceable by the Association in accordance with this Declaration.

12.4 Use of Common Elements. Subject to the rights of Declarant 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 General Common Elements without the prior written approval of the Association unless otherwise expressly permitted in this Declaration. Except for those improvements erected or installed by Declarant in its completion of the Project, and except as provided in Section 2.4 and Article XI hereof, nothing shall be altered on, constructed in or removed from the Common Elements without the prior written approval of the Executive Board of the Association. Such approval may be conditioned upon the Owner's submitting plans for the alteration to the Association for review, obtaining insurance as required by the Association and posting adequate surety. In reviewing any plans, the Association may engage the services of architects, attorneys and engineers, and the reasonable cost of such services will be paid by the requesting party.

12.5 Exterior Changes. Except for those improvements erected, constructed or installed by or with the consent of Declarant in its completion of the Project or as otherwise expressly permitted under this Declaration, no exterior additions to, alterations or decoration of the Building, including but not limited to any structural alterations to any Condominium Unit or Common Element, nor any changes in fences, hedges, walls or other structures, nor installation of window mounted air conditioning units or awnings or any exterior improvement of any type shall be commenced, erected, placed or maintained, without the prior written approval of the Executive Board of the Association and subject to applicable covenants, laws, ordinances, regulations, or other restrictions, if any, limiting or precluding alteration of the exterior of the Building.

12.6 Signs and Advertising. Except as hereinafter provided, no signs, advertising, billboards, unsightly objects or nuisances of any kind shall be placed, erected or permitted to remain in or on the Building or any Condominium Unit, nor shall any sign(s) be permitted in or on the Common Elements, without the prior written approval of the Association; provided, however, that no approval is necessary for any sign which is part of the interior Common Elements. In addition, reasonable signs, advertising, or billboards used by Declarant in connection with its sale of Condominium Units shall be permissible, provided that such use by Declarant shall not unreasonably 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.

12.7 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 and a copy of the lease delivered to the Executive Board of the Association or the Association's managing agent (with the economic terms of such lease deleted by the Owner, if so desired) promptly upon execution of the lease.

(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, Bylaws and rules and regulations of the Association, as the same may be modified or amended in accordance with the terms hereof, 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 six (6) months.

12.8 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 Declarant in regard to the construction and completion 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.

12.9 Garbage Collection. Each Owner shall dispose of the garbage collected within his Unit into containers of such dimensions and at such locations as the Association shall from time to time designate.

ARTICLE XIII

Damage, Destruction, Termination, 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 the Building, any Condominium Units, 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 Declarant 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 holding at least sixty-seven percent (67%) of the votes in the Association and at least sixty-seven percent (67%) of the Eligible First Mortgagees (based upon one vote for each First Mortgage held).

13.2 Termination of Condominium Project.

(a) The Project shall continue indefinitely unless and until it is terminated by the taking of all of the Condominium Units by eminent domain or by agreement of the Owners holding at least sixty-seven percent (67%) of the votes in the Association and sixty-seven percent (67%) of the Eligible First Mortgagees (based on one vote for each First Mortgage held). The agreement of the Owners and Eligible First Mortgagees to terminate the Project must be evidenced by their execution of a Termination Agreement (or a ratification thereof) in the same manner as a deed, by the requisite number of Owners and Eligible First Mortgagees, but may include the certificate of the Secretary of the Association as provided in Section 15.4 in lieu of the signatures of each consenting Owner and Eligible First Mortgagee. The Termination Agreement must specify a date after which the Agreement will be void unless it is recorded before that date. The Termination Agreement may provide that all of the Common Elements and Condominium Units must be sold following termination and the minimum terms of sale for any of the Real Estate to be sold following termination. If any of the Real Estate is to be sold following termination, title to that Real Estate, upon termination, vests in the Association as trustee for the holders of all of the interests in the Condominium Units. The Termination Agreement and all ratifications thereof must be recorded with the Clerk and Recorder of the City and County of Denver and is effective only upon recordation. After the recording of the Termination Agreement, the Project will be sold and the Association, on behalf of the Owners, may contract for such sale, but the contract is not binding on the Owners unless approved by the same vote of Owners and Eligible First Mortgagees required for approval of the Termination Agreement. After approval of the sale, the Association has all power necessary and appropriate to effect the sale, free and clear of the provisions contained in this Declaration, the Condominium Map, and the Articles of Incorporation and Bylaws of the Association, and until the sale has concluded and the proceeds have been distributed, the Association continues in existence with all the powers it had before termination. Proceeds of the sale must be distributed to the Owners and holders of Security Interests as their interests may appear, in accordance the provisions set forth below, taking into account the value of property owned or distributed that is not sold so as to preserve the proportionate interests of each Owner with respect to all property cumulatively. Unless otherwise specified in the Termination Agreement,

as long as the Association holds title to the Real Estate, each Owner and such Owner's successors in interest have an exclusive right to occupancy of a portion of the Real Estate that formerly constituted the Unit. During the period of that occupancy, each Owner and the Owner's successors in interest remain liable for all assessments and other obligations imposed upon the Owners by the Common Interest Act or this Declaration. Following termination of the Project, the proceeds of any sale of Real Estate, together with any insurance proceeds (if the termination occurs in connection with a damage or destruction) and the assets of the Association, are held by the Association as trustee for the Owners and the holders of Security Interests on the Condominium Units as their interests may appear.

(b) The respective interests of the Owners are as follows:

(i) except as provided in subparagraph (ii) below, the respective interests of the Owners are the combined fair market values of their Units and their Allocated Interests and any Limited common elements allocated to such Units before termination, as determined by one or more independent MAI appraisers selected by the Association. The decision of such independent appraisers shall be distributed to the Owners and becomes final unless disapproved within thirty (30) days after distribution by Owners holding at least twenty-five percent (25%) of the total votes in the Association. The proportion of any Owner's interest to that of all Owners is determined by dividing the fair market value of that Owner's Condominium Unit and its Allocated Interests by the total fair market value of all Condominium Units and their Allocated Interests;

(ii) if any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all Owners will be their respective undivided interests in all of the Common Elements for each Condominium Unit immediately before termination.

(c) The proceeds available for distribution to the holders of interests in the Condominium Units after a termination shall be allocated to each Condominium Unit in accordance with its proportionate interest as provided above and each Condominium Unit's share of such proceeds shall be deposited into a separate account identified by the Condominium Unit designation and the name of the Owner and First Mortgagee thereof. From each separate account, the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of 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: (i) for the payment of taxes and special assessment liens in favor of any assessing entity;

(ii) for the payment of any Association Common Expense assessments which take priority over the lien of a First Mortgage pursuant to Section 7.9 of this Declaration and the Common Interest Act; (iii) for the payment of the lien of any First Mortgage; (iv) for the 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; (v) for payment of junior Security Interests or other liens and encumbrances in the order of and to the extent of their priority; and (vi) the balance remaining, if any, shall be paid to the Owner(s) of the Condominium Unit.

(d) Title to any Units not to be sold following termination shall vest in the Owners upon termination as tenants in common in fractional interests that maintain, after taking into account the fair market value of the property owned and the proceeds of property sold, their respective interests as provided in subsection 13.2(b) above with respect to all property appraised under said subsection, and liens on the Units shall shift accordingly. While the tenancy in common exists, each Owner and his successors in interest shall have an exclusive right to occupancy of the portion of the Real Estate that formerly constituted such Owner's Unit prior to termination.

13.3 Damage or Destruction; Repair and Reconstruction. "Repair and reconstruction" of any Project improvements, as used in the succeeding subsections, means restoring the improvement(s) to substantially the same condition in which they existed prior to their damage or destruction, with each 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) Any loss covered by the property and/or hazard insurance policy maintained by the Association must be adjusted with the Association; the insurance proceeds will be paid to the Association or an insurance trustee designated for such purpose and not to the holder of any Security Interest (a "Lienholder"). The insurance trustee or the Association shall hold such insurance proceeds in trust for the Owners and Lienholders as their interests may appear. Subject to the provisions of subsection (c) below, the proceeds must be disbursed first to the repair or restoration of the damaged property, and the Association, Owners and Lienholders shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the Project is terminated in accordance with Section 13.2.

(b) The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for

deductibles, and any other matters of claims adjustment. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and reconstruction of the improvements. In addition, to the extent that the Association settles claims for damages to any Real Property, the Association shall have authority to assess negligent Owners or their tenants causing such loss or benefitting from such repair or restoration all deductibles paid by the Association and any amount by which the insurance proceeds are insufficient to pay the costs of repair and reconstruction. In the event that more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association. Assessments for Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

(c) Any portion of the Project for which insurance is required under this Declaration which is damaged or destroyed must be repaired or replaced promptly by the Association unless (i) the Project is terminated in accordance with Section 13.2, in which case the provisions of that Section apply; (ii) repair or replacement would be illegal under any applicable state or local statute or ordinance governing health or safety; (iii) the Owners who hold sixty-seven percent (67%) of the votes in the Association, including every Owner of a Unit or Limited Common Element allocated to such Unit that will not be rebuilt, vote not to rebuild, and such action is approved by at least sixty-seven percent (67%) of the Eligible First Mortgagees (based on one vote for each First Mortgage held); or (iv) prior to the conveyance of any Condominium Unit to a person other than Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Project rightfully demands all or a substantial portion of the insurance proceeds.

(d) Subject to the provisions of subsection (c) above, if the insurance proceeds are insufficient to repair and reconstruct damaged Project improvements, 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. Such Special Assessment shall be assessed against all Condominium Units in accordance with Section 7.7 hereof, but without the requirement that the budget approval process set forth in Section 7.3 be complied with. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of the improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay such Special Assessment.

(e) Except with respect to repair or replacement costs for which any Owner is responsible by reason of his negligent act or otherwise, the cost of repair or replacement of any portion of the Project in excess of insurance proceeds and reserves shall be a Common Expense. If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to

restore the damaged area to a condition compatible with the remainder of the Project, and except to the extent that other persons will be distributees, the insurance proceeds attributable to Units and Limited common elements that are not rebuilt must be distributed to the Owners of those Units and the Owners of the Units to which those Limited common elements were allocated, or to Lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all the Owners or Lienholders, as their interests may appear, in proportion to the Units' undivided interests in all Common Elements.

13.4 Obsolescence. Owners holding sixty-seven percent (67%) of the votes in the Association may agree that the Condominium Units and/or Common Elements are obsolete and either terminate the Project in accordance with Section 13.2 or 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 with the Clerk and Recorder for 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 and 7.10 hereof.

13.5 Condemnation or Eminent Domain. If at any time 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 13.5 shall apply:

(a) All compensation, damages or other proceeds therefrom (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 to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners by the Executive Board of the Association in the same manner as if there had been a termination of the Project under Section 13.2; 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 of the Condemnation Award, 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 subsection 13.2(c) hereof.

(c) Subject to the applicable approval requirements involving Owners and/or Eligible First Mortgagees contained in Article XVI 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 Common Elements shall be apportioned among the Owners in accordance with the undivided interest in all of the Common Elements for each Condominium Unit; (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 allocated 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 takings or injuries shall be apportioned as the Association determines to be equitable under 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 subsection 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(s) of the Association, 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 all of the Allocated Interests of such Unit 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. 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 subsection 13.2(c) hereof.

(e) If part of a Unit is acquired by eminent domain leaving the Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must include compensation to the Owner for that Unit and its undivided interest in all of the Common Elements, whether or not any Common Elements are acquired. The Owner(s) thereof shall automatically cease to be a Member(s) of the Association, shall cease to hold any right, title and interest in the remaining Common Elements, and shall execute any and all documents necessary to accomplish the same. Upon acquisition, unless the decree otherwise provides, all of that Unit's Allocated Interests (other than voting rights) will be automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking. Any remnant of a Unit remaining after a part of a Unit is taken pursuant to this subsection (e) will thereafter be a Common Element.

(f) Except as provided in subsection (e) above, if part of a Unit is acquired by eminent domain, the award must compensate the Owner for the reduction in value of the Unit and its undivided interest in all of the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, such Unit's Allocated Interests (other than voting rights) shall be reduced in proportion to the reduction in the Unit's size and the portion of the Allocated Interests (other than voting rights) divested from the partially acquired Unit shall automatically be reallocated to that Unit and to the remaining Units in proportion to the respective interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests. However, the partially acquired Unit's voting rights in the Association shall remain unaffected by the partial taking.

(g) If part of the Common Elements is acquired by eminent domain, that portion of any award attributable to the Common Elements taken must be paid to the Association. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Condominium Units to which that Limited Common Element was allocated at the time of acquisition.

(h) Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 13.3 hereof.

(i) The reallocation of Allocated Interests pursuant to this Section shall be confirmed by an Amendment to this Declaration prepared, executed and recorded by the Association.

(j) The Association shall record the subject court decree in the real estate records for the City and County of Denver.

ARTICLE XIV

Burdens and Benefits of Declaration

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

14.2 Binding Effect. The benefits, burdens and all other provisions contained in this Declaration shall be binding upon, and inure to the benefit of, Declarant, the Association and all Owners, together with 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 Declarant may be transferred or assigned by Declarant, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association or other entity, in accordance with the provisions of the Common Interest Act.

ARTICLE XV

Amendment of Declaration

15.1 Amendment. Except for Amendments that may be executed by Declarant or by the Association under the provisions of this Declaration or the Common Interest Act, and subject to the applicable requirements of Article XVI with respect to approval by Eligible First Mortgagees, the provisions of this Declaration and/or the Condominium Map may be amended, in whole or in part, at any time and from time to time, by vote or written agreement of Owners holding more than fifty percent (50%) of the votes in the Association. Except to the extent expressly permitted or required by the Common Interest Act, no Amendment may create or increase any Special Declarant Rights, increase the number of Units in the Project, or change the boundaries or Allocated Interests of any Unit in the absence of a vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association have been allocated, including sixty-seven percent (67%) of the votes allocated to Units not owned by Declarant. Except to the extent expressly permitted or required by provisions of the Common Interest Act, no amendment to this Declaration may change the uses to which any Unit is restricted in the absence of a vote or agreement of Owners of Units to which sixty-seven percent (67%) of the votes in the Association are allocated. Every Amendment to the Declaration and/or the Condominium Map must be recorded in the Office of the Clerk and Recorder of the City and County of Denver and will be effective only upon recording. Amendments to the Declaration required by this Article to be recorded by the Association shall be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association.

15.2 Technical Amendment. In accordance with and as permitted by Section 205(4) of the Common Interest Act, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, First Mortgagee, or any other person or entity, technical amendments to this Declaration, the Condominium Map, Articles of Incorporation and/or Bylaws of the Association, at any time prior to the conveyance of the last Condominium Unit by

Declarant to the first Owner thereof (other than Declarant) or five (5) 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, or other clerical, typographical, or technical errors, or as may otherwise be necessary to clarify the meaning of any provisions of this Declaration.

15.3 Special Amendment. In accordance with and as permitted by Section 205(5) of the Common Interest Act, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, First Mortgagee, or any other person or entity, 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 by Declarant to the first Owner thereof (other than Declarant) or five (5) years from the date this Declaration is recorded in the City and County of Denver, Colorado, whichever occurs first, which may be required in order to comply with any requirements, standards, or guidelines of any of the Agencies or recognized secondary mortgage markets or to induce any of the Agencies to make, purchase, sell, insure, or guarantee one or more First Mortgages.

15.4 Recording of Amendments or Termination. To be effective, all amendments to or revocation or termination of this Declaration or the Condominium Map 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. The recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of votes in the Association and Eligible First Mortgagees representing the requisite percentage of Eligible First Mortgagees, if required, have given notarized written consent to the amendment, shall satisfy the requirement of evidence of the required approval. The Secretary must further certify that originals of such written consents by Owners and Eligible First Mortgagees, along with the recorded amendment, are in the corporate records of the Association and available for inspection.

15.5 Amendment by Court Petition. This Declaration may also be amended by petition to the Denver District Court as provided in Section 217(7) of the Common Interest Act, as such provision may be in effect from time to time.

ARTICLE XVI

First Mortgagees

16.1 Member and First Mortgagee Approval. Subject to Section 2.4, subsection 13.3(c)(iii), Section 15.2 and Section 15.3 hereof and the rights of Declarant provided for herein and any contrary mandatory provisions of the Common Interest Act, 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 Owners holding at least sixty-seven percent (67%) of the votes in the Association and sixty-seven percent (67%) of the Eligible First Mortgagees (based on one vote for each First Mortgage held):

(i) by act or omission, seek to abandon or terminate the legal status of the Project, except:

[A] for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty, in which event the provisions of Section 13.3 of this Declaration shall control, or

[B] in the case of a taking by condemnation or eminent domain, in which event the provisions of Section 13.5 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 Real Estate or improvements thereon;

(ii) except as permitted by Sections 2.4, 13.2 and 13.5, 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;

(iii) 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 or other purposes consistent with the intended use of the Common Elements by the Project);

(iv) partition or subdivide any Condominium Unit except in accordance with any applicable provisions of Section 2.4; or

(v) use property and/or hazard insurance proceeds for losses to any condominium property (whether to Condominium Units or Common Elements) other than in accordance with the procedures set forth in Sections 13.2 and 13.3 hereof.

(b) unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the total allocated votes in the Association, and fifty-one percent (51%) of the Eligible First Mortgagees (based upon one vote for each First Mortgage held), except to the extent that the provisions of subsection 16.1(a) otherwise apply, in which event the greater voting requirements for Eligible First Mortgagees shall apply, 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):

- (i) voting rights;
- (ii) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or the priority of such liens;
- (iii) reductions in reserves for maintenance, repair and replacement of the Common Elements;
- (iv) responsibility for maintenance and repair of any portion of the Project;
- (v) reallocation of undivided interests in the Common Elements, or rights to use of the Common Elements, except as permitted under Section 2.4 and Section 13.5 hereof;
- (vi) other than the partitioning or subdivision of any Condominium Unit as provided in subsection 16.1(a)(iv) above, redefinition of boundaries of any Condominium Unit except as permitted under Section 2.4;
- (vii) convertibility of Condominium Units into Common Elements or of Common Elements into Condominium Units;
- (viii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;
- (ix) property and/or hazard or fidelity insurance requirements;
- (x) imposition of any restrictions on the leasing of Condominium Units;

(xi) imposition of any restriction on the right of any Owner to sell or transfer his Condominium Unit;

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

(xiii) any restoration or repair of the Project, after a partial condemnation or damage, in accordance with this Declaration and the Bylaws of the Association;

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

(xv) 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 to the Association, stating both its name and address and the Unit number or address on which it holds (or insures or guarantees) a First Mortgage, a First Mortgagee, insurer or guarantor of a First Mortgage (an "Eligible First Mortgagee") 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 if the Executive Board 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 maintained by the Association; or

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

16.3 Notice of Objection. Unless an Eligible First Mortgagee entitled to consent to certain amendments or actions as provided in this Article provides the Secretary of the Association with

written notice of its objection, if any, to the proposed amendment or action within thirty (30) days after its receipt of notice of the proposal, provided that such notice was delivered by certified or registered mail, "return receipt" requested, the Eligible First Mortgagee or other party will be deemed conclusively to have approved of the proposed amendment or action.

16.4 Association Books and Records; Financial Statements; Audit. The Association shall maintain copies of this Declaration, the Condominium Map, the Articles of the Incorporation of the Association, the Bylaws of the Association, and any rules and regulations relating to the Project, together with all amendments to any such documents, as well as the Association's books, records and financial statements available for inspection by the Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Condominium Units. The Association shall make available to prospective purchasers of Condominium Units current copies of its Declaration, and the Articles of Incorporation, Bylaws, rules and regulations, and the most recent annual financial statement prepared by the Association. The documents will be made available by advance arrangement at a reasonable time, which in general shall include normal business hours.

ARTICLE XVII

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 the Common Interest Act. The provisions of this Declaration shall be in addition and supplemental to the Common Interest Act, as it may be amended from time to time, and to an 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 amended from time to time.

17.4 Enforcement.

(a) In General. 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 amended, shall be by any proceeding at law or in equity against any person or persons (including but not limited to the Association) violating or attempting to violate any such provision. The Association 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 VII 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. Notwithstanding the Association's right to use summary abatement or similar means to enforce 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 amended, the Association must initiate appropriate judicial proceedings before any items of construction previously made by or on behalf of an Owner can be altered or demolished.

(b) Mediation. Any controversy between the Association and an Owner arising under this Declaration shall be subject to the provisions of Section 124 of the Common Interest Act as then in effect.

17.5 Notices; Registration of Mailing Address. Each Owner and each First Mortgagee, insurer or guarantor of a First Mortgage, shall register a mailing address with the Association, and notices or demands intended to be served upon the Association, any such Owner, First Mortgagee, insurer or guarantor, subject to the additional notice requirements in Section 16.3 with respect to Eligible First Mortgagees, shall be delivered by messenger or sent by first class mail, postage prepaid, addressed to the Association at its address set forth below (or such other address of which it gives notice) or to such other person or entity addressed in the name of such person or entity, at such registered address. However, if any Owner fails to so notify the Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Condominium Unit. Until the same has been changed, the address for the Association shall be: 600 South Cherry Street, Suite 529, Denver, Colorado, 80246.

17.6 Non-Waiver. Failure by Declarant, 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 Rule against Perpetuities. Unless exempted from the application of the rule against perpetuities under the provisions of the Condominium Act, the Common Interest Act, or other applicable law, any interest in property granted under this Declaration shall vest, if at all, within the period measured by the life of the survivor of the grandchildren of George H.W. Bush, former President of the United States of America, who are living on the date of recording of this Declaration in the office of the Clerk and Recorder of the City and County of Denver, Colorado, plus twenty-one (21) years.

17.12 Special Declarants Rights. If any right reserved herein by Declarant for the benefit of Declarant is a "development right" or a "special declarant right" as such terms are defined in the Common Interest Act, then such right shall expire in accordance with the provisions reserving the right in question, or if no such expiration is identified, then such right shall expire ten (10) years from the date this Declaration is recorded. Any such unexpired rights may be transferred by Declarant to any person by an instrument executed by Declarant and its transferee, describing the rights transferred and recorded in the Office of the Clerk and Recorder for the City and County of Denver in compliance with Section 304 of the Common Interest Act.

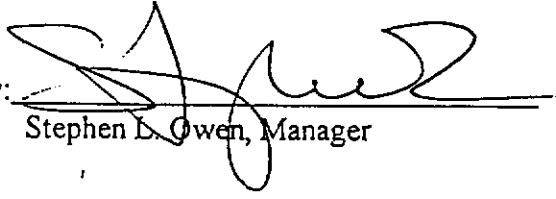
17.13 Counterparts. Any amendment to this Declaration may be executed in several counterparts and all counterparts so executed shall constitute one document binding on all signatories thereof, notwithstanding that all signatories have not executed the original or the same counterpart. In the event that 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.

17.14 Declarant's Ownership of Unsold Units. Declarant shall enjoy the same rights and assume the same duties with respect to all unsold Condominium Units still owned by Declarant as the initial and subsequent Owners (other than Declarant) have in connection with their Condominium Units.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 10 day of February, 2000.

NO. 25 DOWNING, LLC, a Colorado
limited liability company

BY: No. 25 Downing Development, LLC, a
Colorado limited liability company, its
Manager

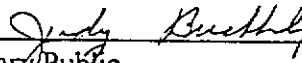
By: 
Stephen L. Owen, Manager

STATE OF COLORADO)
) ss.
City and County of Denver)

The above and foregoing CONDOMINIUM DECLARATION FOR NO. 25 DOWNING CONDOMINIUMS was acknowledged before me this 10 day of February, 2000 by Stephen L. Owen as Manager of No. 25 Downing Development, LLC, a Colorado limited liability company, Manager of No. 25 Downing, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: Feb 10, 2002


Notary Public

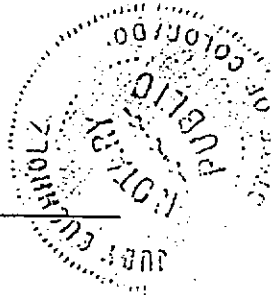


EXHIBIT "A"

Legal Description of the Real Estate

Lots 29-41 and the South 20 feet of Lot 42, Block 4 Burns Addition,
City and County of Denver, State of Colorado

EXHIBIT B TO NO. 25 DOWNING CONDOMINIUM DECLARATIONS

CONDOMINIUM UNIT	ALLOCATED COMMON EXPENSE INTEREST AND UNDIVIDED INTEREST IN ALL COMMON ELEMENTS
1-101	1.37%
1-102	1.37%
1-103	0.74%
1-104	0.80%
1-201	1.36%
1-202	1.36%
1-203	0.89%
1-204	0.82%
1-205	0.90%
1-301	1.36%
1-302	1.36%
1-303	0.89%
1-304	0.82%
1-305	0.90%
1-401	1.36%
1-402	1.36%
1-403	0.89%
1-404	0.82%
1-405	0.90%
1-501	1.36%
1-502	1.36%
1-503	0.89%
1-504	1.72%
1-601	1.36%
1-602	1.36%
1-603	1.33%
1-604	1.33%
1-701	1.36%
1-702	1.36%
1-703	1.33%
1-704	1.33%
1-801	1.36%
1-802	1.36%
1-803	1.33%
1-804	1.33%
1-901	1.36%
1-902	1.36%
1-903	1.33%
1-904	1.33%
1-1001	1.36%
1-1002	1.36%
1-1003	1.33%

EXHIBIT B TO NO. 25 DOWNING CONDOMINIUM DECLARATIONS

CONDOMINIUM UNIT	ALLOCATED COMMON EXPENSE INTEREST AND UNDIVIDED INTEREST IN ALL COMMON ELEMENTS
1-1004	1.33%
1-1101	2.76%
1-1102	2.63%
1-1201	5.61%
1-PH1	2.76%
1-PH2	2.78%
2-101	1.37%
2-102	1.37%
2-103	0.80%
2-104	0.74%
2-201	1.36%
2-202	1.36%
2-203	0.90%
2-204	0.82%
2-205	0.89%
2-301	1.36%
2-302	1.36%
2-303	0.90%
2-304	0.82%
2-305	0.89%
2-401	1.36%
2-402	1.36%
2-403	0.90%
2-404	0.82%
2-405	0.89%
2-501	1.36%
2-502	1.36%
2-503	0.90%
2-504	0.82%
2-505	0.89%
2-PH1	2.77%
2-PH2	2.63%
TOTAL	100.00%

EXHIBIT "C"

Easements

THE EFFECT OF ZONING PERMIT FOR CHANGE OF USE RECORDED
MARCH 8, 1970 IN BOOK 150 AT PAGE 556 AND PERMIT RECORDED
JANUARY 6, 1978 IN BOOK 1580 AT PAGE 632.

TERMS, CONDITIONS AND PROVISIONS OF EASEMENT AGREEMENT
RECORDED JUNE 18, 1968 IN BOOK 9892 AT PAGE 137

THE EFFECT OF NOTICE RECORDED DECEMBER 21, 1972 IN BOOK
617 AT PAGE 589.

TERMS, CONDITIONS AND PROVISIONS OF EASEMENT AGREEMENT
RECORDED JUNE 7, 1999 AT REC. # 9900100577

TERMS, CONDITIONS AND PROVISIONS OF EASEMENT AGREEMENT
RECORDED OCTOBER 28, 1999 AT REC. # 9900187151

EXHIBIT "D"

Certificate of Completion

In accordance with Section 201(2) of the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-201(2), the undersigned independent licensed engineer, surveyor, or architect hereby certifies that all structural components of the Building containing the No. 25 Downing Condominiums are substantially completed as of the date hereof.

DATED: 2/11/2000, 199~~9~~

JOSH COMFORT ARCHITECTURE

By [Signature]
Authorized Representative

STATE OF COLORADO)

) SS.

City and County of Denver)

The foregoing instrument was acknowledged before me this 11th day of February, 2000, by Joe R. Comfort as the Authorized Representative of Josh Comfort Architecture.

Witness my hand and official seal.

My Commission Expires 7/14/2002

My Commission Expires: _____



Lisa Gomez
Notary Public

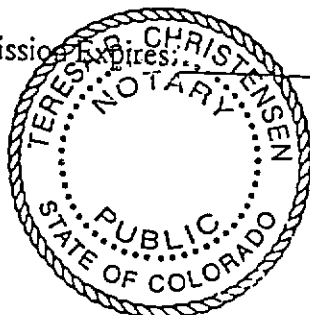
**CONSENT OF LIENHOLDER TO CONDOMINIUM
DECLARATION AND CONDOMINIUM MAP**

LENDER: Norwest Bank Colorado,
National Association

By: Sharon Gallagher Title _____
v.p.

The foregoing instrument was acknowledged before me this 15th day of February, 2000, by Alison Galkhier as Vice President of Northwest Bank Colorado, N.A.

My Commission Expires: 3/16/02



My Commission Expires 03/16/2002

EXHIBIT "E"

CONSENT OF LIENHOLDER TO CONDOMINIUM
DECLARATION AND CONDOMINIUM MAP

THE UNDERSIGNED, Weyerhaeuser Realty Investors as Beneficiary under that certain Deed of Trust dated April 15, 1999 and recorded on April 20, 1999 at Reception No. 9900068978 of the real property records of the City and County of Denver, Colorado, hereby expressly consents to the filing and recording of the Condominium Declaration for No. 25 Downing Condominiums and the filing and recording of the accompanying Condominium Map of No. 25 Downing Condominiums, and the resulting creation of condominium ownership with respect to the property described in this Declaration and the Map, and fully subordinates the lien of its Deed of Trust to the terms, covenants, conditions, easements, restrictions, uses and limitations set forth in this Declaration and the Map, provided no provisions in this Declaration relating to mortgagees shall be construed to impair the existing rights of the undersigned and further provided that the undersigned shall be considered a First Mortgagee for the Project and all Condominium Units until such time as a release of any individual Condominium Unit is recorded and then only as to such Condominium Unit specifically released.

LENDER: Weyerhaeuser Realty Investors

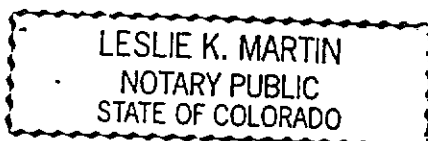
By: Michael E. Menge
Vice President Investment Title Manager

STATE OF COLORADO)
) SS.
City and County of Denver)

The foregoing instrument was acknowledged before me this 15th day of February, 2000 by Michael E. Menge as Vice President of Weyerhaeuser Realty Investors.

Witness my hand and official seal.

My Commission Expires: 7-30-2000



Leslie K. Martin
Notary Public