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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

4 INVERNESS COURT EAST OFFICE CONDOMINIUMS

January 13, 2003

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**DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR
4 INVERNESS COURT EAST OFFICE CONDOMINIUMS**

THIS DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR 4 INVERNESS COURT EAST OFFICE CONDOMINIUMS (this "Declaration") is made as of _____, 200____, by D.G.S. DEVELOPMENT CORPORATION, a Colorado corporation.

RECITALS

This Declaration is made with respect to the following facts:

A. "Declarant" is the owner of the "Property" (as both terms are defined in Section 1.1).

B. In accordance with the provisions of the Colorado Common Interest Ownership Act, Declarant desires to establish the Property as a condominium project consisting of condominium units designated for separate ownership and common elements designated for ownership in common by the owners of those condominium units.

DECLARATION

NOW, THEREFORE, Declarant declares as follows:

**ARTICLE 1
DEFINITIONS AND EXHIBITS**

1.1 Definitions. The following initially-capitalized, defined terms have the respective meanings set forth below:

"Act" means the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*

"Assessments" is defined in Section 7.4.

"Association" means 4 Inverness Court East Office Condominium Association, Inc., a Colorado nonprofit corporation, formed or to be formed pursuant to Section 6.1.

"Award" is defined in Section 14.6.

"Board" means the Board of Directors of the Association.

"Bound Party" is defined in Section 14.4.

"Boundary Relocation" means: (i) the combination of two or more Units into a single Unit; (ii) the subdivision of a single Unit into two or more Units; or (iii) the alteration of the boundary or boundaries separating two or more adjoining Units.

"Building" means the office building, as depicted on the Map, that is located on and constitutes a part of the Property, with an address of 4 Inverness Court East, Englewood, Colorado 80112.

"Bylaws" means the Articles of Incorporation and the Bylaws of the Association.

"CAS" is defined in Section 14.6.

"Casualty" is defined in Section 10.1.

"Central Mechanical Equipment" means all plumbing, gas service, HVAC, electrical, telecommunications and mechanical equipment in the Building that serve more than one Unit or any Common Element. The Central Mechanical Equipment constitutes a part of the General Common Elements.

"Claimant" is defined in Section 14.6.

"Claims" is defined in Section 4.3(k).

"Common Allocation" means with respect to each Unit, the percentage allocated to the Unit as set forth on Exhibit B. The Common Allocation for each Unit has been determined by dividing the Measured Area of the Unit by the total Measured Area of all the Units. In the event of a Boundary Relocation, the Common Allocation for each Unit will be recalculated by dividing the Measured Area of the Unit by the total Measured Area of all of the Units after such Boundary Relocation.

"Common Alteration" is defined in Section 8.4(c).

"Common Element Taking" is defined in Section 11.2.

"Common Elements" means all portions of and areas within the Condominium Project that are not part of the Units. Limited Common Elements and General Common Elements are both part of the Common Elements. A portion of the Common Elements may be referred to as a "Common Element."

"Common Expenses" means, except for those costs and expenses expressly excluded below, all costs, expenses and financial liabilities incurred by the Association pursuant to this Declaration or the Bylaws including, without limitation: all costs of operating, managing, administering, securing, protecting, insuring, heating, cooling, ventilating, lighting, decorating, cleaning, maintaining, repairing, renewing, replacing or restoring (to the extent not covered by insurance or condemnation proceeds), and providing water, sewer, waste disposal, telecommunications, electricity, natural gas and other services, energy and utilities to, the Common Elements and the Association's personal property and equipment located in, or used in connection with the operation or maintenance of, the Common Elements; taxes on any property owned by the Association; and funding of working capital and reasonable reserves for such expenses. Except to the extent provided in Sections 7.2 and 16.3(c), Common Expenses will not include Limited Benefit Expenses, Reimbursable Expenses, the costs of any Restoration Deficit, Voluntary Capital Expenses or any other cost or expense which, pursuant to this Declaration,

may be separately assessed (i.e., in addition to General Assessments for Common Expenses) against any Condominium(s).

"Condominium" means a Unit, together with the undivided interest in the Common Elements and all Easements, rights, licenses and appurtenances allocated or made appurtenant to the Unit pursuant to this Declaration.

"Condominium Project" means the condominium, as defined in Section 38-33.3-103(9) of the Act, created by this Declaration and consisting of the Property.

"Courtyard" means the outdoor courtyard area depicted on the Map and labeled as "Courtyard - GCE." The Courtyard is a General Common Element.

"Declarant" means D.G.S. Development Corporation, a Colorado corporation, or any Person designated as a successor to Declarant's rights and obligations under this Declaration in a written instrument signed by Declarant and recorded in the Records. Notwithstanding the foregoing, Special Declarant Rights may be transferred only in accordance with Section 304 of the Act.

"Declarant Control Period" means the period beginning on the date the Association is formed and ending on the first to occur of (i) 60 days after 75% of the maximum number of Units that may be created pursuant to Section 2.13 have been conveyed to Owners other than Declarant; (ii) two years after the last conveyance of a Unit by Declarant in the ordinary course of business; (iii) two years after any right to add new Units is last exercised by Declarant; or (iv) the date on which Declarant, in its sole discretion, voluntarily terminates the Declarant Control Period pursuant to a Recorded statement of termination; provided, however, that in this last event, Declarant may require that, for the balance of what would have been the Declarant Control Period had Declarant not terminated the same, certain actions of the Association or the Board, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective. During the Declarant Control Period, Declarant may appoint and remove the Directors and the officers of the Association to the extent permitted by the Act.

"Declarant Development Period" means the period beginning on the date this Declaration is Recorded and ending on the earlier of (i) the date on which all of the Units have been conveyed to Owners other than Declarant; or (ii) the 50th anniversary of the date on which this Declaration was Recorded.

"Delinquency Costs" is defined in Section 7.4.

"Disputes" is defined in Section 14.4.

"Director" means a member of the Board.

"Easements" means all easements that burden or benefit the Condominium Project or a portion of it, including (i) easements established or granted under this Declaration; (ii) easements which first burdened or benefited the Property before the Recording of this Declaration; and (iii) easements which first burden or benefit the Property after this Declaration is Recorded.

"First Mortgage" means a bona fide mortgage or deed of trust which is Recorded and which is a first lien on the Unit or Units described in it.

"First Mortgagee" means the holder, from time to time, of a First Mortgage on any Unit or Units as shown by the Records, including a purchaser at a foreclosure sale upon foreclosure of a First Mortgage until expiration of the mortgagor's period of redemption. If there is more than one holder of a First Mortgage, the holders will be treated as, and act as, one First Mortgagee for all purposes under this Declaration and the Bylaws.

"Fiscal Year" means the fiscal accounting and reporting period of the Association selected by the Board from time to time.

"Floor" means one of the principal below or above-grade floor levels of the Building. **"Floors"** means more than one Floor. The Floors are designated on the Map.

"General Assessments" is defined in Section 7.1.

"General Benefit Expense" is defined in Section 7.2(a).

"General Common Elements" means all Common Elements that are not Limited Common Elements. For example, the land upon which the Building is situated and all structural elements of the Building, including columns, beams, floor slabs and the roof (except the Rooftop Terrace) and other building enclosure systems are General Common Elements. A portion of the General Common Elements may be referred to as a "General Common Element." Some of the General Common Elements may be designated on the Map and identified by the initials "GCE."

"Limited Benefit Expenses" is defined in Section 7.2(b).

"Limited Common Elements" means the portions of the Common Elements allocated to the exclusive use of one or more, but fewer than all, of the Units. A portion of the Limited Common Elements may be referred to as a "Limited Common Element." Some of the Limited Common Elements may be designated on the Map and identified as "LCE-" followed by the letter of the Unit or Units to which it is allocated. For example, a Patio Area identified as "LCE-A" is a Limited Common Element allocated to Unit A.

"Map" means the Condominium Map for 4 Inverness Court East, which was Recorded on _____, 200____, at Reception No. _____ and is made a part of this Declaration, as such condominium map may be amended in accordance with this Declaration.

"Measured Area" means the area in square feet of all floor space within and measured from the vertical boundaries of a Unit (as described in Section 2.4(b)). The Measured Area of each Unit is indicated on Exhibit B of this Declaration.

"Notice" is defined in Section 14.6.

"Owner" means a Person or Persons, including Declarant, owning fee simple title to a Unit from time to time. The term Owner includes a contract vendee under an installment land

contract, but does not include the vendor under such a contract or a Security Holder (unless and until a Security Holder becomes an owner in fee simple of a Unit).

"Parking Space" and **"Parking Spaces"** mean those parking spaces located on the Property as depicted on the Map. A portion of the Parking Spaces are Limited Common Elements allocated to certain Units, as specified on the Map. The remaining Parking Spaces are General Common Elements.

"Party" and **"Parties"** are defined in Section 14.6.

"Patio Area" means one of the outdoor patio areas located on the Property and depicted and labeled on the Map as a "Patio Area." Each Patio Area is a Limited Common Element allocated to a certain Unit, as specified on the Map.

"Permittee" means a Person, other than an Owner, rightfully present on or in rightful possession of a Unit or Common Element, or a portion of a Unit or Common Element, including, without limitation, (i) a tenant of an Owner or the Association; or (ii) an agent, employee, customer, contractor, licensee, guest or invitee of an Owner, the Association or a tenant of either of them.

"Person" means a natural person, corporation, partnership, limited liability company, trust or other entity, or any combination of them.

"Post Mediation Costs" is defined in Section 14.6.

"Property" means the real property located in Arapahoe County, Colorado and legally described on Exhibit A, including all improvements on and appurtenances to such real property.

"Records" means the real property records maintained by the Clerk and Recorder of the Arapahoe County, Colorado; to **"Record"** or **"Recording"** means to file or filing for recording in the Records; and **"of Record"** or **"Recorded"** means recorded in the Records.

"Reimbursable Expenses" is defined in Section 7.2(c).

"Reserve Fund" means a fund maintained by the Association for repair and replacement of the Common Elements and unbudgeted expenses incurred by the Association.

"Respondent" is defined in Section 14.6.

"Restoration Deficit" is defined in Section 7.2(d).

"Rooftop Terrace" means the landscaped surface area of the roof of the Building. The Rooftop Terrace does not include any structural, mechanical or enclosure elements or systems comprising or located on or about the roof of the Building.

"Rules" means the rules and regulations, if any, that the Association adopts from time to time.

"Security for an Obligation" means the vendor's interest in an installment land contract, the mortgagee's interest in a mortgage, the beneficiary's interest in a deed of trust, the purchaser's interest under a sheriff's certificate of sale during the period of redemption, or the holder's or beneficiary's interest in a lien.

"Security Holder" means any Person owning or holding a Security for an Obligation encumbering a Condominium.

"Settlement Demand" is defined in Section 14.6.

"Settlement Offer" is defined in Section 14.6.

"Special Assessments" is defined in Section 7.2.

"Special Declarant Rights" means the rights reserved by Declarant in Section 2.12.

"Taking" is defined in Section 11.1.

"Termination Agreement" is defined in Section 12.1.

"Termination Allocation" is defined in Section 12.3.

"Termination of Mediation" is defined in Section 14.6.

"Termination of Negotiations" is defined in Section 14.6.

"Transferee" is defined in Section 16.3(a).

"Unit" means a portion of the Condominium Project designated for separate ownership. The Units are located in the Building. Each Unit is designated for separate ownership in this Declaration, and its boundaries are delineated on the Map and described in this Declaration. The Units are listed on Exhibit B. The definition of "Unit" excludes all Common Elements, including, without limitation, (a) any Limited Common Elements allocated, exclusively or otherwise, to the Unit; and (b) any Common Elements passing through or existing partly inside and partly outside the boundaries of the Unit. The definition of "Unit" also excludes all structural elements of the Building (e.g., columns, beams and floor slabs) and the roof and other exterior enclosure elements of the Building.

"Utility/Service Elements" is defined in Section 2.6.

"Voluntary Capital Expenses" is defined in Section 7.2(e).

1.2 Exhibits. The Exhibits listed below are attached to and incorporated in this Declaration:

Exhibit A - Legal Description of the Property

Exhibit B - Common Allocations

Exhibit C - Other Recorded Easements and Licenses Affecting the Property

Exhibit D - Arbitration Rules

ARTICLE 2
CREATION OF THE CONDOMINIUM PROJECT; UNITS AND ALLOCATIONS

2.1 Creation. Declarant declares that, upon the Recording of this Declaration executed pursuant to the Act, the Property will be a "condominium" within the meaning of Section 38-33.3-103(9) of the Act and, thus, constitutes the Condominium Project.

2.2 Name. The name of the Condominium Project is "4 Inverness Court East Office Condominiums."

2.3 Division of Property. Declarant, pursuant to the Act, hereby divides the Property into Units (identified by number on Exhibit B and depicted on the Map) and Common Elements and designates the Units for separate ownership and the Common Elements for common ownership solely by the Owners.

2.4 Designation of Unit Boundaries. The vertical and horizontal boundaries of each of the Units are described below and are graphically depicted on the Map:

(a) Horizontal Boundaries. The upper horizontal boundary of each Unit is the unfinished surface of the bottom of the floor slab or roof structure immediately above the Unit. The lower horizontal boundary of each Unit is the unfinished surface of the top of the floor slab immediately beneath the Unit.

(b) Vertical Boundaries. The vertical boundaries of each Unit are graphically depicted on the Map. In the cases where the vertical boundaries of a Unit are depicted on the Map as being coextensive with the interior surface of walls or columns, such vertical boundaries are the interior unfinished surfaces of the walls and columns. In the cases where the vertical boundaries of a Unit are depicted on the Map as being coextensive with windows and doors in the boundary walls of the Unit, such vertical boundaries are the interior surface of such doors and windows.

2.5 Structural Elements. All structural elements of the Building, including, without limitation, bearing walls, bearing columns, structural slabs and decks for floors, ceilings or roofs (except the Rooftop Terrace), structural girders, beams and joists, and foundations and footings are General Common Elements, regardless of whether they are located wholly or partially within the boundaries of any Unit.

2.6 Utility/Service Elements. Any shafts, chutes, flues, ducts, vents, chases, fan coils, pipes, wires, conduits or utility lines (collectively, "Utility/Service Elements") located completely within and which exclusively serve a single Unit are a part of the Unit. Any Utility/Service Elements that serve one or more but fewer than all Units are Limited Common Elements allocated to the Unit(s) they serve, regardless of where such Utility/Service Elements are located. Any Utility/Service Elements that exclusively serve a Common Element are a part of the Common Elements. Any Utility/Service Elements that serve all of the Units are General Common Elements.

2.7 Building Enclosure System. All aspects of the exterior enclosure system of the Building are General Common Elements, except for the Rooftop Terrace.

2.8 Improvements in a Unit. Subject to Section 2.5, all spaces, interior partitions and other fixtures and improvements within the boundaries of any Unit are a part of the Unit.

2.9 Unit Subdivisions and Boundary Changes. No Unit may be subdivided into more than one Unit if, as a result of the subdivision, there would be more than 12 Units in the Condominium Project. Subject to this Section 2.9, a Boundary Relocation may be made by Declarant pursuant to Section 2.12(a)(ii) or by Owners pursuant to Section 8.2.

2.10 Limited Common Elements. The Limited Common Elements consist of those designated in the Act, those designated in this Declaration and those designated "LCE" or otherwise allocated on the Map, including, without limitation, the following:

(a) Patio Areas. Each Patio Area, including the airspace above such Patio Area, from its finished surface to the lower of eight feet above its finished surface or the underside of any eave, balcony or other portion of the Building that projects over the Patio Area, constitutes a Limited Common Element allocated for the exclusive use of the Unit to which the Patio Area is allocated, as shown on the Map. Except as otherwise provided in this Declaration or on the Map, the walls, eaves and other components of the Building surrounding each Patio Area are General Common Elements.

(b) Certain Parking Spaces. Certain Parking Spaces located at the southwest corner of the Building under the Building's eaves, including the airspace above those Parking Spaces, from the finished surface of each such Parking Space to the lower of seven feet (7'0") above the finished surface of such Parking Space or the underside of any eave, balcony or other portion of the Building that projects over the Parking Space, constitute Limited Common Elements allocated for the exclusive use of the Unit to which each such Parking Space is allocated, as shown on the Map. Except as otherwise provided in this Declaration or on the Map, the walls, eaves and other components of the Building surrounding such Parking Spaces are General Common Elements.

(c) Rooftop Terrace. The Rooftop Terrace is a Limited Common Element allocated for the exclusive use of Unit C. All other components of the Building's roof and any other surrounding walls, eaves and other components of the Building are General Common Elements.

2.11 Allocations.

(a) Ownership of Common Elements. Each Unit is allocated a percentage of undivided interest in the Common Elements equal to its Common Allocation.

(b) Liability for Common Expenses. Each Unit is allocated, and the Owner of the Unit is liable for, a percentage of all Common Expenses equal to the Unit's Common Allocation. All other costs and expenses of the Association are allocated among the Units as otherwise provided in this Declaration (such as the allocation of Limited Benefit Expenses set forth in Section 7.2(b), the allocation of Reimbursable Expenses set forth in Section 7.2(c), and the allocation of Voluntary Capital Expenses set forth in Section 7.2(e)).

(c) Votes in the Association. In all matters coming before the Association for which a vote of the Owners is required, each Unit is allocated a percentage of the votes in the

(d) Reallocation of Limited Common Elements. Any Limited Common Element may be reallocated between or among Units upon (i) application made to the Board by the Owner(s) of the Unit(s) to which the Limited Common Element is allocated at the time of the application and the Owner(s) of the Unit(s) to which the Limited Common Element will be allocated pursuant to this Section 2.11(d); (ii) approval of the application by the Board; (iii) approval of the reallocation by the Security Holder of any Security for an Obligation encumbering any of those Units; and (iv) the Recording of an appropriate amendment to this Declaration and/or the Map, as applicable. The application will include the proposed form of the amendment to reallocate the Limited Common Element, a deposit against attorneys' fees and costs which the Association may incur in connection with the reallocation as reasonably estimated by the Board, and other information reasonably requested by the Board. All costs and attorneys' fees incurred by the Association as a result of the application are the sole obligation of the applicants and may be levied against them as a Special Assessment. The Association and the applicants will sign the amendment.

(a) Reservation of Special Declarant Rights.

(ii) Boundary Relocation. During the Declarant Development Period, Declarant may from time to time make Boundary Relocations affecting any Unit(s) then owned by Declarant and in connection therewith may convert any portion of such Unit(s) into Common Elements. To effect a Boundary Relocation during the Declarant Development Period, Declarant will execute, acknowledge and Record an amendment to this Declaration (including the Map) showing the affected Units, their new boundaries and dimensions and any changes to their identifying numbers, and describing any newly created Common Elements. Such amendment will also revise Exhibit B to show any changes in the Common Allocations resulting from the Boundary Relocation. The revised Common Allocations resulting from any Boundary Relocation made by Declarant must be based on the formula set forth in the definitions of "Common Allocation" and "Measured Area" set forth in this Declaration. Nothing in this Section 2.12(ii) prohibits Declarant, as an Owner, from making a Boundary Relocation pursuant to Section 8.2.

(iii) Easements. Declarant may use the Easements described in Section 3.4 for so long as those Easements remain in effect.

(iv) Amend Declaration. In addition to the amendments to this Declaration which Declarant may expressly make pursuant to the provisions of this Declaration, Declarant may during the Declarant Development Period amend this Declaration (including the Map) in any manner authorized by the Act.

(v) Appoint and Remove Officers and Directors. To the extent permitted by the Act, during the Declarant Control Period, Declarant may appoint and remove any officer or Director of the Association.

(b) Transfer of Special Declarant Rights. Notwithstanding anything contained in this Declaration to the contrary, Special Declarant Rights may be transferred only in accordance with Section 304 of the Act.

2.13 Number of Units. Initially, the Condominium Project will consist of 3 Units. The maximum number of Units that may be created, by subdivision or otherwise, equals 12.

ARTICLE 3

EASEMENTS

3.1 General Common Elements. Subject to the provisions of this Declaration, each Owner has a nonexclusive Easement for the Owner and the Owner's Permittees to use each General Common Element for its intended purpose.

3.2 Limited Common Elements. To the extent that any Unit is allocated the exclusive use of a particular Limited Common Element pursuant to this Declaration or the Map, the Owner of that Unit has an Easement for the Owner and the Owner's Permittees for the exclusive use and enjoyment of that Limited Common Element. In those cases where a Limited Common Element is allocated to more than one Unit pursuant to this Declaration or the Map, the Owners of the Units to which that Limited Common Element is allocated have a nonexclusive Easement for themselves and their Permittees for the use and enjoyment of that Limited Common Element. Without limiting the foregoing, in connection with the lease of any Unit or portion of a Unit to which a Limited Common Element is allocated under this Declaration, the Owner of the Unit may also extend to its Permittee under such lease the right of use and enjoyment of such Limited Common Element established under this Section 3.2. Notwithstanding any provision of this Declaration to the contrary, whenever an Owner has an Easement to use any Limited Common Element pursuant to this Declaration, and regardless of whether the Easement is deemed exclusive or nonexclusive, the right of the Owner and its Permittees to use that Limited Common Element is subject to the Easements described in Sections 3.3 through 3.10.

3.3 Easements Benefiting Association. The Association has nonexclusive Easements over and across the Condominium Project to gain access to the Common Elements, as necessary or convenient for the Association, acting through its Permittees, to exercise its rights and perform its obligations under this Declaration, including, without limitation, its rights and obligations to enforce this Declaration and to operate, manage and control the Condominium Project to the full extent permitted by the Act. Without limiting the generality of the previous sentence, the

Association has an Easement to enter each Unit to the extent reasonably required to operate, manage and control any Common Elements within the boundaries of the Unit.

3.4 Easements Benefiting Declarant. Declarant reserves Easements over and across the Common Elements as may be reasonably necessary for the purposes of completing construction of any improvements or alterations described in Section 2.12(a)(i); constructing and installing any shafts, chutes, flues, ducts, vents, chases, pipes, wires, conduits or utility lines necessary to serve those improvements or alterations; storing construction materials relating to those improvements and alterations and their service elements; showing Units and Common Elements to prospective purchasers or tenants of Units owned by Declarant; displaying signs; and performing any of Declarant's obligations under this Declaration. Declarant's Easements will exist as long as reasonably necessary for those purposes. Without limiting the generality of the previous two sentences, if Declarant elects to install utility lines to provide additional utility services in some or all of the Units, Declarant will have Easements to install the utility lines and chases housing them on, over, under, across and through the interior or exterior Common Elements.

3.5 Easements for Encroachments. If, as a result of the construction, reconstruction, shifting, settlement, restoration, rehabilitation, alteration or improvement of the Condominium Project or any portion of it, any Common Element encroaches upon any part of any Unit, or any part of any Unit encroaches upon any Common Element or upon any part of another Unit, an Easement exists for the continued existence and maintenance of the encroachment. The Easement will continue for so long as the encroachment exists and will burden the Unit or Common Element encroached upon and benefit the encroaching Unit or Common Element. No Easement exists for any encroachment that is materially detrimental to or interferes with the reasonable use and enjoyment of the Common Element(s) or Unit(s) burdened by the encroachment.

3.6 Right of Entry. Declarant reserves for the Association an easement for the right, but not the obligation, to enter upon any Unit: (i) for emergency, security and safety reasons; and (ii) to inspect any Unit for the purpose of ensuring compliance with this Declaration, the Bylaws and the Rules. Such right may be exercised by any Director and the Association's officers, agents, employees and managers and, for emergency, security and safety purposes, all police, fire and ambulance personnel and other similar emergency personnel in the performance of their duties. This right of entry will include the right of the Association to enter upon any Unit to cure any condition that may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure such condition within a reasonable time after requested by the Association, but will not authorize entry into any Unit without permission of the occupant, except by emergency personnel acting in their official capacities.

3.7 Additional Easements.

(a) Declarant's Right to Grant Easements. Declarant reserves the non-exclusive right and power to grant, during the Declarant Control Period, such additional specific easements over any portion of the Property owned by Declarant and the Common Elements as may be necessary, in the sole discretion of Declarant, to the orderly development of any portion of the Property.

(b) Association's Right to Grant Easements. Notwithstanding anything to the contrary in this Declaration, the Association, acting through the Board and without the approval of the Owners, may grant easements over the Common Elements for installation and maintenance of utilities and drainage facilities and for other purposes that benefit the Owners.

3.8 Easements to Repair, Maintain, Restore and Reconstruct. With respect to any provision of this Declaration or the Act that authorizes or requires any Person (including, without limitation, the Association or any Owner) to repair, maintain, restore or reconstruct all or any part of any Unit or Common Element, Easements exist as necessary or convenient to gain access and perform the authorized or required work to the portions of the Condominium Project requiring repair, maintenance, restoration or reconstruction, with Persons, materials and equipment to the extent and for the periods reasonably necessary to enable the Person to perform the authorized or required work. Without limiting the generality of the previous sentence, the Association has an Easement to enter each Unit to the extent reasonably required to repair and maintain any Common Element. The Easements created under this Section 3.8 burden those portions of the Condominium Project through which they run and benefit the Persons authorized or required to perform, and those portions of the Condominium Project requiring, the repair, maintenance, restoration or reconstruction. Except in the case of emergency situations concerning threatened injury or damage to persons or property, the Association will not enter into any Unit pursuant to the Easement established under this Section 3.8 without giving reasonable advance notice to the occupant of such Unit. Prior to exercising its rights under this Section 3.8, each Owner must notify the Association so that the Association may coordinate the required access through and/or work to the Common Elements or other Units with the impacted Owners. Such requesting Owner's access and work may proceed only at the times and in accordance with the arrangements approved by the Association.

3.9 Easements for Utility/Service Elements. An Easement exists for the benefit of each Unit and Common Element for the existence, use, repair and replacement of Utility/Service Elements that serve the Unit or Common Element and run through any other Unit(s) or Common Element(s). The other Unit(s) or Common Element(s) are burdened by the Easement.

3.10 Easements Run with Land. Except for the Easements described in Section 3.4, all Easements existing pursuant to this Article 3 are appurtenant to and run with the Property and will be perpetually in full force and effect so long as the Condominium Project exists and inure to the benefit of and are binding upon Declarant, the Association, Owners, Permittees, Security Holders and any other Persons having any interest in the Condominium Project or any part of it. The Units will be conveyed and encumbered subject to all Easements set forth in this Article 3, whether or not specifically mentioned in the conveyance or encumbrance.

3.11 Other Recorded Easements and Licenses Affecting the Property. The recorded easements and licenses identified on Exhibit C, which were created prior to the date of this Declaration, and the easements created by the Map affect the Property.

ARTICLE 4
COVENANTS, CONDITIONS AND RESTRICTIONS

4.1 Administration. The Condominium Project will be administered in accordance with the provisions of the Act, this Declaration, the Bylaws and the Rules. All Common Elements are subject to the reasonable supervision, operation, management and control of the Association.

4.2 Compliance. Each Owner, Permittee and Security Holder and all parties claiming under them will take and hold their right, title and interest in any Unit subject to all of the covenants and conditions of the Act and this Declaration. Each Owner, Permittee and Security Holder will comply with all applicable provisions of this Declaration, as may be amended from time to time. Each Owner, Permittee and Security Holder will comply with all applicable provisions of the Act.

4.3 Permitted Uses. Each Unit may be occupied and used only for uses permitted by applicable laws, with the additional following restrictions:

(a) Insurance Risks. No Unit may be used for any use which would constitute an unusual fire hazard, would result in jeopardizing any insurance maintained by the Association on any part of the Condominium Project or would result in any increase in the premium for that insurance; provided, however, that the Board may approve the use if adequate safeguards are undertaken at the Owner's expense and any increase in insurance premiums is allocated to, and paid by, the Owner pursuant to Section 7.2(c)(ii).

(b) Overloading. No Unit or Common Element may be used for any use beyond the maximum loads the structural elements supporting such Unit or Common Element are designed to carry. Further, no Unit or Common Element may be used for any use which would place any extraordinary burden on any Common Element, unless the Board gives its prior written consent.

(c) Leases. Each Owner may lease the Owner's Unit if the lease is in writing and is expressly made subject to this Declaration. Any lease will provide that any breach of this Declaration by the tenant will also be a breach of the lease. As to each lease, the Owner will, within a reasonable time after execution of such lease, provide the Board with (i) a copy of the fully executed lease, if requested by the Board; (ii) the current address and telephone number of the Owner; and (iii) a statement by the Owner that the tenant has received a copy of this Declaration, any material amendments to this Declaration, the Bylaws and the current Rules, and that the tenant has been advised that he or she may have obligations under those documents as a Permittee. The Board may make reasonable Rules concerning the leasing of Units.

(d) Signage. No signage that is visible from outside of any Unit and no exterior signage on the Unit or other portions of the Condominium Project will be allowed except to the extent that such signage is approved by the Board and the Inverness Architectural Control Committee.

(e) Violation of Law. No portion of the Condominium Project may be used for any use which violates any law, statute, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the Condominium Project, including, without limitation, any of them that regulate or concern hazardous or toxic waste, substances or materials.

(f) Refuse Removal. All rubbish, garbage and debris will be regularly removed from and will not be allowed to accumulate on the Condominium Project. All trash, garbage and other debris generated on and awaiting removal from the Condominium Project will be kept in sanitary containers in accordance with the Rules of the Association.

(g) Use of Parking Spaces. The Parking Spaces may be used only for motor vehicle parking and other uses incidental to or consistent with motor vehicle parking. The Association may adopt Rules from time to time regarding use of the Parking Spaces, including, without limitation, assigning certain Parking Spaces that are General Common Elements to certain Units.

(h) Patio Areas. All Patio Areas are subject to any Rules adopted by the Board pertaining to such use, including, without limitation, Rules relating to hours of operation and acceptable noise levels.

(i) Courtyard. The Courtyard is subject to any Rules adopted by the Board pertaining to such use, including, without limitation, Rules relating to hours of operation and acceptable noise levels.

(j) Rooftop Terrace. The Rooftop Terrace may be used by the Owner of Unit C and its Permittees only in such a manner that does not interfere with or cause damage to any Building system, including the enclosure system. In addition, use of the Rooftop Terrace is subject to any Rules adopted by the Board pertaining to such use, including, without limitation, Rules relating to hours of operation and acceptable noise levels and any other Rules promulgated by the Board from time to time.

(k) Indemnity. Subject to Section 9.3, each Owner will be liable to and will protect, defend, indemnify and hold harmless the Association and the other Owners from and against any and all damages, claims, demands, liens (including, without limitation, mechanics' and materialmen's liens and claims), losses, costs and expenses (including, without limitation, reasonable attorneys' fees, court costs and other expenses of litigation) and liabilities of any kind or nature whatsoever (collectively referred to as "Claims") suffered or incurred by, or threatened or asserted against, the Association or any other Owner as a result of or in connection with (i) the willful misconduct, negligence or breach of the Act, this Declaration, the Bylaws or the Rules by the indemnifying Owner or its Permittees; (ii) any repair, restoration, replacement, alteration or other construction, demolition, installation or removal work on or about the Condominium Project contracted for, or performed by, the indemnifying Owner or its Permittees; (iii) the operation, use, ownership or maintenance of the indemnifying Owner's Unit by the indemnifying Owner or its Permittees; or (iv) the operation or use of any Common Element by the indemnifying Owner or its Permittees. The indemnifying Owner will pay for all Claims suffered or incurred by the Association for which the indemnifying Owner is responsible promptly upon receipt of a demand for payment from the Association. The amount of the Claims will constitute Special Assessments against the indemnifying Owner's Unit. If the indemnifying Owner fails to make such payment within 30 days after receipt of the Association's demand for it, the Association may take whatever lawful action it deems necessary to collect the payment including, without limitation, foreclosing its lien or instituting an action at law or in equity. Nothing in this Declaration relieves any Permittee from liability for its own acts or omissions.

4.4 Provisions Run with Land. Each Condominium, Owner, Permittee and Security Holder is subject to all provisions of this Declaration and those provisions are covenants running with the land or equitable servitudes, as the case may be, and bind every Person having any interest in the Condominium Project and inure to the benefit of every Owner.

4.5 Enforcement.

(a) This Declaration and the Bylaws constitute a general scheme benefiting each Unit and the Property as a whole and may be enforced by Declarant, the Association or an aggrieved Owner. A violation of any of the provisions of this Declaration or the Bylaws causes irreparable damage to the Property. Therefore, subject to the terms and conditions of this Section 4.5 and except as otherwise expressly provided elsewhere in this Declaration, Declarant, the Association and any aggrieved Owner may prosecute a proceeding at law or in equity against any Person violating or attempting to violate the provisions of this Declaration or the Bylaws, including, without limitation, an action for a temporary restraining order, preliminary injunction and permanent injunction.

(b) The Association may recover from any Person violating or attempting to violate any provision of this Declaration or the Bylaws reasonable attorneys' fees and other legal costs incurred by the Association in successfully enforcing the provision, regardless of whether suit is initiated. If the Person is an Owner, the amount of the fees and costs constitute a lien against the Owner's Unit which may be foreclosed in accordance with Section 7.5. In addition, if any Owner fails to comply with this Declaration, the Association may (i) temporarily suspend the Owner's right to use or enjoy any of the Common Elements; (ii) impose monetary penalties; and (iii) impose other appropriate measures; provided, however, that before imposing any of those measures (other than late charges, interest and reasonable collection costs relating to delinquent payments), the Board will promulgate Rules relating to those measures including provisions affording a defaulting Owner notice of the claimed default and an opportunity to be heard by the Board prior to the imposition of the disciplinary measure.

(c) Before an aggrieved Owner may prosecute any proceeding at law or in equity enforcing the provisions of this Declaration or the Bylaws or seeking other relief relating to a violation or attempted violation of the provisions of this Declaration or the Bylaws, the Owner will first give written notice to the Board specifying the violation or attempted violation of the provisions of this Declaration or the Bylaws, the facts and circumstances surrounding the violation, and the name of the Person alleged to have violated or attempted to violate the provisions of this Declaration or the Bylaws. The Board may initiate a proceeding in law or in equity to enforce the provisions of this Declaration or the Bylaws, to prevent a violation or to obtain damages for damage to the Common Elements resulting from the violation, or may otherwise enforce the provisions of this Declaration or the Bylaws. The aggrieved Owner may exercise any of its rights under Section 4.5(a) if (i) the violation or attempted violation results or would result in direct and immediate physical damage to the Owner's Unit; or (ii) the Association fails to enforce or cause enforcement of the violated provisions of this Declaration or the Bylaws within 60 days after the Board receives the Owner's notice.

4.6 Rules. In addition to the restrictions, conditions and covenants in this Article 4 concerning the use of the Condominium Project, the Board, from time to time, may promulgate

and amend reasonable Rules not in conflict with the Act, this Declaration or the Bylaws, including, without limitation, any Rules referenced in Section 4.3 and any Rules related to the Central Mechanical Equipment or use of utility services.

ARTICLE 5 OPERATION, MAINTENANCE AND REPAIR

5.1 Association's Duties. Subject to the provisions of Article 10 and Article 11, the Association has the following rights and responsibilities with respect to the operation, maintenance and repair of the Condominium Project:

(a) Maintenance of Common Elements Generally. The Association will maintain, repair, replace and restore the Common Elements (including, without limitation, the Central Mechanical Equipment), and the costs to do so will be included in Common Expenses, except to the extent paid by insurance or condemnation proceeds or by Owners pursuant to Sections 7.2(b) or 7.2(c).

(b) Central Mechanical Equipment. The Association will operate the Central Mechanical Equipment to provide the services and utilities supplied or delivered thereby to all of the Units and the Common Elements. The Association's costs to operate the Central Mechanical Equipment, including the costs of utilities and services not otherwise paid directly by the Owners, will be included in Common Expenses. The Association is not responsible if any utilities are unavailable through no fault of the Association.

(c) Election to Perform Owners' Duties. The Association may elect to maintain, repair, replace or restore any Unit that an Owner is required to maintain, repair, replace or restore pursuant to Section 5.2 if (i) the Owner has failed, for more than 30 days after notice from the Association, to maintain, repair, replace or restore its Unit as required under this Declaration; and (ii) the failure materially affects the appearance of the Unit when viewed from any area outside the Unit, or impairs the structural integrity or building systems of any portion of the Condominium Project, or has a materially adverse effect on the use of another Unit or a Common Element for its permitted and intended use. If, however, the required maintenance, repair, replacement or restoration cannot be cured because of its nature or scope within the 30-day period, the Association may not perform the repair, maintenance, replacement or restoration so long as such Owner commences performance of its obligations within the 30-day period and diligently completes it. The Owner will pay all costs incurred by the Association in accordance with this Section 5.1(c) upon receiving the Association's demand for payment. If the Owner fails to make the payment within 30 days of receiving a demand for it, the Association may take whatever lawful action it deems necessary to collect the payment including, without limitation, foreclosing its lien or instituting an action at law or in equity.

5.2 Owners' Duties.

(a) Units. Subject to the provisions of Article 10 and Article 11, each Owner will at its expense (i) maintain at all times in good and clean condition, and perform all required repairs, replacements or restorations of, its Unit, including, without limitation, all mechanical, electrical and plumbing systems, lines, equipment or components that are located in, are part of or

exclusively serve, the Unit; (ii) perform its responsibilities in a manner that does not unreasonably disturb other Owners or their Permittees; and (iii) promptly report to the Association any defect or need for repairs for which the Association is responsible.

(b) Damage Caused by Others. Subject to Section 9.3, each Owner will pay all costs of repair or replacement of any portion of the Condominium Project that is damaged or destroyed by reason of the willful misconduct, negligence or violation of any law, this Declaration, the Bylaws or the Rules by the Owner or any of its Permittees. The Owner will make the payment upon receipt of the Association's demand for it. If an Owner fails to make the payment within 30 days of receiving a demand for it, the Association may take whatever lawful action it deems necessary to collect the payment including, without limitation, foreclosing its lien or instituting an action at law or in equity.

5.3 Maintenance Standard. For the benefit of all Owners, each Owner and the Association will perform their respective maintenance and repair obligations under Sections 5.1 and 5.2 in a manner consistent with a first class office project located in the Denver, Colorado metropolitan area.

5.4 Management Contracts and Contracts with Declarant. Any agreement for the professional management of the Condominium Project, or any other contract providing for services of Declarant, may not exceed one year. Any such agreement or contract will provide for termination by either party without cause and without payment of a termination fee on not more than 90 days' written notice.

ARTICLE 6

THE ASSOCIATION AND BOARD

6.1 Formation of the Association; Membership. The Association will be formed no later than the date the first Unit is conveyed to an Owner other than Declarant. Each Owner is a member of the Association as soon and for so long as it is an Owner. Following a termination of the Condominium Project, the members of the Association will consist of all Owners entitled to share in the distribution of proceeds of a sale of the Property. Membership in the Association automatically terminates when a Person ceases to be an Owner, whether through sale, intestate succession, testamentary disposition, foreclosure or otherwise, and the new Owner automatically succeeds to that membership in the Association. The Association will recognize a new member upon presentation by a new Owner of satisfactory evidence of the sale, transfer, succession, disposition, foreclosure or other transfer of a Unit. Membership in the Association may not be transferred, pledged or alienated in any way, except to the new Owner upon conveyance of a Unit. Any prohibited transfer is void and will not be recognized by the Association.

6.2 Powers. The Association will serve as the governing body for the Condominium Project and has the responsibilities set forth in this Declaration and the Bylaws. The Association will have the powers described in §38-33.3-302 of the Act. This Declaration may not impose any limitations on the powers of the Association to deal with Declarant which are more restrictive than the limitations imposed on the power of the Association to deal with any other Person.

6.3 Bylaws. The Association may adopt Bylaws for the regulation and management of the Association, provided that the provisions of the Bylaws will not be inconsistent with the provisions of this Declaration or the Act. The Bylaws may include, without limitation, provisions regarding the voting rights of the Owners, the appointment or election of the Board, and the appointment or election of officers of the Association.

6.4 Budget.

(a) Preparation of Budget. Once the Association begins making General Assessments pursuant to Section 7.1, the Board will cause a proposed budget for the Association to be prepared and adopted annually, not less than 30 days prior to the beginning of each Fiscal Year of the Association.

(b) Ratification of Budget. Within 90 days after the Board adopts any proposed budget for the Association, the Board will mail, by ordinary first-class mail, or otherwise deliver a summary of the proposed budget to all Owners and will set a date for a meeting of the Owners to consider ratification of the proposed budget. Such meeting will occur within a reasonable time after mailing or other delivery of the summary. The Board will give notice to the Owners of such meeting as provided for in the Bylaws. The budget proposed by the Board does not require approval of the Owners and will be deemed approved by the Owners in the absence of a veto at such noticed meeting by Owners representing a majority of all the Units, whether or not a quorum is present. In the event that the proposed budget is vetoed, the periodic budget last proposed by the Board and not vetoed by the Owners will continue in effect until such time as a subsequent budget proposed by the Board is not vetoed by the Owners. For the first Fiscal Year of the Association, the Board may adopt Declarant's estimated budget for the Association and assess General Assessments pursuant to Section 7.1(a) of this Declaration based on it if the Board submits such budget to the Owners for ratification in accordance with this Section 6.4(b) within 60 days after adopting it.

ARTICLE 7 **ASSESSMENTS**

7.1 General Assessments. Each Unit is subject to assessments for the Unit's Common Allocation of all Common Expenses (the "General Assessments"). General Assessments will commence at the discretion of the Board. Until the Association begins making General Assessments, Declarant will pay the Common Expenses. General Assessments will be calculated, paid, adjusted and reconciled in accordance with the following provisions:

(a) Budget and Payment. The Board will assess General Assessments annually or for each Fiscal Year against each Unit based on the budget adopted by the Board and ratified by the Owners pursuant Section 6.4. Each Owner is obligated to pay the Association the General Assessments made against such Owner's Unit, and the payment will be due in equal monthly installments on or before the first day of each month of each Fiscal Year or in another reasonable manner designated by the Board. The Board's failure to fix the General Assessments prior to the commencement of any Fiscal Year will not be deemed a waiver or modification of any of the provisions of this Declaration or a release of any Owner from its obligation to pay the General

Assessments or any installment of them for that Fiscal Year, but the General Assessments fixed for the preceding Fiscal Year will continue until the Board fixes the new General Assessments.

(b) Adjustment. If, during any Fiscal Year, the Board determines that the estimated expenses or revenues of the Association, as set forth in the budget upon which the General Assessments were based, are in error for any reason (including, without limitation, nonpayment by any Owner of its General Assessments), then, to the extent the Board estimates that payments of General Assessments during the balance of the Fiscal Year will be inadequate or more than required to meet the Association's obligations intended to be covered by such General Assessments, the Board may amend the budget and increase or decrease the General Assessments for the balance of such Fiscal Year by giving not less than 30 days' prior notice to all Owners. Notwithstanding the previous sentence, however, if any amendments individually or in aggregate with all previous amendments in any Fiscal Year would increase the total General Assessments for a Fiscal Year by more than 10% of the General Assessments called for by the budget previously ratified by the Owners pursuant to Section 6.4, then the Board will submit the amendment for ratification by the Owners pursuant to Section 6.4 before increasing the General Assessments based on the amendment.

(c) Reconciliation. As soon as reasonably possible after the end of each Fiscal Year, the Board will reconcile the actual costs and expenses incurred by the Association during that Fiscal Year against the General Assessments that the Association received and intended to cover the costs and expenses. To the extent that any Owner has paid more than its proper share of the costs and expenses, the Board may either (i) refund the overpayment to the Owner; (ii) credit the overpayment against the Owner's General Assessments for the next Fiscal Year; or (iii) deposit the overpayment into the Reserve Fund if overpayments were received from all Owners in proportion to each Owner's Common Allocation. To the extent any Owner has underpaid its share of the costs and expenses, the Board may either (A) demand in writing that the Owner pay the amount of the underpayment of General Assessments to the Association within a time period specified by the Board, but not less than 30 days after the Board gives its demand to the Owner; or (B) include the underpayment in the Owner's General Assessments for the next Fiscal Year.

7.2 Special Assessments. The Association, in its discretion, may levy from time to time one or more special assessments ("Special Assessments") for the purpose of defraying in whole or in part the cost of any construction, restoration, repair or replacement of a capital improvement or for carrying out the other rights or responsibilities of the Association in accordance with this Declaration. Each Special Assessment will be allocated among the Units in accordance with the provisions Sections 7.2(a) through 7.2(e). Each Owner will pay all Special Assessments assessed against the Owner's Unit. Special Assessments will be paid at the time(s) and in the manner (for example, by lump sum payment or in installments) reasonably determined by the Board. The Board may require that Special Assessments be paid before the subject services or materials are provided.

(a) General Benefit Expenses. If the Association incurs any costs or expenses that benefit all Units (such as, for example, the costs of repairing damage to the lobby area of the Building) ("General Benefit Expenses"), then the Board, in its discretion, will assess the General Benefit Expenses as a Special Assessment against each Unit in amount equal to the General

Benefit Expense times such Unit's Common Allocation. The Board may assess Special Assessments for General Benefit Expenses without the approval of the Owners.

(b) Limited Benefit Expenses. If the Association incurs any costs or expenses that solely benefit one or more Units but less than all Units (such as, for example, the costs of repairing a utility line or Limited Common Element that serves only one or two Units but no others) ("Limited Benefit Expenses"), then the Board, in its reasonable discretion, will assess the Limited Benefit Expenses as a Special Assessment against the Unit or Units benefited by such Limited Benefit Expenses as follows: any Limited Benefit Expenses incurred for the benefit of only one Unit will be assessed solely to that Unit; and any Limited Benefit Expenses incurred for the benefit of two or more Units will, unless the Owners of all benefited Units otherwise agree to a different proportion, be assessed against each benefited Unit in proportion to the ratio of the Unit's Common Allocation to the sum of the Common Allocations of all benefited Units. The Board may assess Special Assessments for Limited Benefit Expenses without the approval of the Owners.

(c) Reimbursable Expenses. If the Association incurs any costs or expenses as a result of or in connection with (i) the cost of separately metered utilities for a particular Unit; (ii) an increase in any insurance premium for which an Owner is responsible pursuant to Section 4.3; (iii) subject to Section 9.3, the willful misconduct or negligence or violation of any applicable law or this Declaration by an Owner or its Permittees; or (iv) subject to Section 4.5, bringing an Owner or the Owner's Unit into compliance with the provisions of this Declaration (including, without limitation, Section 5.2) or any other document governing the Condominium Project; then, in each such event, the Board will assess the costs and expenses ("Reimbursable Expenses") as a Special Assessment against the Owner's Unit. The Board may assess Special Assessments for Reimbursable Expenses without the approval of the Owners.

(d) Restoration Deficit. If following any damage, destruction or Taking of the Common Elements, or any portion of them, the total costs of performing any restoration of the Common Elements required by this Declaration or the Act exceeds the amount of the insurance proceeds, condemnation award or other funds available for the cost of restoration (such as funds in the Reserve Fund), then the Board may assess Special Assessments to cover the deficit (a "Restoration Deficit"). The Board will assess against each Unit its Common Allocation of the Special Assessments for a Restoration Deficit. The Board may assess Special Assessments for a Restoration Deficit without the approval of the Owners.

(e) Voluntary Capital Expenses. Provided the requisite number of Owners petition the Board as provided below, the Board may make Special Assessments for the purpose of paying Voluntary Capital Expenses. "Voluntary Capital Expenses" includes any costs and expenses of any capital improvement to the Common Elements, including all design, construction and associated financing costs, except for (i) costs incurred in order to reduce Common Expenses (which costs will be included in Common Expenses); (ii) costs required to be incurred to cause the Condominium Project to comply with applicable law (which costs will be included in Common Expenses); and (iii) costs that constitute all or any part of a Restoration Deficit. Any petition before the Association (or Owners) to make a Special Assessment for Voluntary Capital Expenses must include provisions describing in detail the proposed improvements to be made and whether all of the Units, or one or more but less than all of the

Units, will be subject to the Special Assessment. If less than all of the Units will be subject to such Special Assessment, the proposal will also include provisions describing which Units will be subject to such Special Assessment and the manner in which the total amount of the Special Assessment will be allocated among the Units subject to it. In order to approve any Special Assessment for Voluntary Capital Expenses, the Board must be presented with a petition signed by Owners representing 100% of the votes in the Association that are allocated to the Units that will be subject to the Special Assessment. If the petition presented to the Board contains the requisite number of signatures, the Board will (subject to any approval right it has over the design of such proposed improvements pursuant to this Declaration) assess the total amount of a Special Assessment for Voluntary Capital Expenses against (1) all of the Units, if all of the Units are subject to the Special Assessment pursuant to the approved proposal, by allocating to each Unit its Common Allocation of the whole; or (2) the Units subject to the Special Assessment (if less than all) pursuant to the approved petition, by allocating to each Unit the portion of the Special Assessment specified in the approved proposal.

7.3 Reserve Fund Contributions. In order to provide additional funds for the Reserve Fund, upon the transfer of a Unit to a new Owner, a contribution to the Reserve Fund will be due from such new Owner in accordance with the terms of this Section 7.3. Upon the closing of the initial sale of a Unit to an Owner other than Declarant or an affiliate of Declarant, a contribution equal to half of the current monthly installment for General Assessments for the Unit is due from the new Owner. Upon each subsequent closing of a sale of such Unit, a contribution equal to then current amount of one monthly installment for General Assessments for the Unit is due from the new Owner. Amounts contributed to the Reserve Fund pursuant to this Section 7.3 do not constitute advance payments of General Assessments. Declarant may not use the Reserve Fund to defray any of Declarant's expenses, reserve contributions or construction costs or to make up any budget deficits.

7.4 Payment of Assessments; Notice and Acceleration. Each Owner will pay all General Assessments and Special Assessments (collectively, "Assessments") assessed against such Owner's Unit by the Board in accordance with the terms of this Declaration. Each Assessment is a separate, distinct and personal debt and obligation of the Owner against whose Unit the Assessment is assessed. All Assessments are payable in full without offset for any reason whatsoever. Each Owner's obligation to pay Assessments is entirely independent of any obligation of the Association to the Owner or of Declarant or any other Owner to that Owner. Any Assessment or installment of an Assessment not paid within 15 days after it becomes due is delinquent. If an Assessment or installment of an Assessment is delinquent, the Association may recover all of the following (collectively, the "Delinquency Costs"): (a) interest from the date due at the rate established from time to time by the Board (but not to exceed 21% per year); (b) late charges and other monetary penalties imposed by the Association pursuant to this Declaration and the Act; and (c) all collection and enforcement costs, including reasonable attorneys' fees, incurred by the Association.

7.5 Enforcement of Assessments. The amount of any delinquent Assessments (including any installments whose due dates are accelerated by the Board pursuant to Section 7.4) and associated Delinquency Costs may be enforced against the Owner liable for them in either or both of the following ways (to the extent permitted by law or regulation), at the option of the Board:

(a) Suit. The Association may bring a suit or suits at law to enforce the Owner's obligation to pay a delinquent Assessment (including any installments whose due dates are accelerated by the Board pursuant to Section 7.4) and associated Delinquency Costs. Each action will be brought in the name of the Association. Any judgment rendered in the action in favor of the Association will include a sum for reasonable attorneys' fees and costs incurred by the Association in bringing the action against the defaulting Owner. Upon full satisfaction of the judgment, the Association, by one of its officers, will execute and deliver to the judgment debtor an appropriate satisfaction of the judgment.

(b) Lien and Foreclosure. Assessments (including any installments whose due dates are accelerated by the Board pursuant to Section 7.4) and associated Delinquency Costs constitute a lien on the Units against which they are assessed from the date due. The lien is subject to the provisions of Section 38-33.3-316 of the Act. If an Assessment is delinquent, if the Association gives a notice concerning the delinquency that substantially complies with the provisions of Section 7.4, and if the delinquent Assessment is not paid in full by the due date specified in the notice, then the Association may foreclose the lien securing the Assessment, any installments whose due dates are accelerated by the Board pursuant to Section 7.4, and any associated Delinquency Costs in accordance with the laws of the State of Colorado, subject, however, to the protection afforded First Mortgagees pursuant to Section 16.3(b).

7.6 Disputes and Records. Any Owner or an Owner's authorized representative may inspect the books and records of the Association during business hours upon reasonable prior notice. If an Owner disputes the amount of any Assessment against its Unit and is unable to resolve the issue through an inspection of the Association's books and records, the Owner will pay in a timely manner the full amount of the disputed Assessment until, if ever, it is finally determined that the amount is incorrect (in which case the Association will promptly refund any overpayment). If the Owner fails to pay the disputed Assessment while the dispute is pending, the Association may immediately pursue any of its remedies for the failure (including, without limitation, suit against the Owner and/or foreclosure of its Unit) and the pendency of the dispute resolution proceeding is not a bar or defense to any actions by the Association.

7.7 Owners not Exempt from Liability. No Owner is exempt from liability for payment of Assessments by waiver of the use or enjoyment of any of the Common Elements, by abandonment of its Unit, or otherwise.

ARTICLE 8

ALTERATIONS

8.1 Permitted Unit Alterations. An Owner may make improvements or alterations to the Owner's Unit in accordance with and to the extent permitted by Section 38-33.3-211 of the Act.

8.2 Boundary Relocation. Subject to Section 2.9, the Owner(s) of one or more Unit(s) may make a Boundary Relocation affecting the Unit(s) owned by the Owner(s) in accordance with and to the extent permitted by Sections 38-33.2-212 and 38-33.3-213 of the Act.

8.3 Construction. Any Owner(s) performing any construction or demolition work permitted under this Declaration will comply with the following additional provisions:

(a) such Owner(s) will obtain all necessary permits and governmental authorizations for the alteration;

(b) the construction will comply with all applicable zoning and building codes and other applicable laws, ordinances and restrictive covenants;

(c) prior to commencing any construction, such Owner(s) will provide the Board with evidence sufficient to the Board that the contractor performing the work maintains worker's compensation insurance in the amount required by law and contractor's liability insurance with the limits the Board reasonably requires;

(d) such Owner(s) will cause the alteration to be constructed and completed diligently, in a good and workmanlike manner, and free and clear of all mechanics' and materialmen's liens and other claims or liens;

(e) during the construction process, such Owner(s) will, to the extent consistent with good construction practice, keep the area affected in a safe, neat and clean condition;

(f) such Owner(s) will minimize any impact from the construction process on other Units or Common Elements;

(g) such Owner(s) will perform the work, or cause the work to be performed, in a manner that maintains harmonious labor relations and does not interfere unreasonably with or delay the work of any other contractors then working anywhere on the Building;

(h) such Owner(s) will reimburse the Association for all costs incurred by the Association in connection with the work, such as the increase in costs of trash removal due to the performance of the alteration work; and

(i) such Owner(s) will pay or cause to be paid all costs of design and construction of the work.

8.4 Alteration of Common Elements.

(a) Except to the extent permitted in connection with a Boundary Relocation, no Owner or Owner's Permittee may construct anything upon, remove anything from, or alter any of the Common Elements, or paint, decorate or landscape any portion of the Common Elements without the consent of the Association. Without limiting the generality of the previous sentence, no Owner or Owner's Permittee may do anything which impairs or affects (i) the structural stability or building systems of the Condominium Project; or (ii) any Easement or right granted pursuant to this Declaration.

(b) Subject to Section 8.4(a), this Section 8.4(b) and all other provisions of this Declaration, the Owner of any Unit that includes within its horizontal boundaries more than one Floor of the Building, may penetrate the floor slab separating such Floors for the purpose of constructing an internal stair case connecting such Floors. Prior to commencing such work, the Owner will notify the Association in writing and provide the Association with construction plans and any other information reasonably requested by the Association demonstrating to the

reasonable satisfaction of the Association that the contemplated penetration of the floor slab and construction of an internal stair case will be consistent with the provisions of Section 8.4(a). In undertaking any such work, the Owner will:

- (i) obtain all necessary permits and governmental authorizations for the work;
- (ii) comply with all applicable zoning and building codes and other applicable laws;
- (iii) perform the work in a diligent, good and workmanlike manner, free and clear of all mechanics' and materialmen's liens and other claims and liens;
- (iv) during the construction process, to the extent required by good construction practices, keep the area affected thereby in a safe, neat and clean condition;
- (v) minimize any impact from the construction process on other Units or Common Elements; and
- (vi) comply with all construction and demolition requirements of Section 8.3.

(c) The Association may construct an alteration or improvement to a Common Element (a "Common Alteration") if (i) the Common Alteration does not permanently impair the structural stability or building systems of or lessen the support of any portion of the Condominium Project (provided, however, that any impairment will not be deemed permanent if it is susceptible of being cured and will be cured by the proposed Common Alteration); (ii) the Common Alteration does not have a materially adverse effect, either during construction or upon completion, upon the use of any Unit or Limited Common Element for its permitted purposes (unless the Owner of the affected Unit consents in writing to the Common Alteration); and (iii) the cost of the Common Alteration constitutes a Common Expense and a budget that includes such cost is ratified by the Owners pursuant to Section 6.4, or the cost of the Common Alteration constitutes a Voluntary Capital Expense and a Special Assessment is approved pursuant to Section 7.2(e). The Association will comply with the provisions of Section 8.3 (except Section 8.3(h)) in constructing any Common Alteration, as if the Association were an Owner.

8.5 Alterations by Declarant. Nothing in this Article 8 restricts or prohibits Declarant from making any alteration or improvement that Declarant has reserved the right to make pursuant to Section 2.12(a)(i) or 2.12(a)(ii). The provisions of this Article 8 do not apply to any alteration or improvement made by Declarant pursuant to Section 2.12(a)(i) or 2.12(a)(ii).

ARTICLE 9 INSURANCE

9.1 Association's Insurance. The Association has the following responsibilities with respect to insurance and, except as otherwise expressly provided in this Declaration, the cost of all insurance maintained by the Association under this Section 9.1 will be included in Common Expenses:

(a) Property Insurance. The Association will maintain property insurance in amounts, against risks, and containing provisions as the Board reasonably determines from time to time. At a minimum, the Association's insurance will insure against all risks of direct physical loss for 100% of the full replacement cost (at the time the insurance is purchased and at each renewal date) of (1) the Common Elements and all fixtures, improvements and alterations situated on or constituting a part of the Common Elements, (2) each Unit and all fixtures, improvements and alterations situated on or constituting a part of the Unit, and (3) any personal property of the Association situated in the Common Elements or used in the operation or maintenance of the Common Elements. The Association's insurance may exclude land, excavations, foundations and other items normally excluded from property policies and may provide for a deductible in an amount not to exceed a reasonable and prudent amount as determined by the Board. The Association's property insurance will be maintained in the name of the Association, for the use and benefit of all Owners, who shall be named as additional insureds. To the extent available such property insurance also will (i) contain no provisions by which the insurer may impose a so-called "co-insurance" penalty; (ii) permit a waiver of claims by the Association, and provide for a waiver of subrogation rights by the insurer as to claims against each Owner and the members of the Owner's household; (iii) be written as a primary policy, not contributing with and not supplemental to any coverage that any Owner carries; (iv) provide that, notwithstanding any provision that gives the insurer an option to restore damage in lieu of making a cash settlement, the option may not be exercised if the proper party(ies) elect(s) not to restore the damage in accordance with the provisions of this Declaration or the Act; (v) provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, voids the policy or is a condition to recovery under the policy; (vi) provide that it may not be canceled, nor may coverage be reduced, without 30 days prior notice to the Association and all additional insureds named in the policy; and (vii) include so-called "inflation guard," "building ordinance or law" and "steam boiler and machinery coverage" endorsements. If, as a result of any improvements or alterations made to a Unit by its Owner, the premium for the Association's property insurance policy is increased to an amount exceeding what the premium would have been if the Owner had not made the improvements or alterations, the Board may assess the amount of the increase in premium against the Owner's Condominium as a Reimbursable Expense pursuant to Section 7.2(c).

(b) Liability Insurance. The Association will maintain bodily injury and property damage liability insurance for the benefit of the Association and its officers, directors, agents and employees in amounts and with coverage as determined from time to time by the Board. All Owners shall be named as additional insureds for claims and liabilities arising in connection with the ownership, use or management of the Common Elements. Such liability insurance will have a combined single occurrence limit of not less than \$3,000,000 and, to the extent available on reasonable terms, will (i) be on a commercial general liability form; (ii) contain a "severability of interest" or "cross-liability" endorsement which precludes the insurer from denying the claim of any named or additional insured due to the negligent acts, errors or omissions of any other named or additional insured; (iii) permit a waiver of claims by the Association, and provide for a waiver of subrogation rights by the insurer as to claims against each Owner and the members of the Owner's household; (iv) be written as a primary policy, not contributing with and not supplemental to any coverage that any Owner may carry; (v) provide that no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, voids the policy or is a condition to recovery under the policy; (vi) insure all of the

named and additional insured parties against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the operation, use, ownership or maintenance of the Common Elements; and (vii) provide that it may not be canceled, nor may coverage be reduced, without 30 days' prior notice to the Association and all additional insureds named in the policy. The liability insurance required to be maintained under this Section 9.1(b) will not include coverage for any liability arising out of the operation, use, ownership or maintenance of any Unit.

(c) Worker's Compensation and Employer's Liability. The Association will maintain worker's compensation and employer's liability insurance as determined from time to time by the Board. At a minimum, the Association will maintain such insurance in amounts and with coverages required by applicable law.

(d) Automobile Insurance. If the Association operates owned, hired or non-owned vehicles, the Association will maintain comprehensive automobile liability insurance at a limit of liability of not less than \$500,000 for combined bodily injury and property damage.

(e) Directors' and Officers' Insurance. The Association will maintain directors' and officers' liability coverage in the amount it determines from time to time.

(f) Fidelity Insurance. The Association will maintain fidelity insurance covering losses resulting from dishonest or fraudulent acts committed by the Association's directors, officers, managing agents, trustees, employees or volunteers who manage the funds collected and held for the benefit of the Association. The policy will name the Association as the insured, include a provision requiring at least 10 days' written notice to the Association before any cancellation of, or material modification in, the policy, and provide coverage in an amount equal to at least two months' General Assessments against all Units, based on the General Assessments most recently approved by the Board. If the Association engages a managing agent that handles funds of the Association, the managing agent will also maintain fidelity insurance satisfying the foregoing requirements of the previous sentence and the Act and provide evidence of the coverage to the Board.

(g) Other Insurance. The Association may procure and maintain other insurance as the Board from time to time deems appropriate to protect the Association or the Owners.

(h) Licensed Insurers. All policies of insurance required to be maintained by the Association will be placed with insurers licensed in the State of Colorado.

9.2 Owners' Insurance. Each Owner has the following responsibilities with respect to insurance:

(a) Property Insurance. Each Owner will maintain at its expense (or will cause its Permittee to maintain at its expense) property insurance upon all of the improvements, fixtures, equipment and other personal property within the Owner's Unit or in any Limited Common Element allocated thereto, in such amounts, against such risk, and containing such provisions as the Owner may reasonably determine from time to time. Such property insurance will (i) permit a waiver of claims by the Owner, and provide for a waiver of subrogation rights by the insurer as to claims, against the Association, its Directors, officers, employees and agents, the other

Owners and their Permittees; (ii) be written as a primary policy, not contributing with and not supplemental to any coverage that the Association carries; and (iii) provide that, notwithstanding any provision that gives the insurer an option to restore damage in lieu of making a cash settlement, the option may not be exercised if the proper party(ies) elect not to restore the damage in accordance with the provisions of this Declaration or the Act. Notwithstanding that each Owner may select the amount and type of such insurance, for purposes of the waiver of claims set forth in Section 9.3, each Owner and its Permittee, if any, are deemed to have elected to obtain such insurance on a 100% replacement cost basis.

(b) Liability Insurance. Each Owner will maintain at its expense bodily injury and property damage liability insurance for the benefit of the Owner and any additional insureds it names, in amounts and with coverage as are from time to time customarily maintained by prudent owners of similar property; provided that such liability insurance will (i) have a combined single occurrence limit of not less than \$1,000,000; (ii) be written as a primary policy, not contributing with and not supplemental to any coverage that the Association or another Owner carries; and (iii) insure all of the named and additional insured parties against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the operation, use, ownership or maintenance of the Owner's Unit.

(c) Other Insurance. Each Owner may obtain additional insurance, at its own expense, affording personal property, condominium assessment, loss of rents, personal liability and any other coverage obtainable, to the extent and in the amount the Owner deems necessary to protect its interests. Any such insurance will permit the waivers of claims described in Section 9.3 and will provide that it is without contribution as against the insurance maintained by the Association.

(d) Assignment of Proceeds. If a casualty loss is sustained and there is a reduction in the amount of proceeds that would otherwise be payable under any policy of insurance carried by the Association due to the existence of any insurance carried by an Owner or Permittee, that Owner or the Owner of the Permittee's Unit is liable to the Association to the extent of the reduction and will pay the amount of the reduction to the Association upon demand; such Owner also hereby assigns the proceeds of its insurance, to the extent of such reduction, to the Association.

(e) Licensed Insurers. All policies of insurance required to be maintained by Owners will be placed with insurers licensed in the State of Colorado.

9.3 Waiver of Claims. The Association will make no claim against any Owner or its Permittees, for any loss, damage, injury or liability, no Owner or its Permittees will make any claim against the Association, its Directors, officers, employees or agents, or any other Owner or its Permittees for any property loss or damage to property, and all such claims are hereby waived, to the extent that the loss, damage, injury or liability is or would be covered by any insurance policy maintained, or required to be maintained pursuant to Section 9.1 or 9.2, by or for the benefit of the waiving Person (assuming in the case of property insurance policies that such insurance is maintained on a 100% replacement cost basis). For purposes of this Section 9.3, the deductible amount under any property insurance policy maintained by a waiving Person is deemed to be covered by the policy so that, in addition to waiving claims for amounts

in excess of the deductible (up to the covered limits of the policy), the waiving Person waives all claims for amounts within the deductible.

9.4 Proceeds. Except as provided in Section 9.2(d), the Association has no claim to and each Owner may receive all proceeds of any insurance policy maintained by such Owner. The Board is solely responsible for adjustment of any losses under insurance policies maintained by the Association and is hereby irrevocably appointed the agent of all Owners, Security Holders and other Persons having an interest in the Condominium Project for purposes of adjusting all claims arising under insurance policies maintained by the Association and executing and delivering releases when claims are paid. The Association may receive all proceeds of any insurance policy maintained by the Association, except other insured parties under liability insurance policies will be entitled to proceeds arising out of their insured losses. The Board will disburse the proceeds of any property insurance relating to damage to any Unit or Common Element in accordance with Section 10.2.

ARTICLE 10

CASUALTY

10.1 Restoration Decision. If any Unit or Common Element is damaged or destroyed by fire or other casualty (a "Casualty"), the provisions of this Article 10 apply. Promptly after any Casualty occurs, the Board will obtain at least two bids from licensed contractors for the full and lawful repair and restoration of all damaged Units and Common Elements. Upon receiving the bids and after sufficient discussions with the adjuster for the Association's insurer, the Board will notify the Owners of the amounts of the bids, the probable amount of insurance proceeds and other funds (such as funds in the Reserve Account) that are available for restoration, and whether, based on that information, the Board believes a Restoration Deficit will result if the Owners elect to fully restore all damaged Units and Common Elements. In the notice, the Board will also call a meeting of the Owners to vote on the question of whether to fully restore all damaged Units and Common Elements. The Association will fully restore the damaged Units and Common Elements to their condition prior to the Casualty and as required by law, and the Board will promptly enter into construction contracts and proceed with the restoration work, unless at the meeting:

(a) The Condominium Project is terminated under a Termination Agreement made pursuant to Article 12 and, prior to the stated expiration of the Termination Agreement, it becomes effective according to the provisions of Section 12.1; or

(b) 100% of all Owners vote (i) not to fully restore all damaged Units and Common Elements and not to terminate the Condominium Project; (ii) to approve plans and specifications for a limited restoration that will restore the damaged area to a condition compatible with the remainder of the Condominium Project and that may include, without limitation, demolition, restoration or alteration of all or part of any damaged Unit or Common Element; and (iii) to adopt, if applicable, an amendment to this Declaration (including the Map) to reflect the conversion of all or part of one or more damaged Unit(s) to Common Elements or of all or part of one or more damaged Common Element(s) to one or more Unit(s) and the corresponding reallocation of votes and interests allocated to the Units pursuant to this Declaration (which

reallocation will be based on the same formulas set forth in this Declaration for the allocations being changed).

If the Condominium Project is terminated and a Termination Agreement becomes effective pursuant to Section 12.1, the Association will perform limited restoration of the Units and Common Elements as necessary to return them to a safe, lawful and saleable condition. If the Owners vote not to fully restore all damaged Units and Common Elements and not to terminate the Condominium Project, the Association will perform the limited restoration and Record the amendment to this Declaration and the Map, if any, approved by the requisite number of Owners pursuant to Section 10.1(b). If, however, the Owners elect to fully restore all damaged Units and Common Elements, the Board will assess a Special Assessment pursuant to Section 7.2(d) to the extent necessary to cover any Restoration Deficit.

10.2 Disposition of Insurance Proceeds. All proceeds of property insurance received by or disbursed to the Association in connection with a Casualty will be applied first to the full or limited restoration of the damaged Units and Common Elements, as provided in Section 10.1, and then, if any insurance proceeds remain after the full or limited restoration, the excess proceeds will be paid to the Owners, subject to the rights of their Security Holders, as follows:

(a) if the Owners elect not to fully restore all damaged Units and Common Elements and to terminate the Condominium Project pursuant to Article 12, then each Owner will be paid its Unit's Termination Allocation of the excess proceeds pursuant to Section 12.3;

(b) if the Owners elect not to fully restore all damaged Units and Common Elements and not to terminate the Condominium Project, then any of such excess proceeds attributable to any damaged Units that are not restored or to any Common Elements that are not restored and were necessary for the use and enjoyment of any Units or Limited Common Elements that are not fully restored will be paid to the Owners of these Units or the Owners of the Units to which those Limited Common Elements are allocated to the extent of the insurance coverage allocated to those Units or Common Elements, and each Owner will be paid its Unit's Common Allocation of the remainder of the excess proceeds, if any; or

(c) if the Owners elect to fully restore all damaged Units and Common Elements, then each Owner will be paid its Unit's Common Allocation of the excess proceeds.

10.3 Manner of Restoration. The restoration of any Unit or Common Element under this Article 10 is subject to the following requirements:

(a) Plans. Except in the case of a limited restoration in accordance with Section 10.1(a) or 10.1(b), the restoration will be completed in accordance with the as-built plans and specifications of the Unit or Common Element immediately prior to the damage. Any deviation from the as-built plans and specifications is deemed an alteration and is subject to the terms and provisions of Article 8.

(b) Requirements. The Association will:

(i) obtain all necessary permits and governmental authorizations for the restoration;

(ii) comply with all applicable zoning and building codes and other applicable laws, ordinances and restrictive covenants;

(iii) perform the restoration in a diligent, good and workmanlike manner, free and clear of all mechanics' and materialmen's liens and other claims;

(iv) during the construction process, to the extent required by good construction practices, keep the area affected thereby in a safe, neat and clean condition;

(v) minimize any impact from the construction process on other Units or Common Elements or other portions of the Building; and

(vi) perform any restoration or construction work, or cause such work to be performed, in a manner that maintains harmonious labor relations and does not interfere unreasonably with or delay the work of any other contractors then working anywhere on the Condominium Project.

(c) Coordination by Association. The Association has full authority and responsibility to coordinate the manner of completion and scheduling of any restoration under this Article 10 to ensure the completion of the restoration in an efficient manner. Each Owner will cooperate and cause its contractors and agents to cooperate in the Association's coordination of any restoration. As used in this Article 10, a "restoration" will include any repair, replacement, restoration, reconstruction, construction or demolition required as a result of any damage or destruction.

10.4 No Abatement. Each Unit will continue to be subject to Assessments following any damage to or destruction of any portion of the Condominium Project, without abatement or modification as a result of the damage or destruction.

ARTICLE 11 **CONDEMNATION**

11.1 Taking of Condominiums. If all or a part of any Unit or the use of, but not title to, any Limited Common Element allocated to the Unit, is taken by the exercise of the power of eminent domain or is conveyed in lieu of such exercise (collectively, "Taking"), the Owner of the Unit is solely responsible for negotiating with the condemning authority concerning the award for the Taking and may receive the award after the liens of all Security Holders on the affected Unit or portion of it are satisfied or otherwise discharged. If only part of a Unit is acquired by a Taking, the Owner of the Unit is responsible for restoring the Unit as necessary to return the Unit to a safe and lawful condition that does not adversely affect the use or enjoyment of the other Units or Common Elements or detract from the general character or appearance of the Condominium Project. The plans and specifications for the restoration are subject to the Board's prior approval. The restoration will be completed in accordance with the approved plans and specifications and the provisions of Section 10.3(b), as if the Owner of the Unit to be restored were the Association. If a condemning authority acquires by a Taking all or a part of one or more Units in such a manner that such Unit(s) is or are no longer subject to this Declaration, then the Association will consider and pass, pursuant to Article 14, an amendment to this Declaration revising the Common Allocation of each of the remaining Units, and, if necessary, the allocation

of any Limited Common Element previously allocated to the Unit(s) that is or are no longer subject to this Declaration.

11.2 Taking of Common Elements. A "Common Element Taking" means any Taking by which a condemning authority acquires title to any Common Element. The Board is solely responsible for negotiating, and may negotiate with the condemning authority on behalf of all Owners concerning, the amount of the award for any Common Element Taking, and the Board's acceptance of an award is binding on all Owners. If a Common Element Taking occurs, the Association is responsible for restoring the remaining Common Elements as necessary to return them to a safe and lawful condition that does not adversely affect the use or enjoyment of the Units or other Common Elements or detract from the general character or appearance of the Condominium Project. If the net award (i.e., net of costs of collection) received by the Association from any Common Element Taking exceeds the amount actually incurred by it in connection with any required restoration of the Common Elements, the Association will pay or credit each Owner with its Unit's Termination Allocation of the excess condemnation award, as if the award resulted from a sale of the Condominium Project pursuant to Section 12.2; provided, however, that the valuation date used to determine the fair market value of each Unit pursuant to Section 12.3 for purposes of determining the Termination Allocations will be the date immediately preceding the earlier of the date that title or the date that possession is transferred to the condemning authority in connection with the Common Element Taking. If the net amount of the award so received is insufficient to effect such restoration, the Board may assess a Special Assessment to cover the Restoration Deficit in accordance with Section 7.2(d).

ARTICLE 12

TERMINATION

12.1 Termination Agreement. The Condominium Project may be terminated only pursuant to a written agreement to terminate executed and acknowledged (or ratified and acknowledged in writing) by the Owners of Units to which 100% of the votes in the Association are allocated and, during the Declarant Control Period, the consent of Declarant (a "Termination Agreement"). A Termination Agreement is effective when (a) the requisite number of Owners (and Declarant, when required) have executed and acknowledged it or a ratification of it, and (b) the Termination Agreement and all ratifications, if any, are Recorded. A Termination Agreement will state a date after which it is automatically void unless it is effective by that date. A Termination Agreement will also state that, when it becomes effective, the Condominium Project is deemed terminated and the Association will sell the Condominium Project, including all Units and Common Elements, on behalf of all Owners, upon terms and conditions of sale approved by the Board, provided that those terms will be at least as favorable as the minimum terms set forth in the Termination Agreement.

12.2 Sale of Condominium Project. When a Termination Agreement becomes effective, the Condominium Project is deemed terminated, the Association will sell the entire Condominium Project (i.e., all Units and all Common Elements) for the benefit of the Owners, and the resulting sales proceeds will be allocated in accordance with Section 12.3. Upon approval of a Termination Agreement, (a) each Owner (including Owners dissenting in any approval of a Termination Agreement) is deemed to grant the Association, acting through its officers under the authority of the Board, an irrevocable power of attorney, coupled with an interest, to sell the

Condominium Project for the benefit of the Owners, and (b) accordingly, the Association has full and complete authority, right and power to make, execute and deliver any contract, deed or other instrument necessary and appropriate to accomplish that purpose. Notwithstanding the termination of the Condominium Project, the Association (and its officers and the Board) will continue to exist and hold office, respectively, with all of its and their powers specified in this Declaration and the Bylaws (including, without limitation, the power to impose Assessments) until the Condominium Project is sold and all proceeds (i.e., sales proceeds and, if applicable, insurance proceeds or condemnation proceeds) are distributed. Unless otherwise specified in the Termination Agreement or otherwise precluded by law, until a sale of the Condominium Project is concluded, each Owner has an exclusive right to occupy its former Unit and remains liable for all Assessments and other obligations imposed on the Owner pursuant to this Declaration.

12.3 Proceeds. The Association will pay to each Owner its Unit's Termination Allocation of the net proceeds of the sale of the Condominium Project following termination of the Condominium Project (together with any insurance proceeds or condemnation proceeds). However, no payment will be made to an Owner until all liens on its Condominium are paid out of the Owner's share of the proceeds, in the order of priority of such liens. A Unit's "Termination Allocation" means the percentage obtained by dividing the fair market value of the Condominium of which the Unit is a part by the total fair market values of all Condominiums. The valuation date used in determining the fair market value of each Condominium is the date immediately prior to the date the Termination Agreement becomes effective (or, if the termination is attributable to a Casualty where the Owners elect to terminate the Condominium Project pursuant to Section 10.1(a), the valuation date is the date immediately prior to the date on which the Casualty occurred). The fair market value of each Condominium as of the appropriate valuation date will be determined by one or more independent appraisers selected by the Board. The Association will distribute to the Owners the values determined by independent appraisers. Those values are final and binding on all Owners for purpose of establishing the Termination Allocations unless within 30 days after distribution they are disapproved in writing by the Owners of Units to which at least 25% of the votes in the Association are allocated.

ARTICLE 13 TESTING FOR CONSTRUCTION DEFECTS

13.1 Testing for Construction Defects. The Association will not undertake or authorize any testing, including, without limitation, investigative testing, destructive testing or invasive testing of any kind for defects in construction of the Building without first determining, based upon the presence of some readily observable evidence or condition, that a defect may exist. In making such a determination the Board will rely on the opinions and/or the conclusions of a qualified expert (e.g. a structural engineer); even in the event such evidence or conditions exist, the Association will not be obligated to authorize or undertake such testing.

(a) In determining whether to authorize such testing, the Board will be governed by the following considerations:

(i) whether the Association's position is strong enough to justify taking any other or further action;

(ii) whether, although a technical violation may exist or may have occurred, it is of such a material nature as to be objectionable to a reasonable Person or to justify expending the Association's resources; and

(iii) whether it is in the Association's best interests, based upon hardship, expense, inconvenience or other reasonable criteria, to pursue the matter further.

(b) Notwithstanding the foregoing, under no circumstances will the Association authorize such testing as is contemplated under this Section 13.1 unless the nature of the suspected defect is such that:

(i) it poses a significant risk to life, health, safety or personal property; and

(ii) it threatens or affects the structural integrity, functionality, or performance of an Improvement for its intended use.

(c) In the event the Board decides not to undertake or authorize testing, such a decision will not be construed as a waiver of the Association's right to conduct testing at a later date or under other circumstances.

(d) In the event the Board undertakes or authorizes testing for construction defects, then prior to any testing taking place, Declarant will be entitled to notice of the alleged defect, access to the area of the alleged defect, and an opportunity to inspect the area and repair any defect that is found to exist. Declarant will also be entitled to be present during any testing and may record (via videotape, audio tape, still photographs, or any other recording method) all testing conducted and all alleged defects found.

(e) In the event that testing discloses any defects, Declarant will be given a reasonable amount of time, based on the nature and extent of the defect, to repair or correct the condition. If Declarant does not repair or correct the condition, the Board will have the right, but not the obligation, to proceed with a Dispute pursuant to Article 14. In determining whether to proceed with such a Dispute, the Board will be governed by the same standards as set forth in Section 14.1 below.

(f) In the event the Board decides not to proceed with a Dispute, such a decision will not be construed as a waiver of the Association's right to proceed with a Dispute at a later date or under other circumstances.

13.2 Inspection By Others; Waiver Of Post Inspection Liability. DECLARANT DID NOT CONSTRUCT THE BUILDING, BUT DID OWN THE BUILDING FOR A PERIOD OF TIME PRIOR TO THE CREATION OF THE CONDOMINIUM PROJECT DURING WHICH TIME CERTAIN IMPROVEMENTS WERE MADE TO THE BUILDING AND THE PROPERTY, BOTH SEPARATE FROM AND IN CONNECTION WITH THE CREATION OF THE CONDOMINIUM PROJECT. IT IS HEREBY EXPRESSLY UNDERSTOOD AND AGREED BY DECLARANT AND BY ANY OWNER UPON TAKING TITLE TO A UNIT THAT DECLARANT RELIED UPON GOVERNMENTAL INSPECTORS AND OTHER QUALIFIED SUBCONTRACTORS AND TRADESMEN FOR THE INSPECTION OF THE UNITS AND THE COMMON ELEMENTS AND VERIFICATION THAT THE UNITS AND

THE COMMON ELEMENTS ARE IN COMPLIANCE THE BUILDING CODES. EACH OWNER, BY TAKING TITLE TO A UNIT, WITHOUT RESERVATION FOREVER WAIVES ANY AND ALL RECOURSE (INCLUDING, BUT NOT LIMITED TO, ACTUAL, COMPENSATORY, NON-COMPENSATORY, COLORADO CONSUMER PROTECTION ACT, EXTRAORDINARY, PUNITIVE, OR PAIN AND SUFFERING DAMAGE CLAIMS) AGAINST DECLARANT OR ANY OF ITS AFFILIATES FOR THE VIOLATION OF ANY BUILDING CODES APPLICABLE TO THE UNITS AND THE COMMON ELEMENTS. AN OWNER'S SOLE RECOURSE FOR ANY VIOLATION WILL EXCLUSIVELY BE AGAINST THE SUBCONTRACTOR (INDIVIDUAL OR COMPANY), RESPONSIBLE FOR DESIGNING, INSTALLING OR SUPPLYING THE ITEM OR ITEMS VIOLATING SUCH CODE OR REGULATION, THE GOVERNMENTAL AGENCY OR THEIR AGENT, (INCLUDING BUT NOT LIMITED TO BUILDING DEPARTMENTS, AND PROFESSIONAL ENGINEERS OR COMPANIES THAT MAY BE EMPLOYED BY THE MUNICIPAL GOVERNMENT IN CHARGE, TO PROVIDE INSPECTION SERVICES) OR ENGINEERING FIRMS SUBCONTRACTED WITH TO PROVIDE INSPECTIONS ON BEHALF OF DECLARANT.

13.3 Design And Construction By Others. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY DECLARANT AND BY ANY OWNER, UPON TAKING TITLE TO A UNIT, THAT DECLARANT DID NOT DESIGN OR CONSTRUCT THE UNITS OR THE COMMON ELEMENTS AND EACH OWNER, BY TAKING TITLE TO A UNIT, FURTHER ACKNOWLEDGES AND ACCEPTS WITHOUT RESERVATION THAT DECLARANT IS NOT A LICENSED ENGINEER, ARCHITECT, PLUMBER, ELECTRICIAN OR HVAC CONTRACTOR AND IS NOT TO BE DEEMED AN EXPERT IN THESE OR OTHER TRADES REQUIRED TO DESIGN AND CONSTRUCT THE UNITS OR THE COMMON ELEMENTS. EACH OWNER, BY TAKING TITLE TO A UNIT, WITHOUT RESERVATION, FOREVER WAIVES ANY AND ALL RECOURSE (INCLUDING, BUT NOT LIMITED TO, ACTUAL, COMPENSATORY, NON-COMPENSATORY, COLORADO CONSUMER PROTECTION ACT, EXTRAORDINARY, PUNITIVE, OR PAIN AND SUFFERING DAMAGE CLAIMS) AGAINST DECLARANT OR ANY OF ITS AFFILIATES FOR THE VIOLATION OF ANY BUILDING CODES OR OTHER APPLICABLE REGULATIONS, NONCOMPLIANCE WITH STATE OR FEDERAL REGULATIONS, CONSTRUCTION OR OTHER DEFECTS OR SAFETY AND HABITABILITY DEFICIENCIES DISCOVERED SUBSEQUENT TO CLOSING.

13.4 Drainage and Soils Condition.

(a) Acknowledgment. THE SOILS WITHIN COLORADO CONSIST OF BOTH EXPANSIVE SOILS AND LOW-DENSITY SOILS WHICH MAY ADVERSELY AFFECT THE INTEGRITY OF THE UNITS AND THE COMMON ELEMENTS IF THE UNITS AND THE COMMON ELEMENTS ARE NOT PROPERLY MAINTAINED. EXPANSIVE SOILS CONTAIN CLAY MINERALS WHICH HAVE THE CHARACTERISTIC OF CHANGING VOLUME WITH THE ADDITION OR SUBTRACTION OF MOISTURE, THEREBY RESULTING IN SWELLING AND/OR SHRINKING SOILS. THE ADDITION OF MOISTURE TO LOW-DENSITY SOILS CAUSES A RE-ALIGNMENT OF SOIL GRAINS, THEREBY RESULTING IN CONSOLIDATION AND/OR COLLAPSE OF THE SOILS.

(b) Waiver of Liability of Declarant. BY TAKING TITLE TO A UNIT, EACH OWNER ACKNOWLEDGES AND AGREES THAT SUCH OWNER HAS WAIVED AND WILL BE DEEMED TO HAVE WAIVED THE RIGHT TO ANY AWARD OF DAMAGES AGAINST DECLARANT, ITS MANAGERS, MEMBERS, EMPLOYEES OR AGENTS FOR ANY LOSS OR DAMAGE TO ANY PORTION OF THE UNITS OR THE COMMON ELEMENTS CAUSED BY, RESULTING FROM OR IN ANY WAY CONNECTED WITH SOIL CONDITIONS ON OR UNDER THE UNITS OR THE COMMON ELEMENTS, INCLUDING SPECIFICALLY THE PRESENCE OF EXPANSIVE SOILS AND RADON GAS.

13.5 Use Of Manufactured Products. EACH OWNER, BY TAKING TITLE TO A UNIT, ACKNOWLEDGES THAT VARIOUS MANUFACTURED MATERIALS, COMPONENTS AND PRODUCTS ARE INCLUDED IN THE UNITS AND THE COMMON ELEMENTS. THESE PRODUCTS INCLUDE VARIOUS ITEMS SUCH AS ROOFING, WINDOWS, DOORS, ELECTRICAL FIXTURES, FURNACES, WATER HEATERS, PLUMBING FIXTURES, FAUCETS, CABINETS AND VARIOUS FLOORING AND COUNTER TOP MATERIALS. THE PRECEDING IS ONLY A PARTIAL LIST OF SUCH PRODUCTS. EACH OWNER, BY TAKING TITLE TO A UNIT, THEREFORE, FOREVER AND WITHOUT RESERVATION WAIVES ANY AND ALL RECOURSE (INCLUDING, BUT NOT LIMITED TO, ACTUAL, COMPENSATORY, NON-COMPENSATORY, COLORADO CONSUMER PROTECTION ACT, EXTRAORDINARY, PUNITIVE, OR PAIN AND SUFFERING DAMAGE CLAIMS), AGAINST DECLARANT OR ITS AFFILIATES FOR DEFECTS, DESIGN DEFICIENCIES, OR MISREPRESENTATIONS BY THE MANUFACTURER FOUND AND DISCOVERED SUBSEQUENT TO CLOSING AND WILL RELY SOLELY ON THE WARRANTY PROVIDED BY THE MANUFACTURER FOR SERVICE OR DEFECTS DIRECTLY RELATED TO MANUFACTURED MATERIALS, COMPONENTS OR PRODUCTS.

13.6 Environmental Disclaimer and Waiver. DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ENVIRONMENTAL CONDITION OF THE UNITS OR THE COMMON ELEMENTS. DECLARANT DOES NOT OWN THE ADJACENT PROPERTY, MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE ENVIRONMENTAL STATUS OF SUCH ADJACENT PROPERTY AND HAS NO CONTROL OVER ANY POTENTIALLY HAZARDOUS MATERIALS THAT MAY BE UTILIZED IN ANY COMMERCIAL ENTERPRISES OR PRESENT OR EMANATING FROM SUCH ADJACENT PROPERTY. EACH OWNER, BY TAKING TITLE TO A UNIT, WITHOUT RESERVATION FOREVER WAIVES ANY AND ALL RECOURSE (INCLUDING, BUT NOT LIMITED TO, ACTUAL, COMPENSATORY, NON-COMPENSATORY, COLORADO CONSUMER PROTECTION ACT, EXTRAORDINARY, PUNITIVE, OR PAIN AND SUFFERING DAMAGE CLAIMS) AGAINST DECLARANT OR ANY OF ITS AFFILIATES FOR ANY ENVIRONMENTAL CONTAMINATION OR DAMAGE THAT MAY BE CAUSED TO THE UNITS OR THE COMMON ELEMENTS, FROM WHATEVER SOURCE.

ARTICLE 14
DISPUTES, DISPUTE RESOLUTION AND LITIGATION

14.1 Consensus for Association Litigation. Except as provided in this Article 14, the Association may not commence a judicial or administrative proceeding, including, without limitation, any proceeding required under Section 14.6 below, without: (i) the approval of Owners to whom are allocated at least 80% of the votes in the Association; and (ii) the affirmative vote of Declarant so long as Declarant owns any Unit within the Condominium Project.

14.2 Actions Excluded from this Section. This Article 14 will not apply to: (i) actions brought by the Association against any Owner or by any Owner against the Association or another Owner to enforce any right or obligation declared by the Act, the terms of this Declaration (including, without limitation, the foreclosure of liens), the terms of the Bylaws, or decisions made by the Association pursuant to authority specifically granted to the Association in this Declaration and the Bylaws; (ii) the imposition and collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in actions instituted against it. This Article 14 will not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings, as provided for in this Article 14.

14.3 Declarant's Right to be Heard. Prior to the Association or any Owner commencing any judicial or administrative proceeding to which Declarant is a party and which arises out of an alleged defect in the Condominium Project or any improvement constructed as a part of the Condominium Project, Declarant will have the right to be heard by the Owners, or the particular Owner, and to access, inspect, correct the condition of, or redesign any portion of the Condominium Project, including any improvement as to which a defect is alleged. In addition, the Association or the Owner must notify the contractor or subcontractor who constructed the subject improvement prior to retaining any other expert as an expert witness or for other litigation purposes.

14.4 Alternative Method for Resolving Disputes. Declarant; the Association, its officers, directors, and committee members; any Owner; all Persons subject to this Declaration; and any Person not otherwise subject to this Declaration who agrees to submit to this Article 13 (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes involving the Condominium Project, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 14.5 (collectively, "Disputes"), to the procedures set forth in Section 14.6 of this Declaration.

14.5 Disputes. Unless specifically exempted below, all Disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, or the rights, obligations and duties of any Bound Party under this Declaration, or relating to the design or construction of improvements within the Condominium Project, including, without limitation, all Units and all Common Elements, are subject to the provisions of Section 14.6. Notwithstanding the above, unless all Parties thereto otherwise agree, the following will not be Disputes and will not be subject to the provisions of Section 14.6 of this Declaration:

- (a) any actions excluded under Section 14.2;
- (b) any suit by the Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to act under and enforce the provisions of Article 4;
- (c) any suit by an Owner to challenge the actions of Declarant, the Association or any committee with respect to the enactment and application of Rules;
- (d) any suit between or among Owners, to the extent such suit asserts a Dispute which would constitute a cause of action independent of this Declaration;
- (e) any suit in which any indispensable party is not a Bound Party; and
- (f) any suit as to which any applicable statute of limitations, has expired or would expire within 180 days of giving the Notice required by Section 14.6.

With the consent of all Parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.6.

14.6 Mandatory Procedures.

(a) Notice. Any Bound Party having a Dispute ("Claimant") against any other Bound Party ("Respondent") (the Claimant and the Respondent are referred to individually, as a "Party," or, collectively, as the "Parties") will notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (i) the nature of the Dispute, including the Persons involved and Respondent's role in the Dispute;
- (ii) the legal basis of the Dispute (i.e., the specific authority out of which the Dispute arises);
- (iii) the proposed remedy; and
- (iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Dispute.

(b) Negotiation and Mediation.

(i) The Parties will make every reasonable effort to meet in person and confer for the purpose of resolving the Dispute by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Dispute within 30 days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant will have 30 additional days to submit the Dispute to mediation under the auspices of an independent mediation service designated by the Association or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the Denver, Colorado metropolitan area.

(iii) If Claimant does not submit the Dispute to mediation within such time, or does not appear for the mediation, Claimant will be deemed to have waived the Dispute, and Respondent will be released and discharged from any and all liability to Claimant on account of such Dispute; provided, nothing herein will release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Any settlement of the Dispute through mediation will be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Dispute within 30 days after submission of the matter to the mediation, or within such other time as agreed to by the Parties, the mediator will issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice will set forth that the Parties are at an impasse and the date that mediation was terminated.

(v) Within five days of the Termination of Mediation, the Claimant will make a final written settlement demand ("Settlement Demand") to the Respondent, and the Respondent will make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice will constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent will be deemed to have made a "zero" or "take nothing" Settlement Offer.

(c) Final and Binding Arbitration.

(i) If the Parties do not agree in writing to a settlement of the Dispute within 15 days of the Termination of Mediation, the Claimant will have 15 additional days to submit the Dispute to arbitration in accordance with the Rules of Arbitration contained in the attached Exhibit D or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Dispute will be deemed abandoned, and Respondent will be released and discharged from any and all liability to Claimant arising out of such Dispute; provided, nothing herein will release or discharge Respondent from any liability to Persons other than Claimant.

(ii) This Section 14.6 is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award (the "Award") will be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

(d) Allocation of Costs of Resolving Disputes. Each Party, including, without limitation, any Owner and the Association, will share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs"). Under no circumstances will either Party be entitled to recover its Post Mediation Costs, including any attorneys' fees (except as specifically provided in the Act), from the other Party. BY TAKING TITLE TO A UNIT AND AS A MEMBER OF THE ASSOCIATION, EACH OWNER KNOWINGLY AND WILLINGLY ACKNOWLEDGES AND AGREES THAT SUCH OWNER AND THE ASSOCIATION HAVE WAIVED AND WILL BE DEEMED TO HAVE WAIVED THE RIGHT TO ANY AWARD OF ATTORNEYS' FEES (EXCEPT AS SPECIFICALLY PROVIDED IN THE ACT) IN CONNECTION WITH THE ARBITRATION OF A DISPUTE UNDER THIS Article 14.

(e) Limitation on Damages. No Party, including, without limitation, any Owner and the Association, will be entitled to receive any award of damages in connection with the arbitration of a Dispute other than such Party's actual damages, and Declarant, the Association and any Owner will be deemed to have waived their right to receive any damages in a Dispute other than actual damages, including, without limitation, attorneys' fees (except as specifically provided in the Act), special damages, consequential damages, and punitive or exemplary damages. BY TAKING TITLE TO A UNIT AND AS A MEMBER OF THE ASSOCIATION, EACH OWNER KNOWINGLY AND WILLINGLY ACKNOWLEDGES AND AGREES THAT SUCH OWNER AND THE ASSOCIATION HAVE WAIVED AND WILL BE DEEMED TO HAVE WAIVED, IN CONNECTION WITH THE ARBITRATION OF ANY DISPUTE UNDER THIS SECTION 14.6, THE RIGHT TO ANY AWARD OF CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR OTHER NON-COMPENSATORY DAMAGES OR SIMILAR DAMAGES, INCLUDING ALL DAMAGES FOR EMOTIONAL DISTRESS, WHETHER FORESEEABLE OR UNFORESEEABLE AND REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED ON (BUT NOT LIMITED TO) DISPUTES ARISING OUT OF BREACH OR FAILURE OF EXPRESS OR IMPLIED WARRANTY OR CONDITION, BREACH OF CONTRACT, VIOLATION OF BUILDING CODES (LOCAL, STATE OR FEDERAL), CONSTRUCTION DEFECTS, MISREPRESENTATION OR NEGLIGENCE OR OTHERWISE.

(f) Multiple Party Disputes. Multiple party disputes or Disputes not consolidated or administered as a class action pursuant to the following sentence will be subject to, and will be arbitrated individually. Only with the written request of all Parties involved, but not otherwise, the Arbitrator(s) (as defined in Exhibit D) may, in an arbitration proceeding conducted by Construction Arbitration Services, Inc. ("CAS"): (i) consolidate in a single arbitration proceeding any multiple party disputes that are substantially identical, and (ii) arbitrate multiple Disputes as a class action in accordance with the rules and procedures adopted by CAS.

(g) Enforcement of Resolution. If the Parties agree to a resolution of any Dispute through negotiation or mediation in accordance with Section 14.6 above and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with an Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in this Section 14.6. In such event, the Party taking action to enforce the agreement or Award will be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs to the extent specifically provided in the Act.

ARTICLE 15 **AMENDMENT**

15.1 Required Votes.

(a) Declarant, without the vote or consent of the Board or the Owners, may amend this Declaration or the Map to correct clerical, typographical or technical errors.

(b) Amendments to this Declaration contemplated by Sections 2.11(d), 8.2 and 11.1 may be made by the Board on behalf of the Association and do not require the approval of the Owners. Amendments to this Declaration contemplated by Sections 2.12(a)(ii) and 2.12(a)(iv) may be made by Declarant and do not require the approval of the Owners.

(c) Except as otherwise expressly permitted under this Declaration and the Act, any amendment to this Declaration that increases the Special Declarant Rights, increases the maximum number of Units, or changes the boundaries of any Unit or the allocated interests of any Unit, requires the vote or agreement of all of the Owners of Units to which at least 100% of the votes in the Association are allocated. If one Owner does not consent to any such amendment, then the other Owners who have consented to such amendment may submit the matter to mediation under the auspices of an independent agency providing dispute resolution services in the Denver, Colorado metropolitan area. All parties shall in good faith participate in such mediation. All costs of mediation will be paid by the Owners who submit the matter to mediation.

(d) Except as otherwise expressly permitted under the Act, any amendment to this Declaration that changes the uses to which any Unit is restricted requires the vote or agreement of the Owners of Units to which at least 100% of the votes in the Association are allocated. If one Owner does not consent to any such amendment, then the other Owners who have consented to such amendment may submit the matter to mediation under the auspices of an independent agency providing dispute resolution services in the Denver, Colorado metropolitan area. All parties shall in good faith participate in such mediation. All costs of mediation will be paid by the Owners who submit the matter to mediation.

(e) Any amendment to this Declaration that changes a specific clause or provision prescribing a certain percentage of affirmative votes or written consents for action to be taken under that clause or provision, requires the affirmative vote or written consent of those Owners

of Units to which at least that percentage (as prescribed in that clause or provision) of the votes in the Association are allocated.

(f) Any amendment to this Declaration made during the Declarant Development Period affecting a right that Declarant may exercise during that period requires the written approval of Declarant in each case.

(g) Except as provided in Sections 15.1(a) through 15.1(e), and subject to Section 15.1(f), this Declaration (including the Map) may be amended by the affirmative vote or written consent of the Owners of Units to which more than 100% of the votes in the Association are allocated. If one Owner does not consent to any such amendment, then the other Owners who have consented to such amendment may submit the matter to mediation under the auspices of an independent agency providing dispute resolution services in the Denver, Colorado metropolitan area. All parties shall in good faith participate in such mediation. All costs of mediation will be paid by the Owners who submit the matter to mediation.

15.2 Amending Documents. Except for any amendment that by the terms of this Declaration may be and is duly executed, acknowledged and Recorded by Declarant or by or on behalf of the Board, an amendment to this Declaration is effective only when all of the following events occur:

(a) Approved Writing. The amendment is reduced to a writing that is approved (by affirmative vote or written consent) by the Owners of Units to which at least the applicable required percentage of votes in the Association are allocated.

(b) Certificate by Association. A written certificate, executed and acknowledged by the president or any other authorized officer of the Association, is attached to the written amendment which states that the amendment was approved by the applicable required percentage of Owners pursuant to Section 15.1.

(c) Recording. The approved written amendment described in Section 15.2(a) and the certificate described in Section 15.2(b) are Recorded.

(d) Presumption of Validity. After an amendment to this Declaration is Recorded, a presumption exists that all votes and approvals regarding the amendment were duly obtained and satisfy the requirements of this Declaration. The presumption may be rebutted by an action commenced within one year from the date the amendment is Recorded; in the absence of an action commenced within the one-year period, the presumption is deemed conclusive.

ARTICLE 16 CONVEYANCING AND ENCUMBRANCING

16.1 Units. Any conveyance of a Unit includes an undivided interest in the Common Elements allocated to the Unit under this Declaration, regardless of whether the undivided interest is specifically described in the conveyance. A description of any Unit that sets forth (a) the identifying number of the Unit; (b) the name of the Condominium Project; (c) the date of recording and the recording data of this Declaration in the Records; and (d) the county in which the Condominium Project is located is, if included in an otherwise proper instrument, sufficient

for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit but also the undivided interest in the Common Elements, any rights to use any Limited Common Elements, and all Easements, rights and other benefits allocated or appurtenant to the Unit as provided in this Declaration. A Person who becomes an Owner will promptly notify the Association of its ownership of a Unit. An Owner may encumber its Unit as it sees fit, subject to the provisions of this Declaration.

16.2 Common Elements. Except as otherwise provided in Article 12 with respect to the termination of the Condominium Project, the Common Elements or portions of them may be conveyed or subjected to a lien or security interest by the Association in accordance with Section 38-33.3-312 of the Act, with the written approval of Owners of Units to which are allocated 100% of the votes in the Association. The conveyance or encumbrance does not affect the priority or validity of pre-existing encumbrances. Any net proceeds of the sale of a Common Element pursuant to this Section 16.2 will be distributed to the Owners in accordance with Article 11, as if the proceeds are an award paid as a result of the condemnation of the Common Element. If one Owner does not consent to any such action, then the other Owners who have consented to such action may submit the matter to mediation under the auspices of an independent agency providing dispute resolution services in the Denver, Colorado metropolitan area. All parties shall in good faith participate in such mediation. All costs of mediation will be paid by the Owners who submit the matter to mediation.

16.3 Transferee Liability.

(a) General. If any Unit is voluntarily or involuntarily transferred to any Person, the transferee of the Unit (the "Transferee") is liable for all Assessments or Assessment installments against the Unit beginning as of the time of transfer; provided that the Transferee's interest in the Unit is subject to the Association's lien for any unpaid Assessments as of the date of the transfer pursuant to this Declaration.

(b) First Mortgage Foreclosure. Any First Mortgage is subject to the Association's lien, and any First Mortgagee acquiring title to a Condominium through foreclosure of a First Mortgage is liable, for any unpaid Assessments (i) which are delinquent at the time the First Mortgage is Recorded, or (ii) which become due after the First Mortgage is Recorded to the extent of an amount equal to Assessments based on a budget adopted by the Board and ratified by the Owners pursuant to Section 6.4 that would have become due during the six-month period immediately before the Association or any Person holding a lien senior to any part of the Association's lien commences an action or a nonjudicial foreclosure either to enforce or extinguish the lien.

(c) Reallocation. Without releasing the transferor from any liability for any unpaid Assessments, any unpaid portion of an Assessment which is not a lien by operation of Section 16.3(b) is part of the Common Expenses and collectible from all Owners liable for Common Expenses, including a Transferee or a First Mortgagee acquiring title to a Unit through foreclosure of a First Mortgage.

16.4 Estoppel Certificates. Within 14 days after receiving a written request from any Owner, Security Holder or a designee of either of them, delivered personally or by certified mail, first-

class postage prepaid, return receipt requested, to the Association's registered agent, the Association will furnish to the requesting Party, by personal delivery or by certified mail, first-class postage prepaid, return receipt requested, an estoppel certificate executed by an officer of the Association and addressed to the requesting Party, stating any then unpaid Assessments due from the requesting Owner or the Owner of the Unit encumbered by the requesting Security Holder's Security for an Obligation, or stating that there are no unpaid Assessments due from such Owner, as the case may be. An estoppel certificate furnished by the Association pursuant to this Section 16.4 is binding on the Association, the Board and every Owner. Such Owner's Unit is not subject to a lien for any unpaid Assessments against the Unit to the extent that (a) the lien arises before the date of the certificate and the amount of the lien exceeds any unpaid amounts stated in the certificate, or (b) if the Association does not furnish an estoppel certificate pursuant to this Section 16.4, the unpaid Assessments are due as of the date of the request. The Association may charge the Owner of any Unit for which such an estoppel certificate is furnished, and the Owner will pay, a reasonable fee for the preparation of the estoppel certificate in an amount determined by the Board from time to time.

ARTICLE 17

GENERAL PROVISIONS

17.1 The Act; Severability. The Condominium Project and this Declaration will not be subject to the provisions of any amendment to or replacement of the Act which becomes effective after the date of Recording of this Declaration, unless the provisions of the amendment or replacement are expressly made binding upon existing condominiums. However, the Association may elect to subject the Condominium Project to any amendment or replacement by the affirmative vote of all Owners who would be required to approve an amendment to this Declaration pursuant to Section 15.1 concerning the subject matter contained in the amendment to or replacement of the Act. If any of the terms, conditions, provisions, sections or clauses of this Declaration conflict with any provision of the Act, the provisions of the Act control unless the Act permits this Declaration to override the Act, in which event this Declaration controls. The invalidity of any covenant, restriction, condition, limitation or provision of this Declaration or the application of any of them to any person or circumstance will not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any covenant, restriction, condition, limitation or provision to any other person or circumstances.

17.2 Interpretation of Declaration. The provisions of this Declaration will be liberally construed to effect its purpose of creating a uniform plan for the ownership and operation of class AA office building. Whenever appropriate, singular terms may be read as plural, plural terms may be read as singular, and the neuter gender may be read as the feminine or masculine gender. The titles, headings and captions used throughout this Declaration are for convenience only and may not be used to construe this Declaration or any part of it.

17.3 Notices. Except for notices concerning meetings of the Association or the Board, which will be given in the manner provided in the Bylaws, any notices required or permitted under this Declaration or the Bylaws to be given to any Owner, the Association, the Board or any Security Holder will be sent by certified mail, first-class postage prepaid, return receipt requested, to the intended recipient at, in the case of notices to an Owner, the address of such Owner at its Unit; in the case of notices to the Association or the Board, the address of the Association's registered

class postage prepaid, return receipt requested, to the Association's registered agent, the Association will furnish to the requesting Party, by personal delivery or by certified mail, first-class postage prepaid, return receipt requested, an estoppel certificate executed by an officer of the Association and addressed to the requesting Party, stating any then unpaid Assessments due from the requesting Owner or the Owner of the Unit encumbered by the requesting Security Holder's Security for an Obligation, or stating that there are no unpaid Assessments due from such Owner, as the case may be. An estoppel certificate furnished by the Association pursuant to this Section 16.4 is binding on the Association, the Board and every Owner. Such Owner's Unit is not subject to a lien for any unpaid Assessments against the Unit to the extent that (a) the lien arises before the date of the certificate and the amount of the lien exceeds any unpaid amounts stated in the certificate, or (b) if the Association does not furnish an estoppel certificate pursuant to this Section 16.4, the unpaid Assessments are due as of the date of the request. The Association may charge the Owner of any Unit for which such an estoppel certificate is furnished, and the Owner will pay, a reasonable fee for the preparation of the estoppel certificate in an amount determined by the Board from time to time.

ARTICLE 17

GENERAL PROVISIONS

17.1 The Act; Severability. The Condominium Project and this Declaration will not be subject to the provisions of any amendment to or replacement of the Act which becomes effective after the date of Recording of this Declaration, unless the provisions of the amendment or replacement are expressly made binding upon existing condominiums. However, the Association may elect to subject the Condominium Project to any amendment or replacement by the affirmative vote of all Owners who would be required to approve an amendment to this Declaration pursuant to Section 15.1 concerning the subject matter contained in the amendment to or replacement of the Act. If any of the terms, conditions, provisions, sections or clauses of this Declaration conflict with any provision of the Act, the provisions of the Act control unless the Act permits this Declaration to override the Act, in which event this Declaration controls. The invalidity of any covenant, restriction, condition, limitation or provision of this Declaration or the application of any of them to any person or circumstance will not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any covenant, restriction, condition, limitation or provision to any other person or circumstances.

17.2 Interpretation of Declaration. The provisions of this Declaration will be liberally construed to effect its purpose of creating a uniform plan for the ownership and operation of class AA office building. Whenever appropriate, singular terms may be read as plural, plural terms may be read as singular, and the neuter gender may be read as the feminine or masculine gender. The titles, headings and captions used throughout this Declaration are for convenience only and may not be used to construe this Declaration or any part of it.

17.3 Notices. Except for notices concerning meetings of the Association or the Board, which will be given in the manner provided in the Bylaws, any notices required or permitted under this Declaration or the Bylaws to be given to any Owner, the Association, the Board or any Security Holder will be sent by certified mail, first-class postage prepaid, return receipt requested, to the intended recipient at, in the case of notices to an Owner, the address of such Owner at its Unit; in the case of notices to the Association or the Board, the address of the Association's registered

agent; or in the case of notices to a Security Holder, its address most recently given to the Association by notice from the Security Holder. All notices are deemed given and received three business days after mailed as provided in the previous sentence. Any Owner or Security Holder may change its address for purposes of notice by notice to the Association in accordance with this Section 17.3. The Association or the Board may change its address for purposes of notice by notice to all Owners in accordance with this Section 17.3. Any such change of address is effective five days after the required notice is given.

17.4 Partition. The Common Elements are not subject to partition. Any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements made separately from the Unit to which that interest is allocated is void. Nothing in this Section 17.4 prevents the sale or encumbrance of all or a portion of the Common Elements in accordance with Section 16.2.

17.5 Assignment of Special Declarant Rights. Declarant may assign any or all of the Special Declarant Rights in accordance with Section 38-33.3-304 of the Act.

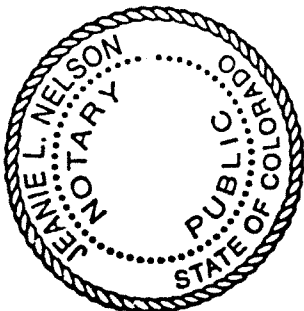
17.6 Taxation of Units. Upon Recording this Declaration, Declarant will deliver a copy of it to the assessor of Arapahoe County, Colorado in accordance with Section 38-33.3-105(2) of the Act. Each Unit, together with its Common Allocation of the Common Elements, constitutes a separate parcel for purposes of real estate assessment and taxation. The Common Elements will be assessed against each Unit in accordance with the Unit's Common Allocation and may not be separately assessed or taxed.

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IN WITNESS WHEREOF, Declarant has executed this Declaration.

DECLARANT:

D.G.S. DEVELOPMENT CORPORATION,
a Colorado corporation



By: Darell G. Schmidt
Name: Darell G. Schmidt
Title: President

STATE OF COLORADO)
) ss:
COUNTY OF Arapahoe)

The foregoing Declaration was acknowledged before me this 13th day of January, 2009, by Darell G. Schmidt as president of D.G.S. Development Corporation, a Colorado corporation.

Witness my hand and official seal.

My commission expires: 12-13-05

Jeanie L. Nelson
Notary Public

JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated October 1, 1998, and recorded October 8, 1998, at Reception No. A8161479 in the office of the Clerk and Recorder of Arapahoe County, Colorado, as amended and supplemented from time to time and the Deed of Trust dated September 11, 2000, recorded September 18, 2000, at Reception No. B0119289 and re-recorded December 5, 2000, at Reception No. B0157794 in the office of the Clerk and Recorder of Arapahoe County, Colorado, as amended and supplemented from time to time (collectively, the "Deeds of Trust"), for itself and its successors and assigns, approves the foregoing DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR 4 INVERNESS COURT EAST OFFICE CONDOMINIUMS, affecting the property encumbered by the Deeds of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to the Deeds of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by that Declaration.

COLORADO STATE BANK AND TRUST

By: Scott Radcliffe

Name: SCOTT RADCLIFFE

Title: VICE PRESIDENT

STATE OF COLORADO)
) ss:
COUNTY OF Denver)

The foregoing Joinder of Liener was acknowledged before me this 15th day of January, 2003, by Scott D. Radcliffe as Vice President of Colorado State Bank and Trust.

Witness my hand and official seal.

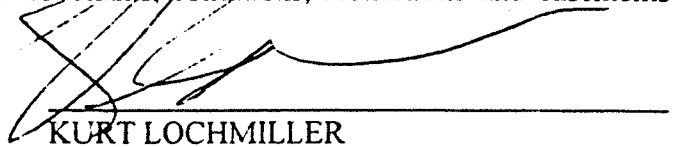
My commission expires: 6/24/06

Beth Mueller

Notary Public

JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated March 9, 2000, and recorded September 27, 2001, at Reception No. B1164664 in the office of the Clerk and Recorder of Arapahoe County, Colorado, as amended and supplemented from time to time and the Deed of Trust dated April 28, 2000, and recorded September 27, 2001, at Reception No. B1164665 in the office of the Clerk and Recorder of Arapahoe County, Colorado, as amended and supplemented from time to time (collectively, the "Deeds of Trust"), for itself and its successors and assigns, approves the foregoing DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR 4 INVERNESS COURT EAST OFFICE CONDOMINIUMS, affecting the property encumbered by the Deeds of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to the Deeds of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by that Declaration.

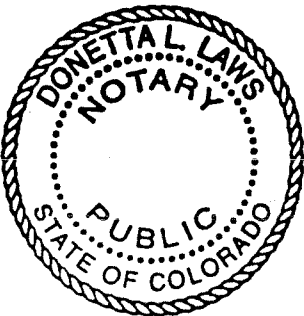

KURT LOCHMILLER

STATE OF COLORADO)
) ss:
COUNTY OF Arapahoe)

The foregoing Joinder of Liener was acknowledged before me this 29th day of January, 20003, by Kurt Lochmiller.

Witness my hand and official seal.

My commission expires: _____



My Commission Expires 05/28/2006

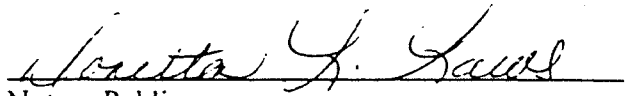

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lot 1, Block 1, Inverness Subdivision Filing No. 34, County of
Arapahoe, State of Colorado.

EXHIBIT B

COMMON ALLOCATIONS

Unit	Measured Area	Common Allocation
A	9,449	32.31%
B	10,664	36.46%
C	9,135	31.23%
TOTAL:	29,248	100.00%

EXHIBIT C

OTHER RECORDED EASEMENTS AND LICENSES AFFECTING THE PROPERTY

1. Covenants, conditions, restrictions, reservations and lien rights, which do not include a forfeiture or reverter clause, set forth in the Declaration, recorded April 18, 1973 in Book 2119 at Page 691, First Amendment recorded June 6, 1973 in Book 2134 at Page 406, Second Amendment recorded September 3, 1974 in Book 2271 at Page 233, Third Amendment recorded August 18, 1977 in Book 2636 at Page 182 and Fourth Amendment recorded May 22, 1978 in Book 2779 at Page 355, and any and all amendments thereto.
2. Right of Way Easement described in instrument recorded April 5, 1967 in Book 1703 at Page 210 and conveyed in instrument recorded September 26, 1955 in Book 936 at Page 76.
3. An easement for utility lines and all fixtures and devices used or useful in the operation of said lines and incidental purposes granted to Public Service Company of Colorado by the instrument recorded March 22, 1995 in Book 7895 at Page 740.
4. Easements and notes which appear on the plat of 1st Amended Plat of Inverness Subdivision Filing No. One filed April 9, 1974 in Map Book 26 at Page 35.
5. An easement for utility lines and all fixtures and devices used or useful in the operation of said lines and incidental purposes granted to Public Service Company of Colorado by the instrument recorded June 20, 1979 in Book 3016 at Page 722.
6. Terms, conditions, provisions, agreements, obligations and easements contained in the Standard Avigation and Hazard Easement recorded October 29, 1998 at Reception No. A8172379.
7. Easements and notes as shown on Plat of Inverness Subdivision Filing No. 31 recorded February 4, 1999 at Reception No. 9020014.
8. Terms, conditions, provisions, agreements, obligations and easements contained in the Access Easement Agreement recorded July 22, 1999 at Reception No. 9119496.
9. Easements and notes as shown in the Plat of Inverness Subdivision Filing No. 34 recorded July 20, 1999 at Reception No. 9117527.

EXHIBIT D

ARBITRATION RULES

1. Claimant will submit a Dispute to arbitration under these arbitration rules by giving written notice to all other Parties stating plainly and concisely the nature of the Dispute, the remedy sought and Claimant's submission of the Dispute to arbitration ("Arbitration Notice").
2. Any arbitration conducted under these arbitration rules and in connection with any Dispute arising out of or relating to the interpretation, application, or enforcement of the Declaration, or relating to the design or construction of the Condominium Project or any of the Common Elements, will be conducted by Construction Arbitration Services, Inc. ("CAS") and will conform with and be subject to the rules and procedures adopted and routinely applied by CAS.
3. The Parties will select a panel of arbitrators (the "Panel") as follows ("Party Appointed Arbitrators"): all of the Claimants will agree upon one Party Appointed Arbitrator, and all the Respondents will agree upon one Party Appointed Arbitrator. The Party Appointed Arbitrators will, by agreement, select one additional arbitrator ("Additional").
4. If the Panel is not selected under paragraph 2 of these arbitration rules within 45 days from the date of the Arbitration Notice, any Party may notify the nearest chapter of The Community Associations Institute for any dispute arising under the Condominium Instruments or rules and regulations, or CAS for any dispute relating to the design or construction of improvements on the Condominium Project, which will appoint one Additional ("Appointed Additional") and will notify the Appointed Additional and all Parties in writing of such appointment. The Appointed Additional will thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees will have no further duties involving the arbitration proceedings.
5. No Person may serve as an Additional in any arbitration in which that Person has any financial or personal interest in the result of the arbitration. Any Person designated as a Additional or Appointed Additional will immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Additional or Appointed Additional after receipt of that Additional's Bias Disclosure, such Additional or Appointed Additional will be replaced in the same manner in which that Additional or Appointed Additional was selected.
6. The Appointed Additional or Additional, as the case may be ("Arbitrator") will fix the date, time and place for the hearing. The place of the hearing will be within the Condominium Project unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator will take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

7. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but will hear Claimant's case and decide accordingly.
8. All Persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator will determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.
9. The hearing will be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.
10. Notwithstanding the foregoing, multiple party disputes or claims not consolidated or administered as a class action pursuant to the following sentence will be subject to, and will be arbitrated individually. Only with the written request of all Parties involved, but not otherwise, the Arbitrator(s) may, in an arbitration proceeding conducted by CAS: (i) consolidate in a single arbitration proceeding any multiple party claims that are substantially identical, and (ii) arbitrate multiple claims as a class action in accordance with the rules and procedures adopted by CAS.
11. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance will be determined by the Arbitrator in the Arbitrator's discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration, and will immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional will be replaced by another independent licensed professional selected by the Arbitrator.
12. No formal discovery will be conducted in the absence of order of the Arbitrator or express written agreement among all the Parties. The only evidence to be presented at the hearing will be that which is disclosed to all Parties at least 30 days prior to the hearing; provided, however, no Party will deliberately withhold or refuse to disclose any evidence which is relevant and material to the Dispute, and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Dispute, and will produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Dispute. The Arbitrator will be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence will not be necessary. The Arbitrator will be authorized, but not required, to administer oaths to witnesses.
13. The Arbitrator will declare the hearings closed when satisfied the record is complete.

14. There will be no post hearing briefs.
15. The Award will be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award will be in writing, will be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it will be in summary form.
16. Except with respect to awards of attorneys' fees and expenses to the extent expressly provided in the Declaration, no Party will be entitled to receive any award of damages in connection with the arbitration of a Dispute other than such Party's actual damages. All Parties to an arbitration conducted under these Rules will be deemed to have waived their right to receive any damages other than actual damages, including, without limitation, special damages, consequential damages, and punitive or exemplary damages.

Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
4 INVERNESS COURT EAST OFFICE CONDOMINIUMS**

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 4 INVERNESS COURT EAST OFFICE CONDOMINIUMS (this "Amendment") is made as of February 9, 2004, by D.G.S. DEVELOPMENT CORPORATION, a Colorado corporation ("DGS").

Recitals

This Amendment is made with respect to the following facts:

A. 4 Inverness Court East Office Condominiums (the "Project") was created as a condominium project pursuant to the Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums recorded in the real property records of the Clerk and Recorder of Arapahoe County, Colorado (the "Records") on February 11, 2003, at Reception No. B3031499 (the "Original Declaration"). The Original Declaration was amended pursuant to that certain Amendment to Declaration recorded in the Records on March 7, 2003, at Reception No. B3051479 (the "First Amendment"). The Original Declaration as amended by the First Amendment is referred to as the "Declaration". In conjunction with the recording of the Original Declaration, DGS, as the "Declarant" under the Declaration, recorded the Condominium Map of 4 Inverness Court East Office Condominiums (the "Original Condominium Map") in the Records on February 11, 2003, at Reception No. 3031512. Capitalized terms used in this Amendment but not defined have the meanings given to them in the Declaration.

B. DGS is the "Declarant" under the Declaration, and DGS holds fee simple title to Unit B, as described in the Declaration and the Original Map, of the Project. Pursuant to the terms and conditions of the Declaration, the Declarant Development Period is in effect.

C. Declarant desires to make a Boundary Relocation in accordance with Section 2.12(a)(ii) of the Declaration to divide Unit B into a total of four Units, to be known as Unit D, Unit E, Unit E-1 and Unit F.

Amendment

NOW, THEREFORE, upon the recording of this Amendment in the Records maintained by the Clerk and Recorder of Arapahoe County, Colorado, the Declaration shall be amended as stated herein.

1. Boundary Relocation of Unit B. Pursuant to Section 2.12(a)(ii) of the Declaration, the boundaries of Unit B are hereby modified from those as depicted on the Original Condominium Map to those as depicted on the First Amendment to Condominium Map for 4 Inverness Court East Office Condominiums as described in Section 2 below (the "First Amendment to Condominium Map"). This boundary relocation will result in the subdivision of Unit B into four Units and Common Elements. Such Units are identified and depicted as Unit D,

Ja

RECEIVED IN THIS CONDITION

2-4

Unit E, Unit E-1, and Unit F on the First Amendment to Condominium Map. There will be no Unit B. Such Common Elements are identified and depicted on the First Amendment to Condominium Map.

2. First Amendment to Condominium Map. Simultaneously with the recording of this Amendment in the Records, Declarant shall record the First Amendment to Condominium Map in the Records showing the dimensions and boundaries of Units D, E, E-1, and F. The newly created Common Elements are also depicted on the First Amendment to Condominium Map.

3. Amendment of Exhibit B. Exhibit B of the Declaration is hereby deleted and replaced in its entirety with Exhibit B attached to this Amendment.

4. No Exhibits A, C or D. There is no Exhibit A, Exhibit C, or Exhibit D attached or made part of this Amendment.

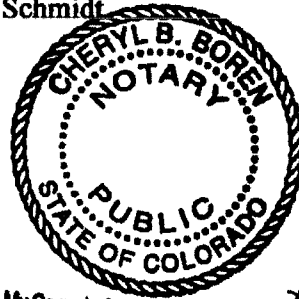
5. Effect. Except as expressly provided in this Amendment, the Declaration has not been amended or modified, and, as modified by this Amendment, the Declaration remains in full force and effect.

IN WITNESS WHEREOF, Declarant has executed this Amendment.

DECLARANT:

D.G.S. DEVELOPMENT CORPORATION,
a Colorado corporation

By: Darell G. Schmidt
Darell G. Schmidt
President



STATE OF COLORADO)
) ss:
COUNTY OF Arapahoe)

The foregoing Amendment was acknowledged before me the 11th day of February, 2004, by Darell G. Schmidt as President of D.G.S. Development Corporation, a Colorado corporation.

Witness my hand and official seal.

My commission expires: October 6, 2007

Cheryl B. Boren

3-4

Notary Public

JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated October 1, 1998, and recorded October 8, 1998, at Reception No. A8161479 in the office of the Clerk and Recorder of Arapahoe County, Colorado, as amended and supplemented from time to time (the "Deed of Trust") for itself and its successors and assigns approves the foregoing Amendment to Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums, affecting the property encumbered by the Deed of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to the Deed of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by the Declaration as amended hereby.

COLORADO STATE BANK AND TRUST

By: Scott Radcliffe V.P.
Name: SCOTT RADCLIFFE
Title: VICE PRESIDENT

STATE OF COLORADO)
) ss:
COUNTY OF Denver)

The foregoing Amendment was acknowledged before me this 10 day of FEBRUARY, 2004, by SCOTT RADCLIFFE as Vice President of Colorado State Bank and Trust.

Witness my hand and official seal.

My commission expires: My Commission Expires 11/06/2007

Stefanie A. McGill
Notary Public



4-4

EXHIBIT B
COMMON ALLOCATIONS

Unit	Measured Area	Common Allocation
A	9,449	32.41%
C	9,135	31.33%
D	5,289	18.14%
E	1,950	6.69%
E-1	1,004	3.44%
F	2,328	7.98%
TOTAL:	29,155	100.00%

* There is no Unit B.

AFTER RECORDING, RETURN TO:
Deerwood Development Group, Inc.
4 Inverness Court East, Suite 150
Englewood, Colorado 80112
Attn: Cheryl Boren

NO DOCUMENTARY FEE REQUIRED.
Scrivener's Affidavit given to correct
Amendment to Declaration recorded May
23, 2006, at Reception No. B6076929.

Cross-reference to instruments recorded at Reception Nos. B3031512, B3051479, B4025619, B6076929 and B6093052.

AFFIDAVIT AND ACKNOWLEDGMENT PURSUANT TO C.R.S. § 38-35-109(5)
REGARDING SCRIVENER'S ERRORS IN AMENDMENTS TO THE DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
4 INVERNESS COURT EAST OFFICE CONDOMINIUMS ("AFFIDAVIT")

Affiant, Darell G. Schmidt, being first duly sworn upon oath deposes and says:

1. Affiant states that he is President of the 4 Inverness Court East Condominium Association, Inc., a Colorado nonprofit corporation (the "Association"), and that he has actual knowledge of, and is competent to testify to, the facts contained herein.
2. Affiant further states that on February 11, 2003, a condominium community known as 4 Inverness Court East Office Condominiums (the "Condominium Project") was created by the recording of the Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums (the "Declaration") at Reception No. B3031499, and the recording the Condominium Map of 4 Inverness Court East Office Condominiums (the "Condominium Map") at Reception No. B3031512, in the real property records of Arapahoe County, Colorado.
3. Affiant further states that on March 7, 2003, an Amendment to Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums (the "First Amendment") was recorded at Reception No. B3051479 in the real property records of Arapahoe County, Colorado.
4. Affiant further states that on February 11, 2004, a Second Amendment to Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums (the "2004 Second Amendment") was recorded at Reception No. B4025619 in the real property records of Arapahoe County, Colorado.
5. Affiant further states that on May 23, 2006, another Second Amendment to Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums (the "2006 Third Amendment") was recorded at Reception No. B6076929 in the real property records of Arapahoe County, Colorado.
6. Affiant further states that on June 23, 2006, a Third Amendment to the Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums (the "Third Amendment") was recorded at Reception No. B6093052 in the real property records of Arapahoe County, Colorado.

7. Affiant further states that the 2006 Second Amendment, although bearing the same title as the 2004 Second Amendment, is a separate and distinct legal document from the 2004 Second Amendment. The Exhibit B attached to the 2006 Second Amendment is correct and is the current Exhibit B to the Declaration, and supercedes any and all prior versions of "Exhibit B."

8. Affiant further states that the 2006 Second Amendment contained several scrivener's errors within its Recitals, including stating the incorrect reception number of the First Amendment, and failing to reference the 2004 Second Amendment as an amending document to the Declaration.

9. Affiant further states that this Affidavit contains the correct title and recording information for the amendments of record to the Declaration, and any recording information referenced in the Third Amendment, or any other amendment to the Declaration, that does not comport with the recording information as described in this Affidavit is incorrect.

10. Affiant further states that nothing contained in this Affidavit shall be construed in any way to amend or constitute a further amendment to the Declaration.

11. Affiant acknowledges that he is testifying as to the above-described scrivener's error under penalty of perjury, and is making this Affidavit for the purpose of correcting such scrivener's error pursuant to C.R.S. § 38-35-109(5).

Dated this 30th of November, 2006.

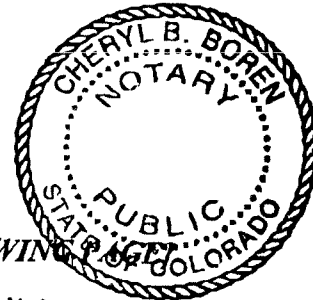
Darell G. Schmidt
Darell G. Schmidt

STATE OF COLORADO)
) ss
COUNTY OF Arapahoe)

The foregoing Affidavit was subscribed and sworn to before me before me this 30th day of November, 2006 by Darell G. Schmidt.

Witness my hand and official seal.

My Commission expires: Oct. 6, 2007
Cheryl B. Boren
Notary Public



ACKNOWLEDGMENT CONTINUED ON FOLLOWING PAGE

My Commission Expires 10/06/2007

ACKNOWLEDGEMENT

The Association hereby acknowledges and agrees that everything stated and contained within this Affidavit is true and correct, and the Association consents to the recording of this Affidavit in the real property records of the Arapahoe County, Colorado.

4 INVERNESS COURT EAST OFFICE
CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: Darell G. Schmidt
Darell G. Schmidt, President

STATE OF COLORADO)
) ss
COUNTY OF Arapahoe)

The foregoing Affidavit was acknowledged before me this 30th day of November, 2006, by Darell G. Schmidt, as President of 4 Inverness Court East Condominium Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

My Commission expires: Oct. 6, 2007

Cheryl B. Boren
Notary Public

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
4 INVERNESS COURT EAST OFFICE CONDOMINIUMS**

1-3

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 4 INVERNESS COURT EAST OFFICE CONDOMINIUMS (this "Amendment") is made as of April 5, 2006, by D.G.S. DEVELOPMENT CORPORATION, a Colorado corporation ("DGS").

Recitals

This Amendment is made with respect to the following facts:

A. 4 Inverness Court East Office Condominiums (the "Project") was created as a condominium project pursuant to the Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums recorded in the real property records of the Clerk and Recorder of Arapahoe County, Colorado (the "Records") on February 11, 2003, at Reception No. 3031499 (the "Original Declaration"). The Original Declaration was amended pursuant to that certain Amendment to Declaration recorded in the Records on February 11, 2003, at Reception No. 3031499 (the "First Amendment"). The Original Declaration as amended by the First Amendment is referred to as the "Declaration". In conjunction with the recording of the Original Declaration, DGS, as the "Declarant" under the Declaration, recorded the Condominium Map of 4 Inverness Court East Office Condominiums (the "Original Condominium Map") in the Records on February 11, 2003, at Reception No. 3031512. Capitalized terms used in this Amendment but not defined have the meanings given to them in the Declaration.

B. DGS is the "Declarant" under the Declaration, and DGS holds fee simple title to Unit B, as described in the Declaration and the Original Map, of the Project. Pursuant to the terms and conditions of the Declaration, the Declarant Development Period is in effect.

C. Declarant desires to make a Boundary Relocation in accordance with Section 2.12(a)(ii) of the Declaration to divide Unit B into a total of four Units, to be known as Unit D, Unit E, Unit E-1 and Unit F.

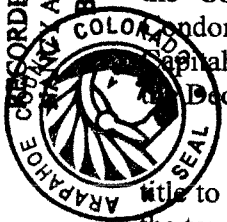
Amendment

NOW, THEREFORE, upon the recording of this Amendment in the Records maintained by the Clerk and Recorder of Arapahoe County, Colorado, the Declaration shall be amended as stated herein.

1. Boundary Relocation of Unit B. Pursuant to Section 2.12(a)(ii) of the Declaration, the boundaries of Unit B are hereby modified from those as depicted on the Original Condominium Map to those as depicted on the First Amendment to Condominium Map for 4 Inverness Court East Office Condominiums as described in Section 2 below (the "First Amendment to Condominium Map"). This boundary relocation will result in the subdivision of

CERTIFIED TO BE A FULL, TRUE, AND CORRECT COPY OF THE
RECORDED DOCUMENT IN MY CUSTODY. DATE OCT-1 9 2006

BY Nancy A. Doty, ARAPAHOE COUNTY CLERK & RECORDER



Unit B into four Units. Such Units are identified and depicted as Unit D, Unit E, Unit E-1, and Unit F on the First Amendment to Condominium Map. There will be no Unit B.

2. First Amendment to Condominium Map. Simultaneously with the recording of this Amendment in the Records, Declarant shall record the First Amendment to Condominium Map in the Records showing the dimensions and boundaries of Units D, E, E-1, and F. The newly created Common Elements are also depicted on the First Amendment to Condominium Map.

3. Amendment of Exhibit B. Exhibit B of the Declaration is hereby deleted and replaced in its entirety with Exhibit B attached to this Amendment.

4. No Exhibits A, C or D. There is no Exhibit A, Exhibit C, or Exhibit D attached or made part of this Amendment.

5. Effect. Except as expressly provided in this Amendment, the Declaration has not been amended or modified, and, as modified by this Amendment, the Declaration remains in full force and effect.

IN WITNESS WHEREOF, Declarant has executed this Amendment.

DECLARANT:

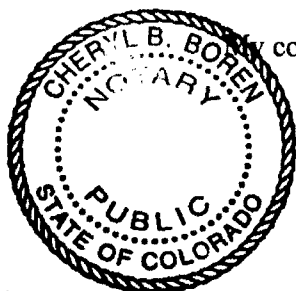
D.G.S. DEVELOPMENT CORPORATION,
a Colorado corporation

By: Darell G. Schmidt
Darell G. Schmidt
President

STATE OF COLORADO)
COUNTY OF Arapahoe) ss:

The foregoing Amendment was acknowledged before me this 5th day of April, 2006 by Darell G. Schmidt as President of D.G.S. Development Corporation, a Colorado corporation.

Witness my hand and official seal.



My commission expires: October 6, 2007

Cheryl B. Boren
Notary Public

EXHIBIT B
COMMON ALLOCATIONS

Unit	Measured Area	Including Common Area	Common Allocation
A	9,449	9,682	32.32%
C	9,135	9,360	31.25%
D	4,637	5,511	18.40%
E	1,678	1,994	6.66%
E-1	864	1,027	3.43%
F	2,003	2,381	7.95%
TOTAL:	27,766	29,955	100%

* There is no Unit B.

Common Area – Mechanical Room

A	9,449	34.03%	233
C	9,135	32.90%	225
D	4,637	16.70%	114
E	1,678	6.04%	41
E-1	864	3.11%	21
F	2,003	7.21%	49
	<u>27,766</u>	<u>100%</u>	<u>685</u>

Common Area – Units D, E, E-1, F

D	4,637	50.50%	760
E	1,678	18.27%	275
E-1	864	9.41%	142
F	<u>2,003</u>	<u>21.81%</u>	<u>328</u>
	9,182	100%	1,504

Total Common Area 2,189

**THIRD AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
4 INVERNESS COURT EAST OFFICE CONDOMINIUMS**

THIS THIRD AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 4 INVERNESS COURT EAST OFFICE CONDOMINIUMS (this "Third Amendment") is made as of the 2nd day of June, 2006, by 4 INVERNESS COURT EAST OFFICE CONDOMINIUM ASSOCIATION, INC., a Colorado nonprofit corporation (the "Association").

Recitals

This Third Amendment is made with respect to the following facts:

A. D.G.S. Development Corporation, a Colorado corporation, as Declarant, created a condominium community known as 4 Inverness Court East Office Condominiums (the "Condominium Project") under the Declaration of Covenants, Conditions and Restrictions for 4 Inverness Court East Office Condominiums (referred to hereinafter, together with any and all subsequent amendments, as the "Declaration"), Recorded on February 11, 2003, at Reception No. B3031499. Contemporaneously with the recording of the Declaration, the Condominium Map of 4 Inverness Court East Office Condominiums (referred to hereinafter, together with any and all subsequent amendments, as the "Condominium Map") was Recorded at Reception No. B3031512. Initially capitalized terms used in this Third Amendment but not defined herein shall have the same meanings set forth in the Declaration.

B. The Association now wishes to effect a reallocation of the two covered Parking Spaces currently allocated as Limited Common Elements to Unit 4D, and to correct a scrivener's error on the Map erroneously identifying Unit D as Unit 4D.

C. Pursuant to Section 2.11(d) of the Declaration, one or more Unit Owners may make an application to the Board to effect a reallocation of Limited Common Elements between their respective Units. The Unit Owner(s) making such application to the Board must comply with Sections 2.11(d) and 15.2 of the Declaration.

D. The Owners acknowledging this Third Amendment have applied to the Board to effect a reallocation of Limited Common Elements between Unit D and Unit E pursuant to Section 2.11(d) of the Declaration.

E. Pursuant to Sections 6.6 and 6.8 of the Bylaws, and Section 2.11(d) of the Declaration, the Board may, upon the affirmative vote of a majority of its members sufficient to constitute a quorum at such vote, authorize any proposed reallocation of Limited Common Elements. Upon authorization of any proposed reallocation of Limited Common Elements, the Board will execute amendments to the Declaration and Map sufficient to reflect the same. The Board has voted to authorize the requested reallocation of Limited Common Elements among

CERTIFIED TO BE A FULL, TRUE, AND CORRECT COPY OF THE
RECORDED DOCUMENT IN MY CUSTODY. DATE OCT 11 9 2006
DOTY, ARAPAHOE COUNTY CLERK & RECORDER



2100
T0045628

ACKNOWLEDGEMENT

The undersigned, being all of the Owners of Units effected by the reallocation of Limited Common Elements described by this Third Amendment, hereby acknowledge, agree, and consent to the same.

OWNER, UNIT D:

METRO BROKERS, INC.,
a Colorado corporation

By: [Signature]

Name: Maria Cool

Title: Executive Director

OWNER, UNIT E:

D.G.S. DEVELOPMENT CORPORATION,
a Colorado corporation

By: [Signature]

Name: Darell G. Schmidt

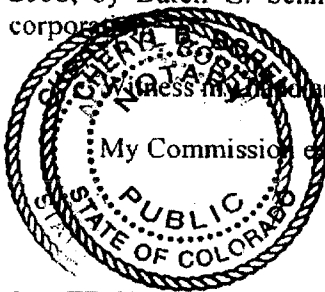
Title: President

STATE OF COLORADO)

COUNTY OF Arapahoe)

ss.

The foregoing Instrument was acknowledged before me this 2nd day of June, 2006, by Darell G. Schmidt, as President of D.G.S. Development Corporation, a Colorado corporation.



Witness my hand and official seal.

My Commission expires: Oct. 6, 2007

[Signature]

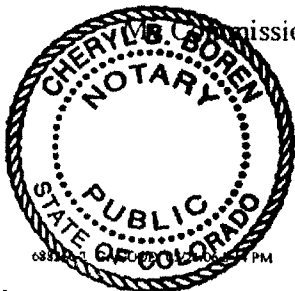
Notary Public

STATE OF COLORADO)

COUNTY OF Arapahoe)

ss.

The foregoing Instrument was acknowledged before me this 31 day of May, 2006, by Maria Cool, as Exec. Director of Metro Brokers, Inc., a Colorado corporation.



Witness my hand and official seal.

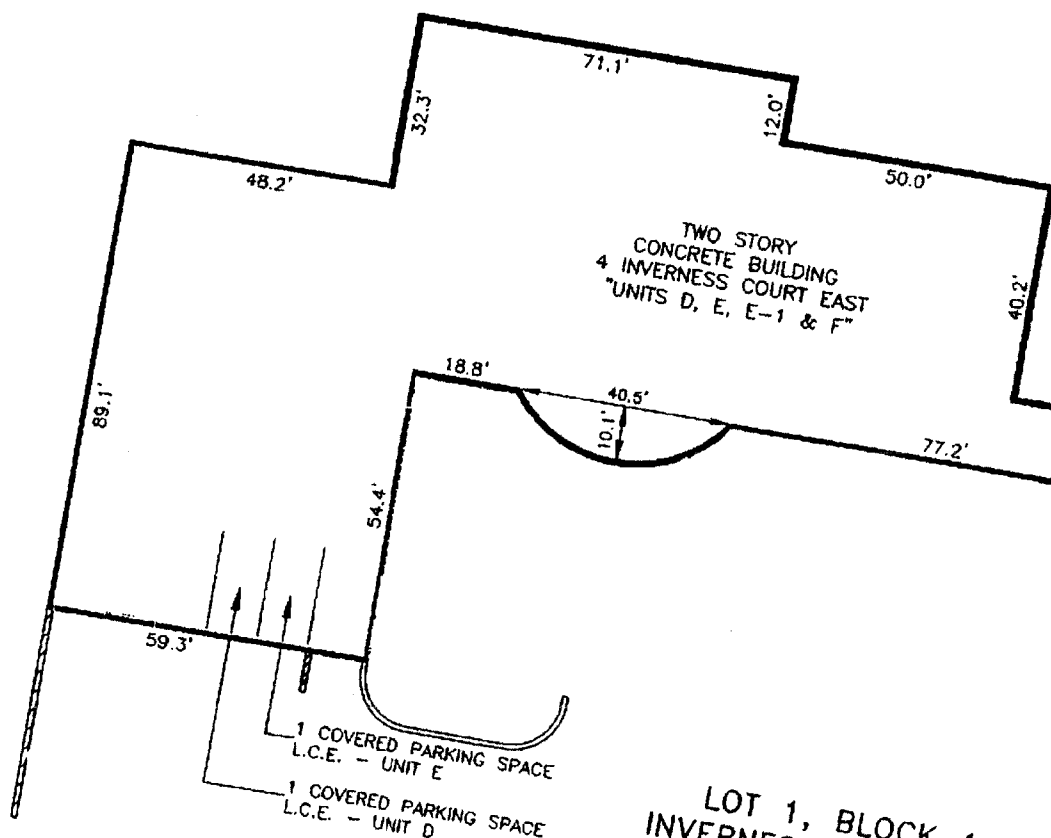
My Commission expires: Oct. 6, 2007

[Signature]

Notary Public

My Commission Expires 10/06/2007

EXHIBIT A
4 INVERNESS COURT EAST
OFFICE CONDOMINIUMS



LOT 1, BLOCK 1,
INVERNESS SUBDIVISION
FILING NO. 34

1"=30'

PREPARED BY:

BELL SURVEYING COMPANY

500 KALAMATH ST. • DENVER, CO. 80204

(303) 629-0165 FAX 623-7709

EF: 0605-117