

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

THE MADISON HILL CONDOMINIUMS

A CONDOMINIUM PROJECT LOCATED IN THE

CITY AND COUNTY OF DENVER

STATE OF COLORADO

Recorded in the City
and County of Denver,
Colorado on November 7,
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE MADISON HILL CONDOMINIUMS

THIS DECLARATION is made and entered into by MACY/PINNEO INTERESTS, LTD., a Colorado limited partnership, hereinafter referred to as the "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of the real property situated in the City and County of Denver, State of Colorado, which is described on Exhibit 1 attached hereto and incorporated herein by reference, hereinafter referred to as the "Property"; and

WHEREAS, the Property is subject to recorded easements reservations, licenses and other withheld interests as set forth in Exhibit 2 attached hereto and incorporated herein by reference; and

WHEREAS, Declarant plans to construct on the Property, a total of twenty-two (22) separately designated Condominium Units; and

WHEREAS, Declarant desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado, to wit: Colo. Rev. Stat. §§38-33-101, et seq. (1973, as amended); and

WHEREAS, Declarant does hereby establish a plan for the separate ~~fee simple ownership~~ of real property estates consisting of the individual Air Space Units, as hereinafter defined, in the building improvements now located or to be constructed on the Property, and the co-ownership by each individual and the other separate owners thereof, as tenants in common, of all of the remaining portions of the Property, which is hereinafter defined and referred to as the Common Elements.

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

1. Definitions. As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

1.1 "Articles" means the articles of incorporation of the Association.

1.2 "Association" means the Madison Hill Condominiums Association, Inc., a Colorado nonprofit corporation, its successors and assigns, the Articles and Bylaws of which, as hereinafter defined, along with this Declaration, shall govern the administration of the Project; the members of which shall be all of the Owners.

1.3 "Board of Directors" or "Board" means the governing body of the Association.

1.4 "Building" means one or more of the building improvements erected or existing upon the Property.

1.5 "Bylaws" means the bylaws of the Association.

1.6 "Common Elements" means all of the Project, as hereinafter defined, except the portions thereof which constitute Units, and also means all parts of a Building or any facilities, improvements and fixtures which may be within a Unit which are or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair or safety of a Building or any part thereof or any other Unit therein.

1.7 "Common Expenses" means and includes:

1.7.1 all sums lawfully assessed against the Owners by the Board;

1.7.2 expenses of administration, maintenance, repair or replacement of the Common Elements, as hereinafter defined;

1.7.3 expenses declared Common Expenses by provisions of this Declaration and the Bylaws; and

1.7.4 expenses agreed upon as Common Expenses by a vote of the Owners representing an aggregate ownership interest of at least fifty-one percent of the Common Elements.

1.8 "Declarant" means the Declarant named herein and such successor or successors as may be designated hereafter by Declarant by written notice duly recorded.

1.9 "Declaration" means this Declaration of Covenants, Conditions and Restrictions, including all Recorded Amendments and Supplements thereto.

1.10 "General Common Elements" means:

1.10.1 all of the land and easements which are part of the Property and related facilities and recreational facilities, if any, and buildings which may be located on the Property;

1.10.2 all foundations, columns, girders, beams and supports of a Building;

1.10.3 all deck or yard areas, porches, storage lockers or areas, balconies, patios (except those subject to specific assignment for individual Owner use as Limited Common Elements, as hereinafter defined and provided);

1.10.4 the exterior walls of a Building, the main or bearing walls within a Building, the main or bearing sub-flooring and the roofs of a Building;

1.10.5 all entrances, exits, vestibules, halls, corridors, lobbies, lounges, linen rooms, laundry rooms, kitchen facilities, exercise rooms, saunas, whirlpools, steam baths, stairs, stairways and fire escapes, if any, not within any Unit;

1.10.6 all offices (except as otherwise provided herein), utility service and maintenance rooms, space, fixtures, apparatus, installations and central facilities for power, light, gas, telephone, television, hot water, cold water, heating, refrigeration, air conditioning, trash, incineration, or similar utility, service or maintenance purposes, including furnaces, tanks, pumps, motors, fans, compressors, flues, vents, similar fixtures, apparatus, installations and facilities; and

1.10.7 all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

1.11 "Guest" means any agent, employee, tenant, guest, licensee or invitee of an Owner.

1.12 "Individual Air Space Unit" means an enclosed room or rooms occupying all or any part of a floor or floors in a Building of one or more floors, to be used for residential purposes, and which has access to a public street.

1.13 "Limited Common Elements" means those Common Elements which are reserved for the use of certain Owners to the exclusion of the others, including but not limited to, certain balconies, porches, patios, yard areas, fireplaces (except the portions thereof included within a Unit), decks, garages, carports, and parking spaces. Limited Common Elements shall be identified herein or on the Map and designated as appurtenant to a particular Condominium Unit herein or on the Map or in a deed from the Declarant. Any balcony, porch, patio or fireplace which is accessible from, associated with and which adjoins a Unit, and deck or yard areas, carports, and parking spaces identified as Limited Common Elements on the Map and designated as appurtenant to a particular Condominium Unit, shall, without further reference thereto, be used in connection with the Unit to which it is appurtenant, to the exclusion of the use thereof by the other Owners, except by invitation.

1.14 "Managing Agent" means the Person, if any, employed by the Board to perform the management and operational functions of the Project.

1.15 "Map" means the Recorded condominium map for the Madison Hill Condominiums. More than one Map or supplements thereto may be Recorded; and, without limiting the generality of the foregoing, separate Maps may be Recorded for each Condominium Building. If more than one condominium map or supplements thereto are Recorded, then the term "Maps" shall collectively mean all of such condominium Maps and supplements thereto.

1.16 "Mortgage" shall mean and refer to any Recorded mortgage, deed of trust or other security instrument by which a Condominium Unit or any part thereof is encumbered. "Mortgage" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is identified as the seller, whether such contract is Recorded or not and whether such

contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee or by a remote assignee and the land records of the office of the Clerk and Recorder of the City and County of Denver, Colorado show the said Administrator as having the record title to the Condominium Unit.

1.17 "Mortgagee" shall mean and refer to any person named as a mortgagee or beneficiary under any Mortgage (including the Administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said Administrator is identified as seller, whether such contract is Recorded or not and whether or not the land records in the office of the Clerk and Recorder of the City and County of Denver, Colorado show the said Administrator as having the record title to the Condominium Unit) under which the interest of any Owner is encumbered, or any successor to the interest of any such person under such Mortgage.

1.18 "Owner" shall mean and refer to any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether one or more Persons or entities, of a fee simple title interest to any Condominium Unit. A Person automatically ceases to be an Owner upon conveyance or assignment of a Condominium Unit. Such cessation of ownership shall not extinguish or void any unsatisfied obligation of such Person existing or arising at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing, any unsatisfied obligation to pay Association assessments or other charges.

1.19 "Person" means an individual, corporation, partnership, combination, association, trustee or any other legal entity.

1.20 "Project" means all of the Property, Condominium Units, Buildings and improvements submitted to this Declaration.

1.21 "Record, "Recorded" or "Recording" means the filing for public record of any document in the office of the Clerk and Recorder of the City and County of Denver, Colorado.

1.22 "Unit" or "Condominium Unit" means the fee simple interest and title in and to an Individual Air Space Unit, together with the undivided interest in the Common Elements appurtenant thereto, and all other rights and burdens created by this Declaration, all as hereinafter set forth and

defined. Each Unit is shown on the Map, as hereinafter defined, and is identified thereon with a number. The exact boundaries of a Unit are the interior unfinished surfaces of such walls, floors and ceilings as mark the perimeter boundaries thereof, and, where found along such walls, floors and ceilings, the interior surfaces of built-in fireplaces with their flues in their closed position and windows and doors in their closed position; and the Unit includes the portions of the Building so described, the air space so encompassed and all fixtures and improvements therein contained, but not any Common Elements which may be within a Unit.

2. Submission to Condominium Ownership. Declarant does hereby submit the Property and the improvements constructed thereon to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado, to wit: Colo. Rev. Stat. §§38-33-101, et seq. (1973 as amended).

3. The Condominium Units.

3.1 Division Into Units. The Project is hereby divided into twenty-two (22) Condominium Units, each consisting of a separate fee simple estate in a particular Individual Air Space Unit, and an appurtenant undivided fee simple interest in the Common Elements. The undivided interest in the Common Elements appurtenant to each Condominium Unit is determined by a fraction, the numerator of which shall be the number of square feet of floor space in each particular Condominium Unit and the denominator of which shall be the total number of square feet of floor space in all Condominium Units subject to this Declaration.

The undivided interest in the Common Elements appurtenant to each Condominium Unit is as set forth on Exhibit 3 attached hereto and incorporated herein by reference.

3.2. Map.

3.2.1 There shall be Recorded a Map which may be filed in whole or in part and if filed in part shall be supplemented as necessary, depicting or containing the following:

- (a) The legal description of the Property and a survey thereof;
- (b) The linear measurements and location, with reference to the exterior boundaries of said land, of the Building(s) and all improvements built on the Property;

- (c) Floor plans and elevation plans of the Building(s) showing the location, the designation and the linear dimensions of each Unit, and the designation of all of the Limited Common Elements;
- (d) The elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plan, and the linear measurements showing the thickness of the perimeter and common walls of the Building; and
- (e) A statement of an architect, engineer or registered land surveyor certifying that the Map fully and accurately depicts the layout, measurements and location of all of the Building(s) and improvements, the Unit designations, and dimensions of such Units and the elevations of the floors and ceilings.

3.2.2 Declarant hereby reserves unto itself and/or the Association, the right, from time to time, without the consent of any Owner or Mortgagee being required, to amend the Map and supplement(s) thereto, to conform the Map to the actual location of any of the constructed improvements, to establish, vacate and relocate utility easements, access road easements, garages and carports or parking spaces, and to establish certain Common Elements as Limited Common Elements.

3.2.3 In interpreting any and all provisions of this Declaration or the Bylaws, subsequent to deeds to and/or Mortgages of Condominium 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 from the location of such Unit indicated on the Map.

3.3 Description of Condominium Units.

3.3.1 Every contract for the sale of a Condominium Unit written prior to the filing for record of the Map and this Declaration may legally describe a Condominium Unit by its identifying Condominium Unit number (and the Building, if appropriate) followed by the words "Madison Hill Condominiums", with further reference to the Map thereof to be Recorded and this Declaration to be Recorded and with further reference to the parking space(s) and/or garage(s), if any, appurtenant to such Condominium Unit. Upon Recordation of the Map and this Declaration, such description shall be conclusively presumed to relate to the therein described Condominium Units.

3.3.2 Every deed, lease, Mortgage, will or other instrument shall legally describe a Condominium Unit by its identifying Condominium Unit number (and Building designation, if appropriate) as follows:

Condominium Unit No. _____, Madison Hill Condominiums, in accordance with and subject to the Declaration of Covenants, Conditions and Restrictions of the Madison Hill Condominiums recorded on _____, 19____, and Map recorded on _____, 19____, City and County of Denver, State of Colorado, together with the right to the exclusive use of parking space(s) no. _____ and/or garage(s) no. _____.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the undivided interest in Common Elements and the right to the use of the Limited Common Elements appurtenant thereto. Each such description shall be construed to include: a non-exclusive easement for ingress and egress throughout and for use of the Common Elements which are not Limited Common Elements; the right to the exclusive use of the appurtenant Limited Common Elements; and the other easements, obligations, limitations, rights, encumbrances, covenants, conditions and restrictions created in this Declaration. The undivided interest in the Common Elements appurtenant to any Condominium Unit shall be deemed conveyed or encumbered with that Condominium Unit, even though the legal description in the instrument conveying or encumbering said Condominium Unit may only refer to the title to that Condominium Unit.

3.3.3 The reference to the Map and Declaration in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Map or Declaration, without specific reference(s) thereto.

3.4 Use and Occupancy of Units. Each Owner shall be entitled to the exclusive ownership and possession of their Unit. Each Unit shall be used for residential purposes only, and no Unit shall be occupied for living or sleeping purposes by more persons than it was designed to accommodate safely. For the purpose of the foregoing sentence, each Unit shall be deemed to have been designed to accommodate safely a maximum of two permanent occupants per bedroom. No Unit shall be used at any time for any business or commercial activity, except as follows:

3.4.1 The Owner thereof may lease or rent such Unit for private residential or living purposes (subject to the specific restrictions hereinafter provided);

3.4.2 Declarant or its nominee or agents may use any Unit(s) as a model or sales unit until all Condominium Units owned by Declarant are sold; and

3.4.3 the Association shall have the right, but not the obligation, to purchase, own, or lease any Condominium Unit as a residence or office for a manager, building superintendent, or engineer; provided, further, that the Association may also maintain offices within the General Common Elements.

3.5 Owner Maintenance Responsibilities. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own and shall have the right and obligation to maintain, repair, alter and remodel, the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile, and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit's doors and windows, including any patio, balcony, yard or deck enclosure. No Owner shall, however, make any changes or alterations of any type or kind to the exterior surfaces of the doors or windows to his Unit nor to any Common Elements (including, but not limited to, the exterior portions of his Unit) without the prior written consent of the Board. Each Owner shall have the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. Owners shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") running through Units which serve one or more other Units, except as a tenant in common with the other Owners. An Owner shall maintain and keep in good repair and in a clean, safe, attractive and sightly condition the interior of their Unit, including the fixtures, doors and windows thereof and the improvements affixed thereto, and such other items and areas as may be required in the Bylaws or by the Association. Also, an Owner shall maintain, clean and keep in a neat and clean condition the fireplace within a Unit, any air conditioning equipment or condenser servicing a Unit, the deck, yard, porch, balcony and/or patio area adjoining and/or leading to a Unit, which areas are Limited Common Elements appurtenant to such Owner's Condominium Unit. Additionally, an Owner shall maintain and keep in good repair all improvements added by an Owner to a Unit or upon Limited Common Elements appurtenant to a Unit. All fixtures, appliances and equipment

installed within a Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. If any Owner fails to carry out or neglects the responsibilities set forth in this paragraph, the Board or the Managing Agent may fulfill the same and charge such Owner therefor. Any expense incurred by an Owner under this paragraph shall be the sole expense of said Owner.

3.6 Alterations and Modifications Prohibited. No Owner shall undertake any work in a Unit which would jeopardize the soundness or safety of the Project, reduce the value thereof or impair an easement or hereditament thereon or thereto, nor shall any Owner enclose, by means of screening or otherwise, any balcony, yard, deck, patio or porch which is accessible from, associated with and which adjoins a Unit, without having first obtained the prior written approval of the Board (which approval may be withheld for any reason whatsoever) with respect to the materials, plans and specifications for such enclosure, and without having agreed to maintain and keep all such improvements in good condition and repair and to bear the costs thereof. Structural alterations shall not be made by an Owner to the exterior portions of a Unit or to the Building(s) or in the water, gas or steam pipes, electric conduits, plumbing or other fixtures connected therewith, nor shall an Owner remove any additions, improvements or fixtures from the Building(s) without the prior written approval of the Board (which approval may be withheld for any reason whatsoever) first having been obtained.

3.7 Separate Taxation. Each Condominium Unit shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessment unit and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building(s), the Property nor any use of the Common Elements shall be deemed to be a parcel. The lien for taxes assessed to any Condominium Unit shall be confined to that Condominium Unit. 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. In the event that such taxes or assessments for any year are not separately assessed to each Owner, but rather are assessed on the Property as a whole, then each Owner shall pay his undivided share thereof in accordance with his interest in the Common Elements, and, in said event, such taxes or assessments shall be a Common Expense. Without limiting the authority of the Board provided for elsewhere herein, the Board shall have the authority to collect from the Owners their proportionate share of taxes or assessments for any year in which taxes are assessed on the Property as a whole.

3.8 Owner's Mortgaging Rights. All Owners shall have the right from time to time to mortgage or encumber their Condominium Unit by deed of trust, mortgage or other security instrument. The Owner of a Condominium Unit may create junior Mortgages (junior to the lien, deed of trust or other encumbrance of the first Mortgagee) on their Condominium Unit on the following conditions:

- (a) that any such junior Mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for Common Expenses, and other obligations created by this Declaration and the Bylaws; and
- (b) that the Mortgagee under any junior Mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of its right, title and interest in and to the proceeds under all insurance policies of the Association obtained upon the Project. Such release shall be furnished forthwith by a junior Mortgagee upon written request of the Board of Directors of the Association or its agent, and if not furnished, may be executed by the Association, as attorney-in-fact for said junior Mortgagee.

3.9 Inseparability of Condominium Units and Prohibition of Partition.

3.9.1 An Owner's undivided interest in the General Common Elements and in any appurtenant Limited Common Elements (except with respect to garage spaces as herein provided for in Section 14.2) shall not be separated from the Unit to which they are appurtenant and shall be deemed to be conveyed or encumbered with the Unit even though the interest is not expressly mentioned or described in a deed or other instrument.

3.9.2 The Common Elements shall be owned in common among all of the Owners and shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the Common Elements. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically and expressly waived their right to institute and/or maintain a partition action or any other cause of action designed to cause a division of the Common Elements, and this paragraph may be plead as a bar to the maintenance of any such action. Any Owner who shall

institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Association's costs, expenses, and attorneys' fees in defending any such action. Notwithstanding the foregoing, each Owner shall be allowed to bring an action for partition amongst the Owners of a Condominium Unit; provided, however, that such partition action must take the form of a sale of the entire Condominium Unit with a subsequent division of the proceeds of the sale among the parties. Partition in kind shall not be allowed, and each Owner hereby expressly waives any and all rights of partition in kind that they may have by virtue of ownership of a Condominium Unit.

4. Various Rights, Interests and Easements With Respect to the Condominiums and the Common Elements.

4.1 Use of General and Limited Common Elements.
Each Owner may use the General Common Elements and his appurtenant Limited Common Elements in accordance with the purposes for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Association and/or the Board may from time to time adopt rules and regulations governing the use of General and Limited Common Elements, but such rules and regulations shall be uniform and non-discriminatory. Each Owner, by the acceptance of a deed or other instrument of conveyance or assignment, agrees to be bound by any such adopted rules and regulations.

4.2 Owner's Rights in Limited Common Elements.
Subject to the other provisions of this Declaration, each Owner, his family and Guests, shall have an exclusive right to use and enjoy the Limited Common Elements designated herein, in the Map or in the initial deed from Declarant as appurtenant to the Condominium Unit owned by such Owner.

4.3 Easements for Access, Support and Utilities.
Each Owner shall have a non-exclusive easement for access between their Unit and the roads and streets adjacent to the Project and the roads, streets and driveways in the Project, over and on the halls, corridors, stairs, walks, bridges and exterior access and other easements which are part of the General Common Elements. Each Owner shall have a non-exclusive easement in, on and over the General Common Elements, including the General Common Elements within the Unit of another Owner, for horizontal and lateral support of their Condominium Unit, for utility service to that Unit, including but not limited to, water, sewer, gas, electricity, telephone and television service and for the release of smoke, arising from any fireplace within a Unit, through the flue leading therefrom.

4.4 Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon another Unit, the Owner of that Unit shall and does have an easement for such encroachment and for the maintenance of same. Such encroachments shall not be considered to be encumbrances either on the Common Elements or on a Condominium Unit for purposes of marketability of title or otherwise. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building(s), by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

4.5 Association Rights. The Association, the Board and the Managing Agent shall have a non-exclusive right and easement to make such use of and to enter into or upon the General Common Elements, any Limited Common Elements and the Units as may be necessary or appropriate for the performance of the duties and functions which they are obligated or permitted to perform under this Declaration.

4.6 Easements for Repairs, Maintenance and Emergencies. Some of the General Common Elements are or may be located within a Unit or may be conveniently accessible only through a particular Unit. The Association, Board and Managing Agent and each Owner shall have an easement, which may be exercised on behalf of any Owner by the Association, the Board or the Managing Agent, as its agent, for access through each Unit and to all Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements located therein necessary to prevent damage to the Common Elements or to another Unit. Non-emergency repairs shall be made only during regular business days after at least 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, after notice, to earlier entry for repairs. In emergency situations, the occupants of the effected Unit shall be warned of impending or completed entry as early as is reasonably possible. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, or as a result of emergency repairs within another Unit, at the instance of the Association, the Board or the Managing Agent, shall be a Common Expense of all of the Owners. No diminution or abatement of Common Expense assessments shall be claimed or allowed for

inconvenience or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be to substantially the same condition in which they existed prior to the damage. Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs and expenses of repairing such damage.

4.7 Easements and Rights Deemed Appurtenant. The easements, uses and rights herein created for an Owner shall be appurtenant to the Condominium Unit of that Owner and all conveyances of and other instruments affecting title to a Condominium Unit shall be deemed to grant and reserve the easements, uses and rights as are provided for herein, even though no specific reference to such easements, uses and rights appears in any such conveyance.

4.8 Emergency Easement. A non-exclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter servicing the Project, to enter upon all streets, roads and driveways located in the Project, and upon the Property, in the performance of their duties during emergencies.

4.9 Easements for Drainage. 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 a Condominium Unit or of the Common Elements for the purpose of changing, correcting or otherwise modifying the drainage of the Property so as to improve the drainage of water on the Property.

5. Liens Against Condominium Units and Common Elements for Labor Performed or Materials Furnished.

5.1 Mechanic's Liens: No labor performed or materials furnished for use and incorporated in any Condominium Unit with the consent or at the request of the Owner thereof or his agent, contractor or subcontractor, shall be the basis for the filing of a mechanic's lien against a Condominium Unit or other property of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements other than the undivided interest therein appurtenant to the Condominium Unit of the Owner for whom such labor has been performed or such materials furnished, except that express consent shall be deemed to have been given by the Owner of any Condominium Unit to the Managing Agent or the Board in the case

of emergency repairs. Labor performed or materials furnished for the Common Elements, if duly authorized by the Managing Agent or the Board of Directors in accordance with the Declaration or Bylaws, shall be deemed to have been performed or furnished with the express consent of each Owner and may be the basis for the filing of a mechanic's lien pursuant to law against each of the Condominium Units in the Project.

5.2 Removal of Mechanic's Lien: In the event a mechanic's lien is perfected against two or more Condominium Units, the Owner of each Condominium Unit may remove his individual Unit from said lien by payment of the fractional or proportional amount attributable to his own Unit. Individual payment shall be computed by reference to the Unit's percentage ownership interest in the Common Elements. Subsequent to payment, discharge or other satisfaction, the Condominium Unit shall be released from the lien so proportionately paid, satisfied or discharged. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any Condominium Unit not so released or discharged.

5.3 Indemnifications: Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against liability or loss arising from the claim of any lien against the Condominium Unit or against the Common Elements, or any part thereof, of any other Owner for labor performed or for materials furnished in work on such Owner's Condominium Unit. At the written request of any other Owner, the Association shall enforce such indemnity by collecting from the Owner of the Condominium Unit on which the labor was performed or materials furnished the amount necessary to discharge any such lien and all costs incidental thereto, including reasonable attorney's fees, and obtain a discharge of such lien. If not promptly paid, the Association may proceed to collect the same in the manner provided herein for collection of assessments for the purpose of discharging the lien.

5.4 Other Liens: Declarant states in accordance with the requirements of the Colorado Condominium Ownership Act, that it is possible that liens other than mechanic's liens, assessment liens and tax liens, may be obtained against the Common Elements, including judgment liens and Mortgage liens.

6. The Association.

6.1 General Purposes and Powers: The Association, through the Board or the Managing Agent, shall perform

functions and hold and manage property as provided in this Declaration so as to further the interests of Owners of Condominium Units in the Project. It shall have all powers necessary or desirable to effectuate such purposes.

6.2 Membership: The Owner of a Condominium Unit shall automatically become a member of the Association. Said membership is appurtenant to the Condominium Unit of said Owner and shall automatically pass with fee simple title to the Condominium Unit. Each Owner shall automatically be entitled to the benefits and subject to the burdens relating to the membership for his Condominium Unit. If the fee simple title to a Condominium Unit is held by more than one Person, each Owner of a Condominium Unit shall be a member of the Association. Memberships in the Association shall be limited to Owners of Condominium Units in the Project.

6.3 Board of Directors: The affairs of the Association shall be managed by the Board of Directors which may by resolution delegate any portion of its authority to an executive committee, or to a director or Managing Agent for the Association. Prior to delegation by the Board of any portion of its authority to manage the affairs of the Association to a Managing Agent, such Managing Agent shall submit evidence of its own insurance as provided for hereinafter. There shall be not less than three (3) nor more than ten (10) members of the Board of Directors, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners elected by Owners. Notwithstanding anything to the contrary provided for herein, however, until one hundred twenty (120) days after Declarant has conveyed seventy-five percent (75%) of the Condominium Units to Owners, or until December 31, 1988, unless amended by Declarant, whichever event shall first occur, the members of the Board of Directors shall be appointed by Declarant, its successors or assigns.

6.4 Voting Rights of Owners: The Owner or Owners of each Condominium Unit shall be entitled to one vote for each such Condominium Unit owned by said Owner or Owners.

6.5 Bylaws and Articles: The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Articles and Bylaws of the Association.

6.6 Merger or Consolidation: The Association may participate in mergers and/or consolidations with other nonprofit corporations, associations, trusts or organizations upon the assent of two-thirds (2/3) of the Owners and first Mortgagees.

6.7 Maintenance of Common Elements: The Association shall provide for the care, operation, management, maintenance, repair and replacement of the Common Elements, except as provided for herein with respect to each Owner's maintenance responsibilities. Without limiting the generality of the foregoing, said obligations shall include the keeping of all Common Elements in good, clean, attractive and sanitary condition, order and repair; removing snow and any other materials from such Common Elements which might impair access to the Project or the Units; keeping the Project safe, attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the Common Elements.

6.8 Other Association Functions: The Association may undertake any activity, function or service for the benefit of or to further the interests of all of the Owners on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of firewood, and the providing of maid and cleaning service for individual Units.

6.9 Contract Labor and Services: The Association: (a) may obtain and pay for the services of a Managing Agent to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any Person with whom or which it contracts; provided, however, that prior to obtaining the services of a Managing Agent, such Managing Agent shall submit evidence of its own insurance as provided for hereinafter; and provided, further that the Association shall notify each first Mortgagee of any change in the Association's Managing Agent at least ten (10) days prior to the effective date of such change; (b) may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration; and (c) may arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services.

6.10 Restrictions on Association Contracts. Any agreement for professional management of the Project, or any other contract providing for services of the Declarant, developer, sponsor, or builder, may not exceed one (1) year. Any such professional management agreement shall provide for termination by either party with or without cause and without payment of termination fee on thirty (30) days' written notice.

6.11 Property of Association: The Association may pay for, acquire and hold or lease real property and tangible and intangible personal property and may dispose of the same by sale or otherwise. Each owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners, subject to the rules and regulations of the Association. Upon termination of condominium ownership of the Project and dissolution of the Association, if ever, the beneficial interest in any such property shall be dedicated, granted, conveyed and/or assigned as provided for in the Articles of Incorporation of the Association. A transfer of a Condominium Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed Condominium Unit.

6.12 Association's Right to Lease and Grant Easements, Licenses and Permits on the General Common Elements: The Association shall have the right to lease and grant easements, licenses or permits over any portion of the General Common Elements or any Condominium Unit owned by the Association for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project. The rights granted to the Association in this subparagraph shall be used only in the promotion of the collective best interests of the Owners.

6.13 Mortgagee Notification: Upon the written request of any first Mortgagee, such first Mortgagee shall be entitled to receive the most recent annual financial statement of the Association and written notice of all meetings of the Association and such first Mortgagee shall have the right to designate a representative to attend any such meeting.

6.14 Enforcement by the Association: The Board may impose fines, charges or penalties on an Owner and said Owner's Unit, suspend any Owner's voting rights in the Association or the right of an Owner to use the recreational facilities of the Project during any period or periods during which such Owner fails to comply with the Association's rules and regulations, or with any other obligations of such Owner under this Declaration. The Association or any aggrieved Owner may also take judicial action against any other Owner or the Association to enforce compliance with such rules, regulations or other obligations contained herein or in the Bylaws or to obtain damages for noncompliance therewith, all to the extent permitted by law and as provided herein.

6.15 Audit of Association: In the event the Project contains fewer than fifty (50) Condominium Units and a complete audit of the Association's books and records by a competent certified public accountant is not available, any Mortgagee or holder of a Mortgage shall be allowed to have an audit performed and audited statements of the Association prepared at its own expense.

6.16 Association as Attorney-in-Fact for Owners: The Association is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of each Owner in the Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Project upon its destruction or obsolescence as hereinafter provided and to grant easements, licenses or permits through any portion of the Common Elements. The acceptance by any Person of any interest in any Condominium Unit shall constitute an appointment of the Association as attorney-in-fact as provided above and hereinafter. The Association is hereby granted all of the powers necessary to govern, manage, maintain, repair, rebuild, administer and regulate the Project and to perform all of the duties required of it. Notwithstanding the above, and subject to the provisions hereof, unless at least two-thirds (2/3) of the first Mortgagees of Condominium Units, and at least two-thirds (2/3) of the Owners (excluding Declarant) have given their prior written approval, the Association shall not be empowered or entitled to:

6.16.1 by act or omission, seek to abandon or terminate the Project;

6.16.2 change the pro rata interest or obligations of any individual Condominium Unit for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

6.16.3 Partition or subdivide any Condominium Unit;

6.16.4 by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer (excluding the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements) any of the General or Limited Common Elements;

6.16.5 use hazard insurance proceeds for loss to the improvements (whether Units or Common Elements) for other than repair, replacement or reconstruction of such improvements.

6.17 Limited Common Elements. The Association shall keep a permanent record of all parking spaces, storage spaces and/or garage spaces which are assigned as Limited Common Elements by either the Declarant or the Association as herein allowed.

6.18 Implied Rights: The Association shall have and may exercise any right or privilege given to it expressly by this Declaration or the Articles or Bylaws, or reasonably to be implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

7. Condominium Assessments.

7.1 Annual Assessments: Annual assessments for the payment by the Association of Common Expenses shall be determined by the Board of Directors or Managing Agent, if any, for each calendar year approximately one month prior to the commencement of a new calendar year. An itemized statement showing the various estimated Common Expenses shall then be prepared and delivered or mailed to each Owner each year by the Board of Directors or Managing Agent, if any. The assessments made for Common Expenses shall be based upon the aggregate sum determined by the Board of Directors or Managing Agent, if any, deemed to be required for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements, which may include, among other things: expenses of management; taxes and special assessments, until separately assessed; premiums for insurance of the types and kinds provided for hereinafter; landscaping and care of grounds; common lighting and heating; costs of master metered utilities; repairs and renovations; trash collections; wages; water and sewer charges; legal and accounting fees; capital expenditures made by the Board not exceeding Twenty-Five Thousand Dollars (\$25,000.00) in any one calendar year (unless a greater amount is approved by Owners owning a majority interest in the Common Elements); expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration; deficits remaining from previous calendar years; and other costs and expenses relating to the Common Elements. Except as herein provided, the Limited Common Elements shall be maintained as Common Elements and Owners having the exclusive use thereof shall not be subject to any special charges or assessments.

7.2 Special Assessments: The Board of Directors shall not have the right or authority during any calendar year, to levy or assess against all of the Owners a special assessment in a total amount exceeding Twenty-Five Thousand Dollars (\$25,000.00), unless and until Owners with a majority interest in the Common Elements first approve such expenditure and authorize a special assessment therefore. All special assessments shall be for such purpose or purposes, in accordance with this Declaration, the Articles or Bylaws, as may be necessary to keep and maintain the Project as a first class residential property, or to improve the Project by the addition of improvements.

7.3 Personal Obligation: Each Owner, by acceptance of a deed or other instrument of transfer of his Condominium Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), shall be personally obligated and is deemed to personally covenant and agree, jointly and severally, with all other Owners and with the Association, and hereby does so covenant and agree to pay all annual and special assessments imposed by the Board of Directors to meet the Common Expenses, such assessments to be established and collected as hereinafter provided. All assessments shall be allocated approximately according to each Units percentage interest in the Common Elements as set forth in Exhibit 3. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of abandonment of his Condominium Unit. The personal obligation of an Owner for delinquent assessment shall not pass to such Owner's successors in title or interest to a Condominium Unit, unless assumed by them, or unless otherwise required by applicable law, but shall remain the personal debt of the former Owner after conveyance.

Each Owner shall also be personally obligated to pay all charges for any separately metered utilities servicing their Unit, and such fines, penalties, and other charges as may be imposed by the Board of Directors for a violation of this Declaration, the Articles, Bylaws or the Rules and Regulations of the Association.

7.4 Monthly Installments: Annual assessments for the estimated Common Expenses shall be due monthly, in advance, on the first day of each month. Special assessments may be due in full upon assessment, or may be due in as many monthly installments as the Board may determine, in its sole discretion. Monthly payments of assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first day of a month.

7.5 Working Capital: It shall be mandatory for the Board of Directors or Managing Agent, if any, to establish, out

of the monthly installments to the annual assessment, a contingency or working capital fund for the repair, replacement and maintenance of those Common Elements that must be replaced periodically.

7.6 No Waiver: The omission or failure of the Board of Directors or the Managing Agent, if any, to fix the annual assessment for any period of time shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay same.

7.7 Right of Inspection: Any Owner or first Mortgagee may, pursuant to Colo. Rev. Stat. §38-33-107 (1973, as amended), inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours.

7.8 Account Status: Upon payment of a reasonable fee not to exceed Twenty Dollars (\$20.00) and upon ten (10) days' prior written notice from any Owner or any Mortgagee or prospective Mortgagee of a Condominium Unit, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the amount of the unpaid assessments, both annual and special, for the Common Expenses, if any, with respect to the subject Condominium Unit, the amount of the current monthly installments of all assessments, the date that such assessments become due, the amount of any assessment reserve on deposit with the Association and any credit for advanced payments for prepaid items, including but not limited to insurance premiums, and the amount of any fines, penalties or other outstanding charges against a Unit or an Owner, which statement shall be conclusive against the Association in favor of all Persons who rely thereon in good faith. Unless such request for such a statement shall be complied with within ten (10) days from the receipt thereof, all unpaid Common Expenses which become due prior to the date of making such request shall be subordinate to the lien of the Person requesting such statement.

7.9 Liability for Common Expenses and Other Charges or Interest Upon Transfer. The personal obligation of an Owner for delinquent assessments or other charges shall not pass to such Owner's successors in title or interest to a Condominium Unit, unless expressly assumed by them, or unless otherwise required by applicable law.

7.10 Discretion to Disburse or Allocate: At the end of any calendar year, the Board of Directors may, but shall not be required to, refund to each Owner his proportionate share of funds then held by the Association which are not deemed to be

necessary to meet the Common Expenses, or the Board of Directors may allocate all or any portion thereof to the working capital fund of the Association.

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7.11 Exemptions: No Condominium Unit owned by Declarant shall be subject to assessment until such time as a certificate of occupancy for such Unit is issued by the appropriate governmental authority or until such time as such authority completes its final inspection, whichever occurs latest, at which time such Unit shall become subject to assessment at the rate of twenty-five percent (25%) of the annual and special assessments otherwise applicable to such Unit, until conveyance, leasing, or occupancy of such Unit, whichever first occurs, at which time such Unit shall be subject to the same annual and special assessments as are applicable to other Condominium Units. If the annual and special assessments levied by the Association as provided for herein shall not be sufficient in amount to allow the Association to reasonably maintain the Common Elements in a good, clean, attractive and sanitary condition, order and repair, then the Declarant shall be responsible for the payment of such additional assessments as may be necessary to so maintain the Common Elements; provided, however, that the foregoing shall not be interpreted to require Declarant to pay more in total assessments under this Section than the assessments it would have paid for Condominium Units owned by it had Declarant not been entitled to a reduced assessment rate; or require Declarant to establish, or to pay over to the Association to establish, reserves or reserve accounts for such maintenance of the Common Elements. The foregoing covenant of Declarant to subsidize the Association shall automatically terminate, expire and become null and void one (1) year after the Declarant has conveyed seventy-five percent (75%) of the Condominium Units, or December 31, 1980, whichever first occurs.

8. Working Capital Fund. Upon conveyance of a Condominium Unit, the Association shall require each new Owner, other than Declarant, to deposit with the Association an amount equal to two (2) times the amount of the estimated monthly installment of the annual assessment, which sum shall be held in a segregated fund by the Association or Managing Agent as a reserve to be used for working capital. Such payment shall not relieve an Owner from making the regular monthly installment of the annual assessment as the same comes due. Upon the transfer of a Condominium Unit, an Owner shall be entitled to a credit from their transferee for any unused portion thereof.

9. Non-Payment of Assessments or Other Charges.

9.1 Liquidated Damages: If any assessment or other charge shall remain unpaid ten (10) days after the due date thereof, the Board of Directors or Managing Agent may impose a liquidated damages charge on such defaulting Owner in an amount not exceeding Twenty Dollars (\$20.00) to cover the extra costs and expenses involved in handling such delinquent assessments.

9.2 Right of Acceleration. In the event an Owner fails to pay an installment of the annual assessment after the same becomes due, the Association shall have the right to accelerate the remaining balance of the annual assessment and may collect the same as herein provided.

9.3 Assessment Lien: All sums assessed by the Association or due the Association from an Owner pursuant to the provisions of this Declaration (such as, but not limited to, fines and other charges for infractions and violations of covenants herein contained in the Articles, Bylaws or of any rules or regulations adopted by the Association) shall constitute a perpetual and continuing lien on each Condominium Unit and this Declaration shall serve as record notice of said lien, which lien shall be superior and prior to all other liens and encumbrances, excepting only:

9.3.1 Tax and special assessment liens on the Condominium Unit in favor of any governmental assessing entity, and

9.3.2 The lien of any purchase money loan evidenced by a first Mortgage of record (including deeds of trust) and any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not.

Sale or transfer of any Condominium Unit shall not affect the lien for said assessments, fines or other charges except that acquisition of title to any Condominium Unit pursuant to foreclosure of any such first Mortgage or any such executory land sales contract, or any proceeding in lieu thereof, shall extinguish the lien of assessment charges which became due prior to such acquisition of title. Acquisition of title by a first Mortgagee pursuant or in lieu of the remedies provided in its Mortgage shall not relieve any Condominium Unit from liability for any assessment charges thereafter becoming due nor from the lien thereof.

9.4 Waiver of Homestead: Each Owner acknowledges and agrees by acceptance of their deed or other interest in any Condominium Unit subject to this Declaration, that the lien of the Association for annual and special assessments and for all other sums which may become due the Association hereunder from an Owner shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado or federal law. The acceptance of a deed or other interest to a Condominium Unit subject to this Declaration shall constitute an express waiver of the homestead exemption as against all sums which may become due the Association from an Owner.

9.5 Notice of Lien: To further evidence any such lien the Association or Managing Agent may prepare a written "Notice of Lien" setting forth the amount of such unpaid indebtedness, fines or other charges, the name of the purported Owner or of Owners of the Condominium Unit, a description of the Condominium Unit, together with a statement that assessments, fines or other charges, late charges, interest, and attorneys' fees may continue to accrue against said Condominium Unit. Such Notice of Lien shall be signed by one of the Board of Directors or by the Managing Agent and Recorded. Such lien shall attach upon assessment by the Association of any annual or special assessment, or upon imposition of any fine or other charge as allowed for herein, and shall continue until said sums are paid in full. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage on real property, after the Recording of a notice or claim thereof as aforesaid. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable pre-judgment and post-judgment attorneys' fees. The Owner shall also be required to pay the Association the monthly installments of the annual assessment for the Condominium Unit during the period of foreclosure, together with the Association's attorneys fees in proceeding to execution by sale of the Unit and the Association shall be entitled to the appointment of a receiver to collect the same. The Managing Agent or Board of Directors shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

9.6 Release of Notice of Lien: Any Recorded Notice of Lien for nonpayment of assessments or other charges may be released by Recording a Release of Lien executed by the President of the Association, one of the members of the Board of Directors, the Managing Agent, or by the Association's attorney.

9.7 Payment by Mortgagee: Any Mortgagee holding a lien on a Condominium Unit may pay, but shall not be required to

pay, any unpaid assessments, fines or other charges payable with respect to such Condominium Unit, and upon such payment such Mortgagee shall have a lien on such Condominium Unit for the amounts paid of the same rank as the lien of his Mortgage, provided that any first Mortgagee who acquires title to a Condominium Unit by foreclosure or by a deed in lieu thereof shall acquire title to such Condominium Unit free and clear of any lien for unpaid assessments or other charges and shall be responsible only for assessments and other charges arising after the date upon which such first Mortgagee acquired title to the Condominium Unit.

9.8 Notice to First Mortgagee: The Association shall, upon request of a first Mortgagee, deliver written notice to the first Mortgagee of a Condominium Unit of any unpaid assessments remaining unpaid for longer than thirty (30) days after the same are due, as well as of any other default of an Owner hereunder known to the Association which is not cured within sixty (60) days.

9.9 Suit on Breach of Personal Obligation: Suit to recover a money judgment for unpaid assessments, costs of suit, liquidated damages as allowed in this Declaration, together with pre-judgment and post-judgment attorneys' fees, shall be maintainable without foreclosing or waiving the lien securing same.

10. Restrictive Covenants and Obligations.

10.1 Zoning Compliance: All Condominium Units shall be used primarily for residential purposes only and shall not be used for any business, manufacturing or commercial purpose whatsoever.

10.2 Restrictions on Animals: Animals, livestock, reptiles, fish or birds may be restricted from this Project pursuant and subject to all governmental animal ordinances and laws and subject to rules and regulations as may be promulgated by the Association or Board in regard thereto; provided, however, that in no case may animals be kept on any part of the Project for any commercial purposes. An Owner is responsible for any damage caused by his animal(s) and shall be obligated to clean up after his animal(s) on the Project. No animals shall be allowed to remain tied or chained to any balconies, patios or other parts of the Project, and any such animal(s) so tied or chained may be removed by the Association or its agents.

10.3 Leasing of a Condominium Unit: The Owner of a Condominium Unit may lease his Condominium Unit under the following conditions:

10.3.1 No Owner may lease less than his entire Condominium Unit;

10.3.2 All leases shall be in writing;

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

10.3.4 Except for a first Mortgagee in possession of a Condominium Unit following the default under its Mortgage or in connection with the foreclosure proceedings or any deed or other arrangement in lieu of foreclosure proceedings by such first Mortgagee, no Owner may lease his Condominium Unit for a period of less than three (3) months.

10.4 Owner-Caused Damages: If, due to the act or neglect of an Owner or such Owner's Guests or family, loss or damage shall be caused to any Person or property, including the Project or any Unit therein, such Owner shall be liable and responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the Association and the carrier of the insurance has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner as an assessment against such Owner, by legal proceedings or otherwise, and such amount (including reasonable attorneys' fees) shall be secured by a lien on the Condominium Unit of such Owner as provided hereinabove for assessments or other charges.

10.5 No Unsightliness: No unsightliness or waste shall be permitted on or in any part of the Project. Without limiting the generality of the foregoing, no Owner shall keep or store anything (except in designated storage areas, if any) on or in any of the General Common Elements; nor shall any Owner

hang, erect, affix or place anything upon any of the General Common Elements (except for decorative items within his Unit); and nothing shall be placed on or in windows or doors of Units, which would or might create an unsightly appearance from the exterior of a Unit.

10.6 No Noxious, Offensive, Hazardous or Annoying Activities: No noxious or offensive activity shall be carried on upon any part of the Project nor shall anything be done or placed on or in any part of the Project which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No activity shall be conducted on any part of the Project and no improvements shall be made or constructed on any part of the Project which are or might be unsafe or hazardous to any Person or property. No odor shall be emitted on any part of the Project which is noxious or offensive to others.

10.7 Restrictions on Noise/Hardwood and Tile Floors. No sound shall be emitted on any part of the Project which is unreasonably loud or annoying. Further, no hardwood floors, tile or other flooring surfaces which conduct or amplify noise shall be allowed or installed by an Owner within or upon the first floor of any upper Units (even numbered Units), such restriction being intended to insure peace and quiet to surrounding Owners. Further, no penetrations shall be allowed into any portion of a wall or of the Common Elements which separates one Unit from another, such restriction also being intended to insure peace and quiet to neighboring Owners.

10.8 Restrictions on Signs: With the exception of the Declarant's directional, promotional, and advertising signs, no signs or advertising devices of any nature (expressly including for sale or for rent real estate signs) shall be erected or maintained on any part of the Project without the prior written consent of the Board. The Board shall permit the placing of at least one sign of reasonable size and dignified form to identify the Project and the Condominium Units therein.

10.9 Restrictions on Vehicles: No trucks, commercial vehicles, trailers, mobile homes or detached camper units shall be kept, stored or maintained upon the Common Elements. Boats and other similar watercraft shall not be kept, stored, parked or maintained upon the Common Elements. No damaged or unsightly vehicles shall be kept, stored, parked or maintained upon the Common Elements. Furthermore, parking of all vehicles shall be subject to the rules and regulations of the Association.

10.10 No Violation of Law: No Owner and no Owner's Guests shall do anything or keep anything in or on the Project which would be immoral, improper, offensive or in violation of

any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

10.11 No Violation of Rules: No Owner and no Owner's Guests shall violate the rules and regulations adopted from time to time by the Association, whether relating to the use of Units, the use of General or Limited Common Elements, or otherwise.

10.12 No Imperiling of Insurance: No Owner and no Owner's Guests shall do anything or cause anything to be kept in or on the Project which might result in an increase in the premises of insurance obtained for the Project or which might cause cancellation of such insurance.

10.13 Determination of Violation: Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Paragraph shall be made by the Board of Directors and shall be final.

11. Insurance.

11.1 The Board of Directors or the Managing Agent on behalf of the Association, shall obtain and maintain at all times, to the extent obtainable, policies of insurance, written with financially responsible and able companies licensed to do business in Colorado, covering the risks set forth below. The types of coverages to be obtained and risks to be covered are as follows, to wit:

11.1.1 Insurance against loss or damage by fire and lightning, and such other hazards as are customarily covered in condominium projects in the City and County of Denver, Colorado, under extended coverage and all risk endorsements. Said casualty insurance shall insure the entire Project and any property, the nature of which is a Common Element (including all of the Units and the fixtures therein initially installed or conveyed by the Declarant, but not including improvements, fixtures, decorating, furniture, furnishings, appliances, or other personal property supplied by or installed by Owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory mortgage clause in favor of

each first Mortgagee, which shall provide that the loss, if any, thereunder, shall be payable to the Association for the use and benefit of such first Mortgagees as their interests may appear.

11.1.2 If the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the first Mortgages on the Condominium Units comprising the Project.

11.1.3 Public liability and property damage insurance in such limits as the Board or Managing Agent may from time to time determine, but not in an amount less than One Million Dollars (\$1,000,000.00) per injury, per person, per occurrence and covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project. All liability insurance shall name the Association, the Board, the Owners and the officers of the Association as insureds thereunder. If there are steam boilers in operation on the Project, there must be in force boiler explosion insurance providing for not less than One Hundred Thousand Dollars (\$100,000.00) per accident per location.

11.1.4 Workmen's Compensation and 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.

11.1.5 Fidelity coverage against dishonesty of employees or any other person and/or the Managing Agent, if any, handling funds of the Association, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation, as well as all persons who serve the Association for compensation, including the Managing Agent if such coverage or bond for the same is available. Such fidelity bonds should name the Association as obligee and be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Condominium Project, including reserves. Further, the Managing Agent, if any, shall be insured to the same extent as the Association, and shall submit evidence of coverage to Association.

11.1.6 The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including insurance for comprehensive automobile liability, bailee's liability, elevator liability, garage keeper's liability, host liquor liability, contractual liability, plate or other glass and for any personal property of the Association.

11.2 All policies of insurance, to the extent obtainable, shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be cancelled or modified without at least twenty (20) days' prior written notice to all of the Owners, first Mortgagees and the Association. If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all first Mortgagees at least ten (10) days prior to expiration of the then current policies. All casualty insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the Owners and first Mortgagees, as their interests may appear, which policy or policies shall identify the interest of each Owner (Owner's name and Condominium Unit number designation) and first Mortgagee.

11.3 Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions of this insurance paragraph, the Board or Managing Agent shall obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the entire Project, without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a co-insurance clause for less than eighty percent (80%) of the full replacement cost. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable about replacement costs, and each first Mortgagee, if requested, shall be furnished with a copy thereof, within thirty (30) days after receipt of such written appraisals. Such amounts of insurance shall be contemporized annually in accordance with currently determined maximum replacement value.

11.4 Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by Owners.

11.5 Insurance coverage on improvements and fixtures installed by an Owner and furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of personal property belonging to an Owner, and public liability coverage within each Unit shall be the sole and direct responsibility of the Owner thereof, and the Board of Directors, the Association and/or the Managing Agent shall have no responsibility therefor.

11.6 In the event that there shall be any damage, destruction or loss to a Unit which exceeds One Thousand Dollars (\$1,000.00) or any damage, destruction or loss to the Common Elements which exceeds Ten Thousand Dollars (\$10,000.00), then notice of such damage or loss shall be given by the Association to the first Mortgagee of said Condominium Unit within ten (10) days after the occurrence of such event.

11.7 All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether

occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

12. Association as Attorney-in-Fact - Damage and Destruction - Obsolescence. Each Owner by acceptance of a deed or other ownership interest subject to this Declaration does hereby irrevocably appoint the Association such Owner's attorney-in-fact to deal with the Project upon its destruction, repair or obsolescence.

Title to any Condominium Unit is declared to be expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association, in their names, place and stead as attorney-in-fact for the purpose of dealing with the Project upon its destruction, repair or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each Unit and the General Common Elements and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Except as is otherwise herein provided, the proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacement unless all Owners and all first Mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

Assessments for Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

12.1 Mortgagee Notice: The Association shall give timely notice to each first Mortgagee of any casualty loss which affects a material portion of the Project.

12.2 In the event of damage or destruction to the Project to the extent of not more than sixty-six and two-thirds

percent (66-2/3%) of the total replacement cost thereof, not including land, due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to cause the repair and reconstruction of the improvement(s).

12.3 If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is to the extent of not more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost of the Project, not including land, such improvements, damage or destruction shall be promptly repaired or reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such special assessment shall be a Common Expense and prorated according to each Owner's interest in the Common Elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds and such assessment. The special assessment provided for herein shall be a debt of each Owner and collected as is provided hereinbefore.

12.4 If the Project is damaged or destroyed to the extent of more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost thereof, not including land, and if the Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the Common Elements do not voluntarily, within one hundred (100) days thereafter, make provisions for reconstruction, which plan must have the approval or consent of at least seventy-five percent (75%) of the first Mortgagees (based upon one vote for each first Mortgage owned) the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire remaining Project shall be sold by the Association, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the Articles and Bylaws. The insurance settlement proceeds shall be collected by the Association and such proceeds shall be divided by the Association according to each Owner's interest (as such interests appear on the policy or separate accounts), each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the apportioned amount of the proceeds derived from the sale of the entire Project. Such apportionment shall be based upon each Owner's percentage interest in the Common Elements. The total funds of each

account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, in the following order:

- (i) for payment of taxes and special assessment liens in favor of any governmental entity;
- (ii) for payment of the balance of the lien of any first Mortgage;
- (iii) for payment of unpaid Common Expenses;
- (iv) for payment of junior Mortgages and encumbrances in the order of and to the extent of their priority; and
- (v) the balance remaining, if any, shall be paid to the Owner.

The provisions contained in this subparagraph shall not hinder the protection given to the first Mortgagee under a mortgagee endorsement.

12.5 If the Project is destroyed or damaged to the extent of more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost thereof, not including land, and if the Owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the Common Elements adopt, within one hundred (100) days thereafter, a plan for reconstruction, which plan must have the approval or consent of at least seventy-five percent (75%) of the first Mortgagees (based upon one vote for each First Mortgage owned), then all of the Owners shall be bound by the terms and other provisions of such plan. The Association shall have the right to use, in accordance with such plan, all proceeds of insurance for such destruction or damages, as well as the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's percentage interest in the Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided hereinabove.

12.6 The Owners representing an aggregate ownership interest of eighty-five percent (85%), or more, of the Common Elements may agree that the Condominium Units are obsolete and adopt a plan for renewal and reconstruction, which plan shall have the approval or consent of at least eighty-five percent (85%) of the first Mortgagees (based upon one vote for each first Mortgage owned). If the plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, then the expenses thereof shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the adoption of such plan that his or its Condominium Unit shall be Purchased by the Association for the fair market value thereof. The Association shall then have fifteen (15) days within which to cancel such plan. If such plan is not cancelled, then the Condominium Unit shall be purchased by the Association according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, the sale shall be consummated within thirty (30) days thereafter. If the parties are unable to agree, the date when either party notified the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned in this subparagraph shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an independent appraiser. If either party fails to make such a nomination, the appraiser shall, within five (5) days after default by the other party, appoint and associate with him another independent appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of the default of one party, are unable to agree, they shall appoint another independent appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two independent appraisers and from the names of the four persons so nominated one shall be drawn by lot by any judge of any court of record in Colorado and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds as is provided in subsection 12.4 of this paragraph.

12.7 The Owners representing an aggregate ownership interest of eighty-five percent (85%), or more, of the Common Elements may agree that the Condominium Units are obsolete and that the same should be sold. Such plan (agreement) must have the unanimous approval or consent of every first Mortgagee. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, the Articles and the Bylaws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subsection 12.4 of this paragraph.

13. Condemnation.

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

13.2 Proceeds: All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association.

13.3 Complete Taking: In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements, provided that if a standard difference from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such share the same standard shall be employed to the extent it is relevant and applicable.

13.4 Partial Taking: In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, 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 among compensation, damages, and 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 proportion to their respective undivided interests in the Common Elements; (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 injury to, a particular Unit and/or improvements an Owner had made within his own Unit shall be apportioned to the particular Condominium Unit involved; and (iv) the amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If any allocation of the Condemnation Award is already established in negotiation, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Any distribution of the Condemnation Award made pursuant to this subsection shall be made by checks payable jointly to the Owners and their first Mortgagees.

13.5 Distribution: The Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such share shall be paid into separate accounts and disbursed as soon as practicable, provided that in the event of a complete taking such distribution shall be made in the same manner as is provided in Paragraph 12.4 of this Declaration.

13.6 Mortgagee Notice: The Association shall give timely notice to each first Mortgagee of the commencement of any condemnation or eminent domain proceedings and shall notify said first Mortgagees in the event of the taking of all or any part of the Common Elements, if the value of the Common Elements taken exceeds Ten Thousand Dollars (\$10,000.00).

13.7 Reorganization: In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, and such Owner's interest in the Common Elements shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute such documents as are necessary to reflect such

termination; provided, however, that for purposes of Paragraph 30.4 hereof, such Owner's interest shall be that immediately prior to such taking. Thereafter the Association shall reallocate the ownership and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Condominium Units for amendment of this Declaration as provided hereinafter.

14. Certain Reserved Rights of Declarant.

14.1 Right to Combine Units. Declarant hereby reserves the right to physically combine the area or space of one Unit with the area or space of one or more adjoining Units; provided, however, that Declarant shall not exercise said right without the written consent of any first Mortgagee having an interest in said Units. In the event of any such physical combining of Units to create a combined Unit, such combined Unit shall also include the combining of the fixtures and improvements and of the undivided interests in Common Elements, appurtenant to the Units so combined. Declarant hereby reserves the right to designate and convey to any purchaser of any such combined Unit, as additional Limited Common Elements appurtenant thereto, any walls, floors or other structural separations between the Units so combined, or any space which would be occupied by such structural separations but for the combination of such Units; provided, however, that such walls, floors or other structural separations or such space shall automatically become General Common Elements if the combined Units become subject to separate ownership in the future. Upon any combination of Units as provided for herein, the Owner(s) of the combined Units shall have the same number of votes as of the number of Units so combined, and shall be personally obligated for each of the separate assessment obligations of all combined Units. Upon the partial or complete separation of any combined Unit, the Owner(s) of each separate Unit or combination thereof shall have the right to one vote for each Unit, and shall be personally obligated for only those assessment obligations pertaining to each such Unit. This reserved right in Declarant shall terminate upon the sale of all of the Condominium Units within the Project to third party purchasers or December 31, 1988, unless amended by Declarant, whichever event first occurs.

14.2 Assignment of Certain Limited Common Elements. Declarant reserves and is hereby granted the right to assign parking spaces, storage spaces and/or garage spaces as Limited Common Elements as hereinafter set forth. At the closing of the sale of a Condominium Unit by Declarant, Declarant may

assign to the new Owner the exclusive right to use, occupy and enjoy such parking spaces, storage spaces and/or garage spaces as Limited Common Elements, which assignment shall be set forth in said Owner's warranty deed or such other written instruments as Declarant may utilize. After initial assignment from the Declarant, the Owner entitled to the exclusive use of more than one (1) garage space shall have the right to transfer his or her exclusive rights to any other Owner, exclusive from the transferor Owner's remaining interest in their Individual Air Space Unit and the Common Elements; provided such transfer is evidenced by a written instrument duly executed and Recorded; provided, further that the transferor Owner and all other Owners always have and retain an interest in at least one (1) garage space at all times; provided further, that such limited right to subsequently transfer any assigned garage space shall be the only exception to Section 3.9.1 hereof; and provided, further, that such right shall not effect the prohibition set forth in Section 3.9.2 hereof. The Association shall keep a permanent record of all parking spaces, storage spaces and/or garage spaces which are assigned as Limited Common Elements to each Condominium Unit. In the event any parking spaces, storage spaces and/or garage spaces have not been assigned by Declarant by December 31, 1988, the right of Declarant to assign the same shall terminate and thereafter be vested solely in the Association, which shall have the right to lease, rent or further assign such unassigned parking spaces, storage spaces and/or garage spaces to Owners. Declarant further specifically reserves the right to reassign or substitute any parking space or garage space during periods of construction.

14.3 Limited Amendments. If Declarant shall determine that any amendments to this Declaration or any amendments to the Articles, Map or Bylaws shall be necessary (1) in order for existing or future Mortgagees or the Project to be acceptable to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Housing Administration or other mortgage lending institution, or (ii) in order to clarify any apparently conflicting provision or to correct any mistakes or errors of a clerical nature resulting from typographical or similar errors, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendment without obtaining the approval of any Owners or Mortgagees. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to such amendment on behalf of each Owner and Mortgagee. Each deed, Mortgage, trust deed, other evidence of obligation or other instrument affecting a Condominium Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record such

amendments. Each such amendment shall be made, if at all, by Declarant not later than the earlier of the following:

(1) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit purchasers; or

(ii) December 31, 1988.

The Association shall, at least ten (10) days prior to the effective date of any amendment to this Declaration, notify all first Mortgagees of Record of such amendment.

15. Miscellaneous.

15.1 Duration of Declaration: All of the provisions contained in this Declaration shall continue and remain in full force and effect until condominium ownership of the Project and this Declaration are terminated, revoked, or amended as hereinafter provided.

15.2 Amendment: Any provision contained in this Declaration may be amended, or additional provisions may be added to this Declaration, by the Recording of a written instrument or instruments specifying the amendment or addition, executed by the Owners of Record of Condominium Units representing an aggregate ownership interest of seventy-five percent (75%), or more, of the Common Elements and by seventy-five percent (75%) of first Mortgagees whose liens encumber the Common Elements (except that no provision of this Declaration requiring the approval or consent of more than seventy-five percent (75%) of such first Mortgagees may be amended without the consent of at least the minimum number of first Mortgagees whose approval or consent is required under such provision). The consent(s) of any junior Mortgagees shall not be required under the provisions of this paragraph. The Association shall, at least ten (10) days prior to the effective date of any amendment to this Declaration, notify all first Mortgagees of Record of such amendment.

15.3 Termination. This Declaration and condominium ownership of the Project may be terminated or revoked by the Recording of a written instrument or instruments specifying the fact of termination and/or revocation, executed by the Owners of Record of Condominium Units representing an aggregate ownership interest of seventy-five percent (75%), or more, of the Common Elements and by seventy-five percent (75%) of first Mortgagees whose liens encumber the Common Elements (except that no

provision of this Declaration requiring the approval or consent of more than seventy-five percent (75%) of such first Mortgagees may be amended without the consent of at least the minimum number of first Mortgagees whose approval or consent is required under such provision). The consent(s) of any junior Mortgagees shall not be required under the provisions of this paragraph.

15.4 Effect of Provisions of Declaration: Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration shall:

15.4.1 be deemed incorporated in each deed or other instrument by which any right, title or interest in the Project or in any Condominium Unit is granted, devised or conveyed, whether or not set forth or referred to in such deed or instrument;

15.4.2 by virtue of acceptance of any right, title or interest in the Project or in any Condominium Unit by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner;

15.4.3 be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Project and each Condominium Unit and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the Project and each Condominium Unit; and

15.4.4 be deemed a covenant, obligation and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the Project and each Condominium Unit in favor of the Association.

15.5 Protection of Mortgagee: Subject to the provisions hereof, no violation or breach of or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any first Mortgage or other lien on any Condominium Unit taken in good faith and for value; nor shall such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair the title or interest of the holder of any such first Mortgage, or other lien or the title or interest acquired by any purchaser upon foreclosure of any such first Mortgage or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration; provided, however, that violation or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

15.6 Construction of New Common Elements. Subject to the other provisions of this Declaration, the Declarant and/or the Association shall have the right to construct new additions to the Common Elements. Ownership of, and the Common Expenses for any such additions, shall be apportioned among all Condominium Units in proportion to their respective undivided interests in the Common Elements, which undivided interests are subject to modification by annexations. The construction of new additions of Common Elements shall not affect any Owners by way of modification of their voting rights in the Association.

15.7 Supplemental to Law: The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

15.8 Numbers and Genders: Whenever used herein, unless the context shall otherwise provide, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

15.9 Owner's Address for Notices: Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice or other written instrument required to be given or otherwise given by the Association or given by any Owner under this Declaration to any Owner, may be mailed to such Owner(s) in a postage prepaid envelope and mailed by first class, registered or certified

mail to the address of the Condominium Unit shown upon the Association's records as being owned by such Owner. If more than one Owner owns a particular Condominium Unit, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association or any Owner in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

15.10 Successors and Assigns: This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

15.11 Severability: Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial enforceability of any provision thereof shall not affect the validity or enforceability of any other provision.

15.12 Captions for Convenience: The titles, captions and headings in this Declaration are for convenience of reference only and shall not be considered in construing any provision of this Declaration.

15.13 No Waiver: Failure to enforce any provision of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration.

15.14 Sales and Construction Facilities and Activities of Declarant: Notwithstanding any provision to the contrary contained herein, Declarant, its agent, employees and contractors shall be permitted to maintain during the period of any construction or the sale of the Condominium Units in the Project, upon such portion of the Project as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Condominium Units, including without limitation, a business office, storage area, construction yards, signs, model Units, sales office, construction office, storage areas for construction trash and/or supplies and equipment, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Condominium Units. In addition, Declarant, its agents, employees and contractors shall have the right of ingress and egress over the Common Elements as in Declarant's discretion may be necessary with regard to the foregoing. Further, Declarant, its agents, employees and contractors shall

have the right, during reasonable business hours and upon reasonable notice, of ingress and egress in and through all Units during the period of the construction and/or sale of the Condominium Units for the purpose of any required refurbishment, construction, maintenance or repair to such Units or the Building, or any part thereof.

15.15 No Representations or Warranties: No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Property, or any improvements thereon, its or their physical condition, zoning, compliance with applicable laws, fitness or intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.

15.16 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

15.17 Enforcement by Self Help. Declarant or the Association, or any authorized agent of either of them, may enforce, by self help, any of the provisions, covenants, conditions, restrictions or equitable servitudes contained in this Declaration.

15.18 Compliance With Provisions of the Declaration, Articles and Bylaws of the Association. Each Owner shall comply strictly with, and shall cause each of his Guests and/or lessees to comply strictly with, all of the provisions of this Declaration and the Articles and Bylaws, and the decisions, rules, regulations and resolutions of the Association or the Board adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for imposition of such reasonable fines or other charges as the Association may determine, for an action to recover sums and/or fines or other charges due and for damages or injunctive relief or both, along with costs of suit and reasonable pre-judgment and post-judgment attorney's fees, maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

15.19 Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

15.20 Costs and Attorneys' Fees. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

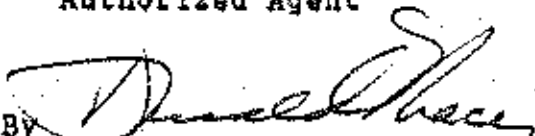
15.21 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

15.22 Governing Law. This Declaration shall be construed and governed under the laws of the State of Colorado.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 53 day of NOVEMBER, 1987.

MACY/PINNEO INTERESTS, LTD.
a Colorado limited partnership

By: Macy Development Company,
General Partner and
Authorized Agent

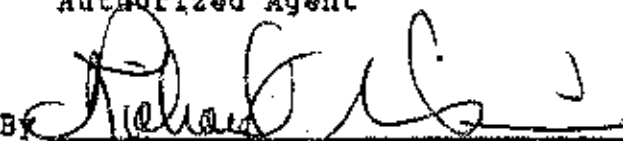
BY 
Donald Macy, Authorized Agent

ATTEST:



[SEAL]

By: RCP Development Corporation,
General Partner and
Authorized Agent

BY 
Richard C. Pinneo, Authorized
Agent

ATTEST:



[SEAL]

STATE OF COLORADO)
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 5th day of November, 1984, by Donald Macy, Authorized Agent for Macy Development Company, General Partner and Authorized Agent of Macy/Pinneo Interests, Ltd., a Colorado limited partnership.

WITNESS my hand and official seal.

(SEAL)

Kimi L. McKinnon
Notary Public

My Commission expires:

My Commission Expires Nov. 5, 1988

My address is:

650 SO. CHERRY ST., # 1015
DENVER, CO 80222

STATE OF COLORADO)
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 5th day of November, 1984, by Richard C. Pinneo, Authorized Agent for RCP Development Corporation, General Partner and Authorized Agent of Macy/Pinneo Interests, Ltd., a Colorado limited partnership.

WITNESS my hand and official seal.

(SEAL)

Kimi L. McKinnon
Notary Public

My Commission expires:

My Commission Expires Nov. 5, 1988

My address is:

650 SO. CHERRY ST., # 1015
DENVER, CO 80222

MADISON HILL CONDOMINIUMS

EXHIBIT 1

Legal Description of the Property:

Plots 1, 2 and 3, and the south
one-half (1/2) of Plot 4,
Block 53, HARMAN'S SUBDIVISION,
City and County of Denver,
State of Colorado.

MADISON HILL CONDOMINIUMS

EXHIBIT 2

There are presently no easements, licenses or other withheld interests presently affecting the Property.

MADISON HILL CONDOMINIUMS

EXHIBIT 3

Condominium
Unit Number

Undivided Interest in
the Common Elements
Appurtenant to each
Condominium Unit

1-3535	121	.034885
2-3577	186	.051068
3-3525	114	.033041
4-3527	171	.049430
5-3525	135	.039801
6-3515	178	.051537
7 200	179	.036640
8 222	186	.053702
9 204	127	.036640
10 206	186	.053702
11 208	127	.036640
12 210	186	.053702
13 212	127	.036640
14 214	186	.053702
15 216	146	.042318
16 218	196	.056775
17 220	146	.042318
18 222	196	.056775
19 224	127	.036640
20 226	186	.053702
21 228	127	.036640
22 230	186	.053702



Alphus

MADISON HILL CONDOMINIUMS

EXHIBIT 3

<u>Condominium Unit Number</u>	<u>Undivided Interest in the Common Elements Appurtenant to each Condominium Unit</u>
1	.034885
2	.051068
3	.033041
4	.049430
5	.039801
6	.051537
7	.036640
8	.053702
9	.036640
10	.053702
11	.036640
12	.053702
13	.036640
14	.053702
15	.042318
16	.056775
17	.042318
18	.056775
19	.036640
20	.053702
21	.036640
22	.053702