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2017028861

03/17/2017 03:12:49 PM 55 Page(s)

JEFFERSON COUNTY, Colorado

Return Address

Micro Flex 1, LLC

3825 Carr Street

Wheat Ridge, CO 80033

Document Title:

CONDOMINIUM DECLARATION

Micro Spaces at IBC Commercial Condominiums

Reference Numbers of Related Documents:

Condominium Map 2017028860

Grantor:

Micro Flex 1, LLC

Grantee:

Micro Spaces at IBC Owner's Association, Inc.

Legal Description:

COMMENCING

**A PORTION OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 3 SOUTH,
RANGE 69 WEST OF THE 6TH P.M. CITY OF ARVADA, COUNTY OF JEFFERSON,
STATE OF COLORADO**

**LOT 4, INDIANA BUSINESS CENTER, COUNTY OF JEFFERSON, STATE OF
COLORADO**

CONDOMINIUM DECLARATION
Micro Spaces at IBC Commercial Condominiums

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Schedule "A" – Legal Description

Schedule "B" – Micro Spaces at IBC Site Plan

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CONDOMINIUM DECLARATION

Micro Spaces at IBC Commercial Condominiums

THIS CONDOMINIUM DECLARATION ("Declaration") is made on the 17th day of March, 2017, by Micro Flex 1, LLC ("Declarant").

RECITALS

A. Declarant holds title in fee simple to that certain real property commercial office condominium project located in Jefferson County, Colorado legally described on Schedule "A" attached hereto, and by reference made a part hereof, including improvements, appurtenances and other attributes attaching thereto hereinafter collectively referred to as "Real Property,".

B. Declarant hereby submits the Real Property, including all easements, rights and appurtenances thereunto belonging and the buildings and improvements erected or to be erected thereupon to the provisions of the Colorado Common Interest Ownership Act ("CCIOA"), C.R.S. 38-33.3-101, et seq., as the same may from time to time be amended, hereinafter referred to as the "Act," to be known as "Micro Spaces at IBC Commercial Condominiums"

C. The Condominium Survey Map for the Condominium known as Micro Spaces at IBC Commercial Condominiums, hereinafter referred to as "Condominium" was recorded as Reception Number 2017028860 in the records of Jefferson County, State of Colorado on March 17th, 2017.

THEREFORE: Pursuant to the Act and other laws of the State of Colorado, and for the purpose of submitting the Condominium to the provisions of the foregoing, the Declarant, being the sole owner of the Real Property, makes the following declaration: It is agreed by acceptance of any form of conveyance, deed, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges for use or enjoyment, respecting the Real Property and/or any Unit thereof, as defined herein, in the Condominium created by this Declaration, that this Declaration, in conjunction with the Site Plan referred to in this Declaration, sets forth covenants, conditions, restrictions and reservations affecting a common plan for the Condominium mutually beneficial to the described Units and that the covenants, conditions, restrictions and reservations are binding upon the Real Property and upon the Condominium as a parcel of Realty, and its use, and are also binding upon the Unit Owners or possessors of such described Units, and upon their respective heirs, personal representatives, successors and assigns, through all successive transfers of all or any part of the Real Property or all or any portion of the Condominium or any security interest within same, without requirement for further specific reference or inclusion in deeds, contract or security instruments, and regardless of any subsequent forfeiture, foreclosure or sales of the Condominium or any Units therein.

ARTICLE I

Definitions

Certain terms as used in this Declaration shall be defined pursuant to the Act and are more particularly defined as follows, unless the context clearly indicates a different meaning:

1. "Act" shall mean Colorado Common Interest Ownership Act ("CCIOA"), C.R.S. 38-33.3-101, *et seq.*, as amended from time to time.

2. "Allocated Interests" shall mean the undivided interest in the Common Elements, the Common Expense liability and votes in the Association allocated to each Unit.

3. "Assessment" shall mean all sums chargeable by the Association against a Unit including, without limitation: (a) regular and special assessments for Common Expenses, charges and fines imposed by the Association; (b) interest in late charges on a delinquent account; and (c) cost of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Unit Owner's account.

4. "Association" shall mean the Association of the Owners of the Units organized as a Colorado non-profit corporation acting as the group pursuant to this Declaration, to the Bylaws for such Association and to the Act. The Association shall be called "Micro Spaces at IBC Owners Association, Inc."

5. "Association Rules" means the rules and regulations adopted and amended by the Association from time to time.

6. "Board of Directors" and "Board" shall mean the group of individuals appointed by Declarant or elected by the Association, who shall govern the Association and manage and administer the Condominium in accordance with this Declaration, the Bylaws and the Act.

7. "Bylaws" shall mean the Bylaws of the Association as initially adopted according to the Articles of Incorporation, and as amended from time to time by the Association in accordance with this Declaration, the Bylaws and the Act.

8. "Common Elements or Common Areas" shall mean all portions of the Condominium other than the Units, specifically as provided in Article V and as limited by Article VI of this Declaration.

9. "Common Expenses" shall mean the expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves.

10. "Common Expense Liability" shall mean the liability for Common Expenses allocated to each Unit pursuant to Article XII.

11. "Condominium" shall mean the Real Property, portions of which are designated for separate ownership ("Units") and the remainder of which is designated for common ownership solely by the Owners, all of which is submitted to the provisions of the Act by this Declaration.

12. "Conveyance" shall mean any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract, but shall not include a transfer solely for security purposes.

13. "Declarant" shall mean Micro Flex 1, LLC a limited liability company

organized under the laws of the State of Colorado, or any successor or assignee thereof.

14. "Declarant Control" shall mean the right of the Declarant, or persons designated by the Declarant, to appoint and to remove officers and members of the Board of Directors pursuant to Article XI.

15. "Declaration" shall mean this instrument by which the land and buildings described on Schedule "A," including improvements, are established as a Condominium under the Act, including any amendments hereto.

16. "Development Rights" shall mean any right or combination of rights hereinafter reserved by the Declarant to (a) add real property or improvements to the Condominium; (b) create easements, Units, Common Elements and/or Limited Common Elements within the Real Property and Condominium or within real property added to the Condominium; (c) subdivide Units or convert Units into Common Elements or convert Common Elements into Units; (d) Withdraw real estate from the Condominium; (e) Make the Condominium part of a larger condominium or planned community; (f) Amend this Declaration during Declarant Control to comply with applicable law or to correct any error or inconsistency in this Declaration; and (g) Amend this Declaration during Declarant Control to comply with the rules and guidelines, in effect from time to time, of any governmental or quasi governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments.

17. "Dispose" or "Disposition" shall mean a voluntary transfer or conveyance to a purchaser of any legal or equitable interest in a Unit, but does not include a transfer or release of a security interest.

18. "Eligible Mortgagee" shall mean the holder of a mortgage on a Unit who has filed with the Secretary of the Association a written request that such mortgagee be provided with copies of notices of any action by the Association that requires the consent of mortgagees.

19. "Foreclosure" shall mean a forfeiture or judicial or nonjudicial foreclosure of a real estate contract, mortgage or deed of trust, and shall include a deed given in lieu of a foreclosure.

20. "Limited Common Elements" shall mean those portions of the Common Elements which are allocated by this Declaration hereof for the use of one or more Units, but fewer than all of the Units, to the exclusion of the remaining Units.

21. "Mortgage" shall mean a recorded mortgage or deed of trust creating a lien against a Unit and shall also mean the vendor's interest in any and all real estate contracts for the sale of a Unit.

22. "Mortgagee" shall mean a bank, savings and loan association, a mortgage company or other entity chartered under federal or state laws and authorized to invest or loan money secured by an interest in real property, or any such federal or state entity or agency, or any other person or entity, holding a mortgage, deed of trust or vendor's interest in a real estate contract affecting the title to a Unit.

23. "Mortgagee of the Condominium" shall mean the holder of a mortgage or deed of trust with respect to the Real Property which this Declaration affects, which mortgage or deed of trust was recorded prior to or contemporaneous with the recordation of this Declaration. The term "Mortgagee of the Condominium" does not include Mortgagee of a Unit, unless the context otherwise requires.

24. "Mortgagee of a Unit" shall mean the beneficial owner or the designee of the beneficial owner, of an encumbrance on a Unit created by mortgage or deed of trust and shall also mean the vendor, or the designee of the vendor, under any and all real estate contracts.

25. "Real Property" shall mean the land, the buildings and all improvements and structures now or hereafter placed on the land described in Schedule "A" of this Declaration, all easements, rights and appurtenances belonging to same, all of which is held by Declarant in fee simple as of the date hereof.

26. "Record" shall mean to file for record with the office of the County Recorder, located in Jefferson County, Colorado, and/or such other place as this Declaration, Site Plan/Plat, and Condominium Survey Map and amendments is required to be filed.

27. "Special Declarant Rights" shall mean rights reserved for the benefit of the Declarant to:

(a) Complete improvements indicated on the Site Plan (Schedule "B") filed with this Declaration;

(b) Exercise any Development Rights as defined in this Declaration or by any amendment to the Declaration;

(c) Maintain sales offices, management offices, signs advertising Units in the Condominium for sale or lease and model units;

(d) Use easements through the Common Elements for the purpose of making improvements within the Condominium, and

(e) Appoint or remove any officer of the Association or any member of the Board of Directors during the period of Declarant control, as specified in this Declaration.

28. "Storage Purposes" shall mean use of any Unit for the storage of any item of personal property, as personal property is defined in accordance with the laws of the State of Colorado, whether the same be held for personal or business use, as more fully described and limited in this Declaration.

29. "Unit" shall mean a physical portion of the Condominium designated for separate ownership by deed or other proper Conveyance, the boundaries of which are described in this Declaration, each of which is also identified in Schedule "C". A unit shall not include the subsurface right under the Unit, or the airspace rights over and above the Unit.

30. "Unit Identification" Pursuant to the Act, an amendment to these declarations, creating or adding units shall include a certificate of completion executed by an independent licensed or registered engineer, surveyor, or architect stating that all structural components of all buildings, containing or comprising any units thereby created are substantially completed.

31. "Unit Owner" shall mean any person, including the Declarant, individually or collectively, who owns a Unit or who holds a vendee's interest under any real estate contract or purchase of a Unit, but does not include a person who has an interest in a Unit solely as a security for an obligation.

ARTICLE II

Description of Project, Buildings and Special Declarant Rights

This Project is designed for commercial Office, Light Industrial, and Warehouse use and the condominium buildings and Units shall be set on the Property in compliance with this Declaration, the Condominium Survey Map and in accordance with the laws and ordinances of the State of Colorado and City of Arvada.

A. Land Described. The land on which the Units and Common Elements of the Condominium are located is described in Schedule "A."

B. Improvements. This Declaration, in combination with the Condominium Survey Map (Schedule "C"), identifies the Units and Common Elements which are submitted to the provisions of the Act as of the recording of this Declaration. These improvements and the Real Property are referred to for purposes of this Article and hereinafter in this Declaration as Improvements. **There are eight (8) total Units within two (2) buildings in the initial phase of the Condominium**, as more fully identified in the Condominium Survey Map and this Declaration.

C. Total Density. All of the real property identified in Schedule "B" is permitted to be developed as part of the Condominium. It is the intention of the Declarant to proceed with the purchase, under separate contracts to buy real estate, and such subsequent development of all of the real property identified within the boundaries described in Schedule "B." It is specifically intended by the Declarant to construct all improvements, Common Elements and Units permitted to be constructed upon the real property identified in Schedule "B" and to add all of such Units together as part of this Condominium; provided, however, that Declarant shall not be deemed to be obligated to so do, and therefore, such subsequent improvements need not be built. **Declarant shall have the right to Amend Articles II, III, IV, VII, XII and Schedules "A," "B," "C," and any other relevant provision**, to include additional Units within the Condominium without a vote of the Association by recording such Amendments with the County Recorder for Jefferson County, State of Colorado, and providing the Association with a copy and notice thereof.

D. Completion of Improvements. To the extent that any improvements within the Condominium, as described on the Site Plan (Schedule "B") recorded in conjunction herewith, are not completed upon the recording hereof and thereof, the Declarant reserves the right to complete the construction of such incomplete improvements subsequent to the date of recording, for the benefit of the Declarant, the Association and for the benefit of the Condominium as a whole.

E. Sales and Management Office Model Unit(s) and Signage. Declarant reserves the right to maintain a sales office in a trailer or portable office situated within the Condominium and/or within the model Unit known as 6610 Holman Street, Unit 301 when completed, until such time as the Declarant no longer owns or leases any Unit within the Condominium. Furthermore, the Declarant reserves the right to maintain and use certain Units as models to assist Declarant with its marketing of any Unit owned by the Declarant until all Units currently owned by the Declarant in the Condominium are sold. Further, the Declarant reserves the right to place signage within the Common Elements of the Condominium, advertising Units owned by Declarant for sale or lease, until all Units owned by the Declarant in the Condominium are sold. Finally, the Declarant reserves the right, but not the obligation, to use the model Unit known as 6610 Holman Street, Unit 301 for purposes of management of the Condominium until such time as Declarant no longer owns any Units within the Condominium and without any obligation for rent or lease payment to the Owners or the Association.

F. Reservation of Easements. Pursuant to the provisions of Article XIX hereof, Declarant hereby reserves unto itself temporary ingress and egress easements through the Common Elements and through the portion of the real property described in Schedule "A" hereto for the purpose of completing all improvements within the Condominium in accordance with this Article.

ARTICLE III

Description of Buildings

As of the date of recording of this Declaration, there are two (2) buildings situated within the Condominium. The buildings shall be constructed of structural steel and roof frame construction with architectural metal and masonry stucco exterior walls and insulated standing seam metal roofs, aluminum store front insulated glass doors, windows and/or electronically or manually controlled overhead garage doors, concrete floors and approved automatic fire sprinkler system.

ARTICLE IV

Description of Units, Location, Area and Size

A. General Description. **Initially, there shall be eight (8) Units comprising this Condominium.** Each of the Units is of the size, expressed in square footage, and composition as identified on the Condominium Survey Map (Schedule "C"). The expression of square footage of each Unit on the Map may not be precise or exact and should be considered an approximate expression. The exact square footage of each Unit, as compared to the expression of square footage identified on the Map shall not be used as basis to dispute the validity of a deed, Conveyance or Mortgage otherwise lawfully granted, nor shall it be used to redefine the boundaries of the "Unit" as described below, nor shall it be used as a basis to dispute any assessment. Each Unit is identified by a number, with the exact location of each shown on the Condominium Survey Map recorded in conjunction herewith. Each Unit has in common vehicular and pedestrian access through the Condominium on to Holman Street.

B. Unit Boundaries. Included within the boundary of each Unit shall be the airspace and all other fixtures and improvements lying within the doors and steel studs of the walls, above the concrete floor and beneath the structural portions of the ceiling. As such, the boundary of each Unit shall be measured to the stud walls and to the structural portions of the floors, walls, and ceilings. Accordingly, a Unit shall include all steel panels or gypsum wallboard or any other material constituting any part of the finished surface of the walls, floors and ceilings. Also considered to be

part of the Unit are the entry door(s) and associated hardware; the aluminum store front frame and glass, overhead garage door, operator, wiring and accessories whether mounted inside the Unit or on the exterior and the electrical power, plumbing and HVAC systems from the utility meters mounted on the exterior of each building to every fixture or piece of equipment contained within a Unit. All other portions of the walls, including insulation, floors and ceilings, roofing, fire sprinkler and fire alarm monitoring system are a part of the Common Elements.

ARTICLE V

Common Elements

The Common Elements of the Condominium, the locations of which are identified on the Condominium Map (Schedule "C"), consist of the following:

A. The land described in Schedule "A" hereto, which has been included in this Condominium by this Declaration.

B. The foundations, columns, girders, studding, joists, beams, supports and all other structural parts of the buildings to the boundaries of each Unit as the boundaries are defined herein, and any replacements thereto.

C. The entirety of systems for public utility services such as electric power, water, natural gas, telephone, cable, fire protection and fire alarm monitoring system, including all lines, pipes, cables, conduit and accessories, but excluding individual Units' electrical power system from the meter to and including all conduit, wiring, switches, fans, rooftop heating and air conditioning units, lighting fixtures and other electrical equipment and plumbing fixtures contained within a Unit. Irrespective of the designation of these public utility services as Common Elements of the Condominium, Declarant and/or the Association have not agreed to provide any public utility services and shall not be obligated to provide for any such services.

D. The tanks, pumps, motors, fans, compressors, ducts, if any, and, in general, all apparatus and installations existing for common use.

E. The Association Common Areas contained within each building including fire sprinkler/electrical rooms, and any public restrooms.

F. The areas which surround and provide access to the buildings, including all fencing, lighting and all paved or landscaped areas, including storm water and other drains, mailboxes and trash enclosures to the extent the same be a portion of the land described on Schedule "A."

G. All other parts of the Real Property other than the Units necessary or convenient to its existence, operation, maintenance and safety including the rights of access under easements referred to in this Declaration or set forth on Schedule "C".

ARTICLE VI

Limited Common Elements

A. Description. The Limited Common Elements are defined as those portions of the Common Elements which are specifically designated as a Limited Common Element in the Declaration

and allocated by the Declaration or by operation of §38.3-202(1)(b) or (1)(d) for the exclusive use of one or more, but fewer than all of the Units.

B. Boundaries of Limited Common Elements. The actual boundary of each Limited Common Element shall be identified on the Condominium Survey Map and as determined by the Declarant, and later, the Board. Initially, Limited Common Elements include:

1. Parking spaces located directly in front of a Unit's overhead garage door: These spaces are provided for the benefit and use of each Unit Owner for loading and unloading where such spaces are located directly in front of a Unit.

2. Outdoor mezzanine(s) accessible only from an individual Unit.

C. Applicable Easements. All Limited Common Elements shall be subject to the easements specified in Article XIX.

D. Unit Owner Maintenance. Unit Owners are solely responsible for the maintenance and repair or replacement of the Unit door(s) and key locks, aluminum storefront frames and glass including the opener(s) and/or hardware and accessories. A "Bollard" is a post anchored in the ground to limit the direction of a motor vehicle and/or to protect a Unit or other structure from collision damage by a motor vehicle. However, any bollards at or near an Owner's Unit door(s) shall be part of the Owner's Unit, and those bollards shall be maintained solely by each respective Unit Owner.

ARTICLE VII

Allocated Interests in Common Elements

At the time of recording of this Declaration the total Allocated Interests of the Condominium and the Allocated Interests assigned to each of **the initial phase eight (8) Units within the Condominium is 12.5% percent or one-eighth (1/8) of the whole.** The allocated interests of each Unit as so expressed include the value of the Unit and the value of percentage interest of each such Unit in the Common Elements. The allocated interests assigned to each Unit are based on relative values to establish the Allocated Interests required by the Act. The Allocated Interests assigned to each Unit are determined on the basis that while the Units vary in size to some degree, the expense of each Unit with respect to the whole of the Units and the Condominium is deemed to be relatively equal to that of every other Unit. Accordingly, each Unit is assigned an identical amount of Allocated Interests. The aggregate of the Allocated Interests assigned to each Unit in the Condominium totals one hundred percent (100%).

Declarant reserves the right, but not the obligation, to amend this Article, and any relevant provisions, without a vote of the Association upon the completion of future phases, as provided in Article II above.

ARTICLE VIII

Permissible Uses and Regulation of Uses

A. Professional Office, Light Industrial, and Warehouse Use. The Units shall be occupied in accordance with the City of Arvada PUD-I Zoning Use Regulations, by the Owner

thereof, or by those utilizing the Unit pursuant to a lease or rental agreement with the Owner or otherwise under a grant of authority from the Owner. Any such use of the Units and the Common Elements shall be carried on in strict compliance with the permissible uses authorized by this Declaration, and no activity shall be carried on which would constitute a violation of any term or condition of this Declaration.

B. Permissible Uses. In conjunction with the passive activity of storage, it is expressly provided that the following activities shall be deemed to be permissible uses within the boundaries of all Units:

1. **Professional Services**. Any Owner or tenant may engage in professional services including, but not limited to:

- a) Engineering
- b) Architecture/Design
- c) Insurance Agency
- d) Legal Council
- e) Finance/Accounting/Tax Services
- f) Consulting
- g) Advertising/Marketing/Promotion
- h) Public Relations
- i) Software Support and Development
- j) Administrative/Management Services
- k) Real Estate Agency

2. **Technical/Scientific**. Any Owner or tenant may engage in technical or scientific activities including, but not limited to:

- a) Testing Laboratory (Non "Hazardous" Use Only)
- b) Product Research and Development
- c) Consulting

3. **Health Care Services**. Any Owner or tenant may engage in health care services including, but not limited to:

- a) Diagnostic and Medical Testing
- b) Dentistry/Orthodontistry
- c) Chiropractic/Nutritionist
- d) Physical Therapy
- e) Optometry
- f) Outpatient Care
- g) Wellness/Massage Therapy
- h) Indoor Workout Center
- i) Sports Training Center

4. **Light Manufacturing**. Any Owner or tenant may engage in light manufacturing activities including, but not limited to:

- a) Packaging
- b) Fabrication
- c) Assembly
- d) Recycling

- e) Brewery/Distillery/Winery/Commercial Kitchen
- f) Product Sampling – Limited to a secondary use in conjunction with/to the primary manufacturing activity
- g) Product Tasting – Limited to a secondary use in conjunction with/to the primary manufacturing activity

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5. **Wholesale and Warehousing.** Any Owner or tenant may engage in wholesale and warehousing activities including, but not limited to:

- a) Inventory Turnover and Management
- b) Import/Export of Goods
- c) Sales to Wholesale Customers
- d) Shipping and Receiving
- e) Product Showroom

6. **Other Services.** Any Owner or tenant may engage in other services including, but not limited to:

- a) Residential/Commercial Construction and Trades
- b) Janitorial
- c) Landscaping/Lawn Care
- d) Storage

C. **Limits on Parking.** City of Arvada Zoning limits the amount of square footage of various uses in accordance with how many parking spaces are available for customers and employees. Based upon City zoning standards and the available number of spaces on the property, each Unit is allowed up to 3 striped parking spaces per 1,000 square feet of Unit floor space. The number of spaces allocated per Unit may impact an Owner's ability to obtain an Occupancy Permit for certain uses. Additional on-site overflow parking spaces may be applied toward a planned use through purchase of certain Units with parking spaces located directly in front of them. The City of Arvada Zoning Department may allow parking spaces within a Unit equipped with a drive-in overhead garage door to count toward the required parking for that Unit.

D. **Prohibited Uses.** It is the explicit design of the Condominium that it shall be used and maintained as a first-class Office, Light Industrial, and Warehousing business park for the mutual benefit of each of the Owners. Any commercial or personal activity which creates waste, uncleanliness, continuous excess noise or odors, health or life safety risks, **outdoor storage use**, retail sales, and/or general public intrusion is prohibited. Accordingly, it is expressly provided that the following shall be deemed to be prohibited uses of Units, and any use of a Unit in violation of the provisions hereof shall permit Declarant, while in control, and thereafter the Association, without notice to the Owner, to assess such Owner with such penalties as shall be adopted by Declarant and thereafter by the Association Board for a violation of the provisions hereof and to commence an action seeking injunctive relief and damages accruing as a consequence thereof:

1. **Retail Outlet.** Other than as allowed in connection with the City of Arvada PUD-I Use Regulations and foregoing Permissible Uses listed above, no Owner or tenant may utilize his Unit as a retail outlet for the sale of goods or services as the primary use of his Unit, and no Owner or tenant may permit potential customers of such goods or services to enter the boundaries of the Condominium for such purpose.

2. **Noxious Activity.** No Owner or tenant may utilize his Unit so as to cause an

unacceptable level of noise, vibration, odor, dust, garbage or other waste, the precise levels of which shall be determined by the Board, which may be more restrictive than levels established by the City of Arvada or the Federal Environmental Protection Agency.

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3. **Hazardous Materials Processing, Storage and Testing.** No Owner or tenant may utilize his Unit for the processing, storage or testing of any substance or material defined or designated as hazardous, radioactive or toxic by any applicable federal, state or local city statute, ordinance or regulation now in effect or hereafter promulgated; provided, however, that any fuels or other liquids contained within any automobile, truck, other vehicle and/or other equipment which is stored within a Unit shall be deemed permitted even if so defined, so long as such fuels or other liquids are necessary for the operation thereof and are lawfully contained.

4. **High Piled Combustible Storage.** Unless pre-approved in writing by the Board and the Arvada Fire Department or other City of Arvada official, no Owner or tenant shall store combustible materials in closely packed piles or on pallets or on pallet racks or on shelves where the top of that storage is greater than twelve (12) feet in total height. Additionally, when required by a fire code official, or if the combustible materials also include certain high-hazard commodities, such as rubber tires, Group A plastics, flammable liquids, idle pallets and similar products, then that high piled storage use shall be limited to six (6) feet of total high piled height.

5. **Residential Use.** No Owner or tenant may utilize his Unit, or permit another to use such Unit, for residential purposes.

6. **Animals.** No farm animals, livestock, poultry or insects, of any kind, will be raised, kept or boarded in a Unit or within the Condominium.

7. **Marijuana.** The planting, growing, harvesting, processing, packaging, marketing, advertising or sale of marijuana is specifically prohibited, on the property of the Condominium regardless of changes in local city, regional, State or Federal Laws affecting same.

8. **Assembly of Groups, Schools, and Daycare.** Other than as allowed in connection with the City of Arvada PUD-I Use Regulations and foregoing Permissible Uses listed above, no Owner or tenant may utilize his Unit for the assembly of large groups, or for schools and/or pre-schools or daycare.

9. **Smoking and Vapor Cigarettes.** In Compliance with the Colorado Clean Indoor Air Act and City of Arvada Smoking Restricted in Public Places Ordinance #4501, Smoking is prohibited in all buildings, parking lots and grounds identified on the Site Plan (Schedule "B").

E. **Unit Rental.** The Owner of a Unit, including the Declarant, a mortgagee in possession, or any successor in interest thereto, may lease or rent a Unit on a month-to-month basis or for a longer term, subject to the limitation that any such lease or rental agreement shall be in writing and by its terms shall provide that such lease or rental agreement is subject, in all respects, to the provisions of this Declaration, the Bylaws, any rules and regulations of the Association and any amendments thereto. Any such lease or rental agreement shall provide that any failure by a tenant to comply with the terms contained in said documents shall be a default under the terms of said lease or rental agreement and shall be a basis for immediate termination thereof. The Owner of a Unit so leased or rented shall at all times be responsible for and liable to the Association for all acts

or neglect of the tenant including, but not limited to fines and assessments levied for violations caused by the tenant. The Owner shall see that the tenant has read and is fully informed of the Declarations, Bylaws, rules and regulations which govern the use of the Condominium, including, but not limited to fines and assessments levied for Unit use violations caused by the tenant.

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F. Vehicle Parking. Parking of any motor vehicle at any location within the Condominium outside of the boundaries of a Unit is subject to the limitation that no such motor vehicle shall obstruct in any fashion the free passage of vehicles and/or pedestrians to and from every other Unit. Unit Owners, and their tenants and guests, may park their motor vehicles within their respective Units at any time without limitation. Any motor vehicle parked at any location within the Condominium other than inside a Unit shall be operable and shall not be stored in the Common Elements. A motor vehicle (including a boat, motorcycle, snowmobile and all forms of recreational equipment) or any other personal property is considered "stored" when it is left parked at any location within the Condominium, outside the boundaries of a Unit, for more than two (2) consecutive hours, every day between the hours of 12:00 am and 12:00 pm. During these times continuous limited parking by the Unit Owners and their tenants, guests, customers and employees is expected and acceptable. Unit Owners may park directly in front of said Unit Owner's respective Unit, and in front of the overhead garage door (if equipped) of said Owner's Unit while said Unit Owner or employee is on-site for allowed Unit uses, and in a manner that does not otherwise encumber or limit other Unit Owners' access to their respective Unit for deliveries and for general ingress and egress to the driveways, sidewalks or public street. Unit Owners shall not use their Unit for purposes which would cause a disproportionately high use of the parking spaces of the Common Elements, to the detriment of other Unit Owners. The Board may modify or adopt additional parking rules, from time to time, as appropriate. The Board may require the immediate removal of any inoperable, improperly stored or unsightly vehicle left outside of a Unit and/or any other item of personal property improperly stored within the Common Area of the Condominium. If said vehicle or property is not removed by the responsible Unit Owner, the Board may cause removal thereof at the risk and expense of the Unit Owner thereof.

G. Driving Lanes and Walkways. Driving areas, walkways and corridors within the Common Elements shall be used exclusively for normal transit, other than during the process of entering, loading, receiving or leaving a Unit, and no obstructions shall be placed within the Common Elements.

H. Effect on Insurance. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of, or cause the cancellation of, insurance for the Condominium.

I. Signs. No sign of any kind shall be displayed from the exterior of any Unit or from the Common Elements without the prior written consent of the Declarant prior to the sale by the Declarant of the last Unit and thereafter by the Board, pursuant to the rules and regulations adopted thereby and the City of Arvada Zoning Department. Notwithstanding the foregoing, **USE OF ADHESIVE OF ANY KIND, INCLUDING WITHOUT LIMITATION TAPE OR GLUE, ON THE EXTERIOR OF A UNIT IS SPECIFICALLY PROHIBITED.** The Board may consider the use of a magnetic or other temporary sign upon written request of the Unit Owner for the purposes of selling or renting a Unit. Signage shall be as follows:

1. Monument signs, one at the entrance to the business park off Holman Street.
2. Unit signage space is available above every Unit door opening for business identification signage. The space for signage is approximately 24 inches high by 8 feet long.

3. Cut vinyl sheet signage applied to the exterior of glass storefront doors, white in color, up to an area of 24" by 24", to be located in the center of the glass entry door panel between 48" and 78" above the floor shall be allowed. 16

4. One cut vinyl sheet sign indicating days and hours of operation, applied to the exterior of the glass storefront doors, white in color, up to a total area of 12" x 12" shall be allowed anywhere on the door glass.

5. Design, size, colors and layout of all signage must be coordinated with and approved by Declarant and City of Arvada Zoning prior to the sale by the Declarant of the last Unit and thereafter by the Board. The signage design intent is to allow Unit Owners to have flexibility with colors, fonts, logos, and graphics, while maintaining uniformity in terms of requiring pin-mounted, non-illuminated letters and logos contained completely within the allowed building Unit sign space, and individually cut vinyl adhesive letters, logos and graphics mounted within the allowed area on the glass entry doors.

6. The following signage shall not be allowed; (1) internally-lit sign boxes, (2) lighted signs of any kind, (3) window painting, (4) window signage, (5) signs mounted behind the glass storefront system facing toward, or visible from Holman Street, (6) roof-mounted signs, (7) yard signs or outdoor signs, (8) flags or banners. Notwithstanding the foregoing, temporary outdoor signs, banners or flags may be approved in advance and in writing by the Board for day-use only during short-term events.

7. In all cases, refer to sign standards of the City of Arvada. The most restrictive standard(s) whether found in this document or enforced by City of Arvada or other authority having jurisdiction shall apply.

J. Storefront Glass. All of the window and doors in the exterior walls of the Units are designed for a consistent appearance in terms of color (grey tinted glass and mill finish aluminum framing), size and configuration. No tinting of the glass either inside or outside shall be allowed. Because interior window coverings will impact the exterior appearance of the Units, all window coverings shall be of the same color within a unit: **Charcoal grey or black.**

K. Insulation. All demising walls between Units are insulated with R-19 fiberglass batt insulation all the way from the floor level to the top channel of the wall framing, which is in contact with the underside of the roof insulation. This as-built condition will function adequately for most uses. However, to better insulate against sound, fumes, aromas, etc, and to create a more air-tight seal between the top of the demising wall and the underside of the roof, Unit Owners may need to add a sprayed in place foam insulation product as part of the Tenant Improvement work inside their unit prior to occupancy.

L. Unit Activity. No offensive activity shall be carried on within any Unit or in the Common Elements, nor shall anything be done which may be or become an annoyance or nuisance to others using the buildings, to the neighbors or to the public. Nothing shall be altered or constructed in the Common Elements except upon the prior written consent of the Association. Nothing shall be done or carried on in a Unit or within the Condominium which is in violation of any applicable law, ordinance or regulation.

M. Commit No Waste. No Owner of a Unit shall commit or permit the waste of such Unit and/or of the Common Elements; and the liability in the event of such occurring shall be at the sole cost and expense of the responsible Unit Owner. This Section shall not be construed to permit any interference with or damage to the structural integrity of the buildings or interference with the

use and enjoyment by others of the Common Elements and/or other Units, nor shall it be construed to limit the powers or obligations of the Declarant or of the Association.

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N. Exterior Appearance. Unit Owners, only upon the written approval of the Association, shall be allowed to alter the Common Elements. If approval is granted to a Unit Owner to alter the Common Elements, all expenses associated with the alteration as well as the long-term maintenance of the altered portion of the Common Element shall be at the individual Unit Owner's expense. The first step in the process is to present the proposed change to the Board of Directors. The Board shall consider, in determining acceptance of the alteration, (1) warranty issues, (2) the structural integrity of the Building, (3) the ability to hide, cover or mitigate the appearance of the proposed alteration by way of landscaping, matching existing colors, textures and materials, (4) the employment of standardized heights, locations, colors, textures, materials and placements in order to maintain consistent appearance of such changes, (5) legal ramifications relative to setbacks, zoning and easements/agreements with neighbors, and (6) any fire/life-safety features that may be required. Additionally, the Board shall determine whether the proposed modification can be approved unilaterally or if approval by other jurisdictions having authority may be required. Any Unit Owner proposing any alteration of the Common Elements shall be responsible to comply with and obtain the approval and/or permits, following initial approval of the Association, of any entity which may have jurisdiction over the construction of the alteration. With regard to maintaining the integrity of the warranties currently in effect, prior to commencement of any modification, the Unit Owner will provide the Association with evidence sufficient to the Association, that all such warranties will remain in effect following the modifications. Prior to commencement of any construction, the Unit Owner will provide the Association with evidence sufficient to the Association, that the contractor performing the work maintains workers' compensation insurance in the amount required by law and contractor's liability insurance with the limits the Association reasonably requires. The Unit Owner will cause the alteration to be constructed and completed diligently, in a good and workmanlike manner, and free and clear of all Mechanics' and Materialmens' Liens and other claims or liens; during the construction process the Unit Owner will, to the extent consistent with good construction practice, keep the area affected in a safe, neat and clean condition; the Unit Owner will minimize any impact from the construction process on any other Unit Owners or Common Elements; the Unit Owner will reimburse the Association for all costs incurred by the Association in connection with the alteration work; and the Unit Owner will pay or cause to be paid all costs of design, construction and maintenance of the alteration work, and any residual damage that may result.

O. Garbage and Trash. All trash and trash collection from a Unit shall be the responsibility of the Unit owner, and no trash shall be permitted to be stored outside of the Unit(s) at any time or inside of the Unit for more than one (1) week. There are Common Area trash collection enclosures in the Condominium for use by all Unit Owners. The containers placed in these enclosures are to be used for smaller, limited amounts of office type trash. Large items and/or more frequently generated amounts of trash produced by the Unit Owner or created by an Owner's off-site project or business shall not be placed anywhere in the Common Area by the Unit Owner or Tenant. One alternative for Unit Owners who generate larger amounts of trash is to procure a separate container(s) from a commercial waste hauling company. Such containers can then be maintained by the Unit Owner within his Unit and paid for at his own expense. The Declarant, and thereafter the Board, at its sole discretion, may modify or adopt additional rules and regulations regarding garbage and trash or provide for or eliminate common trash collection as it deems fit.

P. Life Safety Concerns. In an effort to maintain a safe environment for the mutual benefit of each of the Owners, Condominium safety measures will include the following items:

1. **Emergency Contacts.** The Association will provide, and update at least annually, a list of the names and emergency contact information of individuals associated

with the Condominium including the Property Management Company, Property Manager(s), and Board Members, to the Police and Fire Departments serving the Condominium.

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2. **Master Keying.** The Association will ensure that all Unit Owners maintain the integrity of the Condominium's master-key system, which ensures emergency access by the area Police and Fire Departments. The addition of new locks or re-keying will conform to the current master key scheme, and, in the event nonconforming locks are installed, the affected Unit Owners will be liable for all damage caused to the Condominium as a result of necessary forcible entry by the Police or Fire Departments.

3. **Annual Inspection.** The Fire Department serving the Condominium may conduct an inspection on each and every Unit in the Condominium on an annual basis.

Q. **Bylaws, Rules and Regulations.** The Association may adopt in written form reasonable additional provisions in the Bylaws or in the rules and regulations of the Association as necessary or advisable to insure compliance with, and to supplement, the foregoing provisions, and each Unit Owner shall comply in all respects therewith; provided, however, that no rule or regulation may be adopted which may or shall, if implemented, result in restrictions imposed upon the permissible uses of Units expressly granted herein. Whenever rules and regulations are adopted by the Association, they shall be deemed effective as soon as a copy is sent to each Unit Owner by first class mail or via electronic mail.

ARTICLE IX

Unit Maintenance and Alterations

A. **Unit Maintenance.** The Owner of each Unit shall, at the sole expense of such Unit Owner, have the right and the duty to keep the interior of such Owner's Unit and the equipment, appurtenances, and public utilities within such Unit in good working order, condition and repair and shall perform all interior maintenance necessary to maintain the good appearance, condition, and continuous operation of such Unit. The Owner of each Unit shall insure that the interior temperature of their Unit is maintained at or above 45 degrees Fahrenheit at all times to insure the protection from freezing of Common Elements including a building's main water supply line. The Owner of each Unit shall be responsible for the maintenance, repair or replacement of individual Unit HVAC, plumbing, and electrical systems, electrical fixtures and lights which may be in or part of the Owner's Unit, unless the same have been defined as Common Elements.

B. **Unit Alterations.** It is the concurrent responsibility of the Declarant, the Association and each Unit Owner to insure the continuing structural integrity of each of the buildings within the Condominium. The construction characteristics of the buildings comply with International Building Code (IBC) Type II-B Non-Combustible Construction. All structural materials and other Unit finish materials must comply with Type II-B construction standards. The buildings are constructed of non-combustible materials. The buildings do not permit the addition of loads to the walls or roof structure, except as specifically engineered and approved in accordance with the provisions of the International Building Code. It is anticipated that individual Unit Owners may elect, at the Unit Owner's sole expense, to install lifts, cabinets, workbenches, shelving, mezzanines, etc. within their Units. Accordingly, it shall be permissible for a Unit Owner to make alterations to the interior of such Owner's Unit that comply with IBC Type II-B construction standards and do not adversely affect the continuing structural integrity of each of the buildings within the Condominium; provided, however, that such alterations shall be absolutely subject to the limitation that no alteration shall be allowed which causes an adverse effect upon the Common Elements or structural integrity of any Unit. All loads of any such improvements shall be carried by the concrete floor

only, and shall not be connected to the roof structure or demising walls. All concrete slab-on-grade floors are designed and installed to support approximately one thousand (1,000) pounds per square foot before failing. Furthermore, any Unit Owner who makes alterations to his Unit shall be liable for any damage caused as a consequence thereof to any other Unit or to any Common Elements.

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C. Tenant Finish Coordination. Condominium Units may go through a "Tenant Improvement" process to further build-out a unit for its specific use. Each Unit shall have access to plumbing that is located underneath or above the concrete floor slab, and which may terminate within the overhead structure of each Unit. In order to facilitate the installation of plumbing fixtures and other "Tenant Improvements," Unit Owners may need to contact one or more adjacent or upper/lower Unit Owner(s) to coordinate times and dates for contractors to construct "Tenant Improvements" including accessing plumbing to make alterations or connections and have improvements inspected. Tenant Finish Coordination includes: Unit Owners shall provide notice in writing to the Association and affected adjacent or upper/lower Unit Owner(s) a minimum of 14 calendar days in advance of scheduling any alterations. A construction schedule, plans, and list of contractors shall be included with the required notice. All alterations shall be performed only by professional, licensed and insured contractors. Protection and clean-up of floor, ceiling and wall surfaces in adjacent or upper/lower Units (including joists, beams, pipes, floors and any other finishes) shall be the responsibility of the Unit Owner doing the "Tenant Improvement(s)". All holes in floors, ceilings and wall surfaces and gaps around pipes shall be permanently and tightly sealed as part of the alteration work. All pre-existing finishes in affected Units shall be completely replaced and re-finished as necessary to leave the affected space in the same condition as before the alteration work commenced.

D. Contractor Requirements. Contractors hired by a Unit Owner to construct "Tenant Improvements" shall be allowed to park within and/or directly in front of the Owner's Unit or in overflow parking spots during designated construction times. All materials and trash during the construction must be stored within the Unit and hauled away upon completion of work. The Condominium construction practices are an important aspect of ensuring that the impacts of construction activities are minimized for all Unit Owners, while also ensuring that Unit Owners and contractors are able to complete "Tenant Improvements" within a reasonable timeframe. Construction times are limited in the Condominium to the following:

- 1) Monday through Saturday between the hours of 7:00 a.m. and 6:00 p.m.
- 2) Sundays and federal holidays – No construction activities allowed.
- 3) Construction and delivery vehicles may not park or leave vehicles or trailers within the Common Areas between 6:00 p.m. and 7:00 a.m.
- 4) A Unit Owner may request in writing from the Association an exception to limited construction times where the exception further minimizes the impact of construction activities on all Unit Owners.

E. Limited Common Elements. Limited Common Elements shall be for the sole and exclusive use of a designated Unit or designated Units, although the use, condition, maintenance and appearance of such Limited Common Elements shall be regulated pursuant to this Declaration, the Bylaws and the rules and regulations of the Association. Performance of maintenance or repair work for such Limited Common Elements shall be carried out by the Association and not by the Unit Owner to which such Limited Common Elements may be assigned.

ARTICLE X

Unit Owners' Association

In order to provide for administration of the Condominium, an entity shall be created which shall be called "Micro Spaces at IBC Owner's Association, Inc.," in accordance with the following terms and conditions:

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A. Form of Association. The Association shall be organized as a nonprofit corporation in accordance with the provisions of the Act, not later than the date the first unit in the Condominium is conveyed to a purchaser.

B. Articles and Bylaws. The Articles and Bylaws of the Association shall bind all Owners.

C. Membership.

1. **Qualification.** Each Unit Owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Unit so owned; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Unit Owner for purposes of the Association, this Declaration, the Bylaws and the rules and regulations of the Association, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Unit shall be the sole qualification for membership in the Association. A Unit Owner may not elect out of membership in the Association, nor elect out of the duty to pay dues, assessments, fines or obligations duly incurred as a Unit Owner.

2. **Transfer of Membership.** Association membership of each Unit Owner (including Declarant) shall be appurtenant to the ownership of a Unit and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to each Unit and then only to the Purchaser of such Unit. Any attempt to make a prohibited transfer shall be void. Any disposition of a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Unit Owner thereof.

3. **Classes of Membership.** The Association shall have two (2) classes of voting membership as follows:

(i) **Class A of Membership.** Class "A" membership shall be that held by each Owner of a completed Unit in the Condominium other than the Declarant or its successors in interest with respect to the Project. Each Class "A" member shall be entitled to one (1) vote for each owned Unit located on the Property. When more than one person has an interest in any Unit ("co-owner"), all such co-owners shall be members and may attend any meeting of the Association, but only one such co-owner shall be entitled to exercise the vote to which the Unit is entitled. Such co-owners may from time to time designate in writing one of their number to vote. Fractional votes shall not be allowed, and the vote for each Unit shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if such designation has been revoked, the vote for such Unit shall be exercised as a majority of the co-owners of the Unit mutually agree. Unless the Board receives a written objection from a co-owner, it shall be presumed that the voting co-owner is acting with the consent of his or her co-owners. No vote shall be cast for any Unit where the majority of the co-owners present in person or by proxy and representing such Unit cannot agree to said vote or other action. The non-voting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages

established herein, or in the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns.

(ii) **Class B of Membership.** The Class B Member shall be the Declarant, and Declarant shall be entitled to ten (10) votes for each Unit owned by Declarant. The Class B Membership shall cease and be converted to Class "A" Membership on the happening of the earliest of the following events:

(a) No later than sixty (60) days after conveyance of Seventy-Five percent (75%) of the total number of Units contemplated per Schedule "B" to be included in the Condominium as set forth in this Declaration have been deeded to owners other than the Declarant; or two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business, or

(b) two (2) years after any right to add new Units was last exercised, or

(c) Upon Declarant's written relinquishment of its class.

4. **Voting.** Unless otherwise specifically set forth in this Declaration, all votes of the Association shall require an affirmative vote of 51% of the Unit Owners. There shall be one (1) voting representative for each Unit. Declarant shall be considered a "Unit Owner," as that term is used herein, and shall be the voting representative with respect to each Unit owned by Declarant. In the event that the Association is the Owner of any Unit, the Association shall not be entitled to cast the votes allocated to such Unit. If a Unit Owner (including Declarant) owns more than one Unit, such Unit Owner shall have the votes for each Unit so owned. The voting representative shall be designated by the Owner or Owners of each Unit by written notice to the Board and need not be a Unit Owner. The designation of a voting representative shall be revocable at any time by written notice to the Board from the Owner of the Unit, by actual notice to the Board of the death of the Unit Owner or of the voting representative, by written notice from the lawful holder of a power of attorney of a Unit Owner or by the guardian of any judicially-declared incompetent Unit Owner. This power of designation and revocation may be exercised by the guardian of a Unit Owner and by the administrator or executor of a Unit Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made prior to any meeting, no vote may be cast for such Unit other than by the Unit Owner thereof.

5. **Joint Unit Owner Disputes.** The vote of a Unit must be cast as a single lot, and fractional votes of such Unit's allocated vote shall not be allowed. In the event that joint Owners of a Unit are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular Unit, none of said votes shall be counted and said votes shall be deemed void.

6. **Pledged Votes.** If the Board has been notified that a Unit Owner has pledged such Unit Owner's vote to a Mortgagee, or in the event that the Owner of the Unit has otherwise pledged his vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with such pledge has been filed with the Board. Amendments to this subsection shall only be effective upon the written consent of all the voting Unit Owners and their respective mortgagees, if any.

7. Meetings, Audits, Notices of Meetings.

(i) **Annual Meeting.** There shall be an annual meeting of the Unit Owners in the second quarter of each fiscal year of the Association at such reasonable place and time as may be designated by written notice from the Board delivered personally, by first class mail (postage prepaid), or electronic mail to all Unit Owners not less than ten (10) days nor more than fifty (50) days prior to the date fixed for said meeting. The notice concerning such annual meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the Unit Owners, including the general nature of any proposed amendment to this Declaration or the Bylaws or any proposal to remove a Director or an Officer. At the annual meeting, there shall be presented a report of the financial condition of the Association, itemizing the total receipts and disbursements for the just expired fiscal year, the allocation thereof to each Unit, and the estimated common expenses and required assessments, including the allocation thereof to each Unit, for the fiscal year commencing.

(ii) **Special Meetings.** Special meetings of the Unit Owners may be called at any time for the purpose of considering matters which by the terms of the Act, of this Declaration, of the Articles of Incorporation or the Bylaws require the approval of all or some of the Unit Owners or for any other reasonable purpose. Such meetings shall be called by written notice from the President of the Association upon the decision of the President, or after written request signed by a majority of the Board, or by written request signed by the Unit Owners having at least twenty percent (20%) of the total votes, which notice shall be delivered not less than ten (10) days nor more than fifty (50) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting and shall include an agenda of the matters to be considered, including but not limited to the general nature of any proposed amendment to the Declaration or to the Bylaws, changes in the previously approved budget that result in a change in assessment obligations and any proposal to remove a director or officer.

(iii) **Required Posting of Notices.** The notice of any meeting of the Unit Owners shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practical.

(iv) **Audits.** All audits shall be conducted pursuant to applicable Colorado law.

D. Bylaws of Association

1. **Adoption of Bylaws.** Initial Bylaws for the administration of the Association and the Condominium, and for other purposes not inconsistent with the Act or with this Declaration, shall be adopted by the Declarant. Amendments to the Bylaws may be adopted by the Association at an annual or special meeting in accordance with the provisions thereof.

2. **Bylaw Provisions.** The Bylaws shall contain provisions consistent with this Declaration and the Act and may contain supplementary, but not inconsistent, provisions regarding the operation and administration of the Condominium, the Association and the Board. The Bylaws shall establish provisions for quorum, ordering of meetings and details regarding the giving of notice as required for the proper administration of the Association and the Condominium. The Bylaws shall specifically provide for:

(a) The number, qualifications, powers and duties, terms of office, and the manner of electing and removing members of the Board of the Association and filling the vacancies thereof, and the alternative methods for the Board of Directors to conduct meetings and to confirm the adoption of a Directors' resolution, including the adoption of reasonable rules and regulations not inconsistent with this Declaration;

(b) The election by the Board of Directors of such Officers of the Association as the Bylaws specify;

(c) Which, if any, of the powers of the Board of Directors or of the Officers of the Association may be delegated to other persons or to a managing agent thereof;

(d) Which, if any, of the Officers of the Association may prepare, execute, certify and record amendments to this Declaration on behalf of the Association; and

(e) The method of amending the Bylaws.

(f) The quorum required for voting approval at any annual or special meeting of the members (Unit Owners) of the Association.

ARTICLE XI

Management of the Condominium

A. Powers of the Association. The Association may be empowered to:

1. Adopt and amend the Declaration, Articles of Incorporation, Bylaws, rules and regulations.

2. Adopt policies, procedures, and rules and regulations concerning collection of unpaid assessments and handling of conflict of interest involving board members.

3. Adopt and amend budgets for revenues, expenditures and reserves and impose and collect regular and special assessments for common expenses from Unit Owners.

4. Hire, discharge or contract with managing agents or other employees, agents and independent contractors.

5. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium.

6. Make contracts and incur liabilities.

7. Regulate the use, maintenance, repair, replacement and modification of Common Elements, including without limitation maintaining building exteriors, pavement, outdoor mezzanines, storm drainage system and landscaping in good order.

8. Cause additional improvements to be made as part of the Common Elements.

9. Acquire, hold, encumber, lease and convey in its own name any right, title or interest to real or personal property; provided, however, that Common Elements may be conveyed or subjected to a security interest only if the Owners of Units to which at least Sixty (60%) percent of votes in the Association are allocated, including Sixty (60%) percent of the votes allocated to Units not owned by the Declarant or an affiliate thereof, agree to that action. Proceeds of any such sale or financing shall be an asset of the Association.

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10. Grant easements, rights of way, leases, licenses and concessions through or over the Common Elements.

11. Impose and collect any assessments, fees or charges for the use, rental or operation of the Common Elements and for services provided to individual Unit Owners.

12. Impose and collect charges for late payment of assessments as provided herein or in the Bylaws, rules or regulations, and, after notice and an opportunity to be heard by the Board and in accordance with such procedures, levy reasonable fines for violations of this Declaration, the Bylaws and/or the rules and regulations of the Association in accordance with the previously established schedule thereof adopted by the Board and furnished to the Unit Owners.

13. Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration and the Plat, for the preparation and delivery of statements of delinquent assessments and the preparation and delivery of any other documents required of the Association incident to the sale, lease or rental of any Unit, including resale certificates, if any required by Colorado law as presently in force or as hereafter amended.

14. Provide for the indemnification of its officers and the members of its Board and to maintain directors' and officers' liability insurance.

15. Assign its right to future income, including the right to receive common expense assessments, except as otherwise limited herein.

16. Exercise any other powers conferred by the Act, this Declaration or the bylaws.

17. Exercise any other powers granted by the State of Colorado to a nonprofit corporation consistent with the provisions hereof.

18. Exercise any other powers necessary and proper for the governance and operation of the Association.

B. Management by the Board. Administrative power and authority of the Association shall vest in a Board of Directors. The number of directors shall be specified in the Bylaws and shall be sufficient to handle adequately the affairs of the Association and must include Unit Owner representation. The Board may delegate all or any portion of its administrative duties to a manager, managing agent and/or officer of the Association, in such manner as provided in the Bylaws. The Board shall elect a president, vice-president, secretary and treasurer, together with such other officers as shall be deemed to be required from time to time, each of whom shall perform such duties as are required of them as provided in the Bylaws of the Association.

C. Election of the Board.

1. Declarant shall have control of the Association (the "Declarant Control Period"), during which period Declarant or persons designated by Declarant may appoint or remove the

officers and members of the Board, and may exercise Development Rights and Special Declarant Rights, provided that the Declarant Control Period shall terminate no later than the earlier of:

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(a) Sixty (60) days after conveyance to Unit Owners other than the Declarant of seventy-five (75%) percent of the total number of Units contemplated per Schedule "B" to be included in the Condominium as set forth in Article II, Paragraph C; (b) two years after the last conveyance of a Unit by the Declarant in the ordinary course of business, (c) two years after any development right to add new Units to the Condominium was last exercised by the Declarant; or (d) the date on which the Declarant voluntarily surrenders the right to appoint and remove officers and members of the Board. Following the occurrence of the first of such events, all steps shall commence leading to the complete transfer of control to the Association of Unit Owners as set forth hereafter and further as required in Colorado law, as presently in force or as hereafter amended.

(b) Notwithstanding paragraph 1(a) hereinabove, not later than sixty (60) days after conveyance by the Declarant to Unit Owners of twenty-five (25%) percent of the *total* number of Units which may be created within the Condominium pursuant to Article II, Paragraph C, at least one member and not less than twenty-five (25%) percent of the members of the Board shall be elected by Unit Owners other than the Declarant, and not later than sixty (60) days after conveyance by Declarant to Unit Owners of fifty (50%) of the *total* number of Units which may be created within the Condominium pursuant to Article II, at least thirty-three and one-third (33-1/3%) percent of the members of the Board shall be elected by Unit Owners other than the Declarant.

2. Within thirty (30) days after the termination of the period of Declarant control of the Board, as identified within Subsection 1 above; the Unit Owners shall elect the Board, which shall consist of at least three (3) members and each of whom shall take office upon election. The Board shall elect its Officers, each of whom shall also take office upon election.

D. Authority of the Board.

1. The Board, for the benefit of the Condominium and the Unit Owners, shall enforce the provisions of this Declaration, the Articles of Incorporation, the Bylaws and the rules and regulations of the Association, shall have all powers and authority permitted to the Board under the Act, other applicable law and this Declaration, and shall acquire and shall pay for, out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the Condominium, including, but not limited to, the following:

(a) Common water, sewer, snow removal, landscape, parking lot and storm drainage system maintenance and common garbage/recycling collection for the entire Condominium and electrical, telephone, cable, fire sprinkler and alarm system maintenance, and any other necessary utility service as required for the Common Elements.

(b) Policies of insurance or bonds providing coverage for fire and other hazards, liability for personal injury and property damage, and for fidelity of

Association officers, directors and other employees, as the same are more fully required hereafter or in the Bylaws.

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(c) The service of persons or firms as required to manage properly the affairs of the Condominium to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine are necessary or proper for the operation and maintenance of the Common Elements, whether such personnel are employed directly by the Board or are furnished by the designated manager or management firm or agent.

(d) Legal and accounting services necessary or proper in the operation of the Association affairs, administration of the Common Elements or the enforcement of this Declaration.

(e) Painting, maintenance, repair and improvements of the Common Elements (and Limited Common Elements as applicable), and such accessories and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Elements.

(f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations and/or insurance which the Board is required to secure by law, or which in its opinion shall be necessary or proper for the operation of the Common Elements and for the enforcement of this Declaration; provided, that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations and/or insurance are provided for particular Units or their Unit Owners, the cost thereof shall be specifically charged to the Owners of such Units.

(g) Maintenance and repair of any Unit, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Condominium, if the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the Unit Owner; provided, that the Board shall levy a special charge against the Unit Owner and the Unit for the cost of such maintenance and repair.

(h) The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the Condominium or any part thereof which is claimed to, or which may, in the opinion of the Board, constitute a lien against the Condominium or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorney fees) incurred by the Association by reason of such lien or liens shall be specially charged against the Unit Owners and the Units responsible to the extent of their responsibility.

(i) The Board shall obtain the consent of 51% of the Unit Owners in any case wherein the Board funds or contracts for each capital addition or improvement (other than for purposes of restoring, repairing or replacing portions of the Common Elements) in excess of \$5,000.

(j) Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Unit Owners or any of them, which is expressly prohibited.

(k) The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the common expense fund. The Board may delegate such powers subject to the terms hereof.

(l) The Board shall obtain the consent of 51% of the Unit Owners in any case wherein the Board acquires by lease or purchase real or personal property in excess of \$5,000.

(m) The Board and its agents or employees may enter any Unit or Limited Common Element when necessary in connection with any maintenance, repair and construction for which the Board is responsible or in the event of an emergency. Such entry shall be made with as little inconvenience to the Unit Owner or tenant as practical and upon prior notice if circumstances permit. Any damage caused thereby shall be repaired by the Board out of the common expense fund if the entry was due to an emergency or for the purpose of maintenance or repairs to units where the repairs were undertaken by or under the direction or authority of the Board (unless the emergency or maintenance was caused or necessitated by the Owner of the Unit entered, in which case the cost shall be specially charged to the Unit Owner whose Unit is entered).

(n) Each Unit Owner, by the mere act of becoming an Owner of a Unit, shall irrevocably appoint the Board as such Owner's attorney-in-fact, with full power of substitution, to take such action as is reasonably necessary to perform promptly the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Common Elements, the Limited Common Elements, if applicable, to deal with a Unit upon damage or destruction and to secure insurance proceeds.

2. In the discharge of its duties and in the exercise of its powers as set forth in Section 1, but subject to the limitations set forth therein, the Board may borrow funds on behalf of the Association and in order to secure the repayment thereof may encumber, subject to the limitations set forth in this Declaration, the Common Elements, Association funds and the allocated interests of each Unit Owner therein.

ARTICLE XII

Maintenance, Common Expense, Common Expense Liability and Special Assessments

A. Storm Water System Maintenance. The Association, its successors and assigns, shall twice annually inspect and maintain the storm water system that is part of Condominium. This includes all pipes and channels built to convey storm water to the Storm Water Basin, as well as all structures, improvements, and vegetation provided to control the quantity and quality of the storm water system. Adequate maintenance is herein defined as maintaining storm water facilities in good working condition so that these facilities are performing their design functions in accordance with their permitted water quality standards throughout the life of the storm water system. The purpose of the inspection and maintenance program is to assure proper functioning of the storm water system and to lessen the possibility that the emergency overflow system will be used. A copy of the

annual reports documenting the inspection and maintenance of the storm water system shall be kept with the Association records and made available to the adjacent property owners or their designees upon request. Inspection and maintenance shall include the following items:

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- (1) Inspect vegetation for invasive species annually. Any observed invasive species shall be removed and properly disposed of.
- (2) Mow semi-annually to a height no less than four inches.
- (3) Remove accumulated organic matter on side slopes of the basin embankment semi-annually.
- (4) Observe conditions of any headwalls semi-annually, remove trash, if present.
- (5) Inspect and clean out all drain manholes annually.
- (6) Observe basin functioning after significant storm events and at least twice a year to ensure that the basin is functioning as designed.
- (7) Observe any accumulation of sediment within the basin annually. Remove excess sedimentation.
- (8) Inspect the basin and remove any accumulated sediment, trash, and debris at least twice a year and after every significant event.
- (9) Observe outfall structures for clogging or excessive outflow releases annually and after significant precipitation events. Clean any vegetation and debris within a 15 foot radius around structure as necessary.
- (10) Inspect condition of concrete headwalls annually. Take corrective action if deficiencies are found with the concrete headwalls or fencing.
- (11) Confirm stable condition of any rip-rap and stone slopes semi-annually. Repair any loose or disturbed armoring.
- (12) Remove trash, sediment and debris from the outfall structure semi-annually.

B. Common Expenses. Common expenses include those expenses defined in the Act and in Article I, section 9 hereof, specifically those expenses incurred by the Association in the Operation, management and administration of the Condominium pursuant to the provisions hereof or as otherwise required or permitted by the provisions of this Declaration or the Bylaws. The Association may engage the services of a management company or person (who may be affiliated with Declarant) ("Manager"). The Manager may charge a management fee, which management fee shall be reasonable in light of the scope and quality of services rendered, to cover the Manager's salaries, overhead and services. Any accounting and legal fees and expenses incurred may be charged in addition to the management fee. The management fee and other fees and expenses shall be included as part of the Association's budget and shall be collectible as part of the Assessments.

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C. Annual Budget of Common Expenses. Prior to the annual meeting of Unit Owners each fiscal year, and within 90 days after adoption of any proposed budget, the Board shall estimate the common expenses which it anticipates will be incurred during the fiscal year commencing and determine the regular assessments and any special assessments required to be paid to the Association for such fiscal year; shall make provision for creating, funding and maintaining reasonable reserves for contingencies, operations, repairs, replacement and acquisition of Common Elements; and shall take into account any expected income and any surplus available from the expired fiscal year's operations. **The initial common expense assessment for each Unit, set at the time of recording this Declaration, and required to be paid to the Association is \$110 per month.** The Board shall mail, by ordinary first-class mail, electronic mail or otherwise deliver a summary of the budget to all the Unit Owners and shall set a date for a meeting of the unit owners to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The proposed budget does not require approval from the Unit Owners and it will be deemed to be approved by the Unit Owners in the absence of a veto at the noticed meeting by a majority of each class of the voting Membership, whether or not a quorum is present, pursuant to Colorado law. The determination and collection of assessments for the first year of operation of the Condominium shall be made by the Declarant. The Board may also, from time to time, impose such special assessments as may be determined to be necessary by the Board, subject to the restrictions set forth herein and/or in the Bylaws. If the sum estimated and budgeted for a particular fiscal year at any time proves to be inadequate for any reason (including nonpayment of certain Unit Owners' assessments), the Board may at any time levy a further assessment.

D. Payment by Unit Owners. Each Unit Owner shall pay assessments made pursuant to this Article to the Treasurer of the Association at such intervals as the Board shall designate. Any unpaid assessments shall bear interest at the maximum rate allowed by Colorado law from the due date until paid.

E. Purpose. All funds collected hereunder shall be expended for the purposes designated in or permitted by this Declaration, the Bylaws or the Act.

F. Separate Accounts. The Association shall maintain separate accounts for current operations, reserves and a special insurance reserve account for payment of insurance and bond premiums, if any. Upon receipt of payments for assessments, the Treasurer shall first deposit to the insurance reserve account that portion of the common expense assessments necessary to pay the total cost of premiums of all of the insurance and bond coverage then in effect required to be paid from such periodic assessments, and such insurance reserve account shall be held separately and inviolate until utilized for payment of such premiums. The remainder of the assessments collected may be utilized for payment of other common expenses or deposited or credited to other accounts. All such assessments and other Association revenues shall be collected and held in trust for, and administered and expended for the benefit of the Association.

G. Based on Percentage. Except for certain special assessments which may be levied against particular Units under the provisions of this Declaration, all assessments for common expenses shall be assessed to Units on the basis of the percentages set forth Article VII hereof and any amendments thereto.

H. Failure to Determine Assessments. The failure of the Association to fix assessments for the fiscal year commencing at the annual meeting shall not be deemed to constitute a waiver or modification in any respect of the provisions of this Declaration or release any Unit Owner from the obligation to pay the assessment or any installment thereof, but the amount of assessment fixed for the preceding year shall continue in force until a new assessment is fixed. Following the determination being made regarding the amount of assessments for such fiscal year, each Unit Owner shall, as a portion of such Owner's first payment of the monthly or periodic assessments to the Association, include therein such sums equal to the difference between the amount of assessments previously paid for such fiscal year and the actual amount determined to be required by the Association.

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I. Limited Common Expenses.

1. Limited Common Elements. Any common expense associated with the operation, maintenance, repair or replacement of a Limited Common Element, if any, shall be paid by the Owner or Owners of, or assessed against, the Unit or Units to which that Limited Common Element is assigned in proportion to the amount of the total expense incurred in the operation, maintenance, repair or replacement of the Limited Common Element assigned to each such Unit.

2. Limited Units Benefit. Additionally, any common expense which benefits only some, but not all, of the Units shall be assessed only against such benefited Units in the same proportion as is set forth above in this section.

3. Judgments. If judgment is entered against the Association at any time, assessments for the payment of such judgment shall be made against only those Units which were a part of this Condominium at the date of entry of such judgment.

4. Limited Cause. If the Board determines that a common expense is incurred by the Association as the result of any one or more Units Owners, but not all of the Unit Owners, the assessments to pay such common expense may be allocated only to the Units owned by such Owners who are determined by the Board to be responsible and not to Units owned by Owners who are determined not to be responsible.

J. Records. The Board shall cause to be kept complete and accurate books and records of all receipts and expenditures, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred, together with any additional information which may from time to time, be determined to be required by the Board. Such books and records, together with vouchers authorizing payments, shall be available for examination by the Unit Owners, and by their mortgagees, attorneys or agents; at any reasonable times upon reasonable notice and the payment of any required audit cost. At least one copy of the annual financial statement and report of the Association shall be furnished to each Unit Owner and to any mortgagee requesting the same within ninety (90) days following the end of the fiscal year covered thereby or as soon thereafter as the same may be completed.

K. Lien Indebtedness. All assessments shall be joint and several personal debts and obligations of each and every Owner of any Unit against which the same are assessed as of the time the assessment is made and shall be collectible as such. The amount of any assessment, whether

regular or special, assessed to any Unit and to the Owner thereof, plus interest at the maximum rate allowed by the Act from the due date until paid, and the costs, including reasonable attorney's fees incurred by the Association, shall be a lien upon such Unit and the allocated interests in the Common Elements thereof. Such lien arising from the nonpayment of such assessments shall have priority over all other liens and encumbrances, recorded or unrecorded, except as such priority is limited by the provisions of the Act and this Declaration. Irrespective of the existence of such lien, a suit by the Association to recover a money judgment against any Unit Owner or Unit Owners arising from such unpaid assessments may be maintained without foreclosure of such lien and without waiving the future enforceability of such lien. 3)

L. Certificate of Assessment. A certificate executed and acknowledged by the Treasurer or by the President of the Association, or by the authorized agent thereof, stating the amount of such indebtedness for assessments, or the lack thereof, attributable to any Unit shall be conclusive upon the Association as to the amount of such indebtedness on the date of such certificate, in favor of all persons who rely thereon in good faith, and such a certificate shall be furnished to any Unit Owner or to any Mortgagee of a Unit within a reasonable time after request, in recordable form, subject to a reasonable fee for the preparation thereof. Unless otherwise prohibited by law, any Mortgagee of a Unit may pay any unpaid assessments payable with respect to such Unit, and upon such payment such mortgagee shall have a lien on such Unit for the amount so paid of the same priority as the lien of the mortgage of such mortgagee.

M. Security Deposit. In the event that a Unit Owner has twice been delinquent for at least thirty (30) days in the payment of assessments due to the Association, a Unit Owner may be required by the Board, at the discretion of the Board, to make and maintain a security deposit with the Association not in excess of three months' assessments, which may be collected as are other assessments. Such a security deposit shall be held in a separate fund, credited to such Unit Owner, and resort may be had thereto at any time when, and in the event, that such Unit Owner is ten or more days delinquent in paying his monthly or other periodic assessments.

N. Foreclosure of Assessment Lien. The Association may commence an action to foreclose the lien of any delinquent assessments in accordance with the provisions of the Act or otherwise provided by law. If the subject Unit be rented or leased by the Unit Owner to a third party, the Association in such foreclosure action shall be entitled, upon application therefore and due notice thereof, to the appointment of a receiver to collect the periodic rent, which receiver may, if said rental not be paid, obtain possession of the Unit, refurbish it for rental to a reasonable standard for rental units in this type of condominium, and then rent the Unit or permit its rental to others. Rental income collected therefore shall be applied as follows: First to the payment of expenses of the receivership (including reasonable attorney's fees incurred therein); second to reimburse the cost of refurbishing the Unit; third to costs, attorney's fees and charges incurred by the plaintiff in the foreclosure action; and fourth to the payment of the delinquent assessments and any interest accrued thereon. Any judgment rendered against a Unit Owner in such foreclosure proceeding, receivership proceeding or any other action required to collect such delinquent assessments, shall include a reasonable sum for attorney's fees and all other costs and expenses reasonably incurred in preparation for or in prosecution of said action, in addition to taxable costs permitted by law.

O. Rental Units. If a Unit is rented by the Unit Owner, in lieu of the commencement of lien foreclosure proceedings, the Association may collect, and the tenant thereof shall pay over to

the Association, so much of the rental for such Unit as is required to pay any amounts due to the Association hereunder, plus interest and costs, if the same are delinquent more than thirty (30) days. Such tenant shall not have the right to question payment to the Association, and such payment to the Association will discharge the tenant's duty of payment of rent to the Unit Owner, to the extent such rent is actually paid to the Association, but will not discharge the liability of the Unit Owner for the payment of assessments or operate as an approval of the lease or rental agreement by which such tenant maintains occupancy. The Association shall not exercise this power in the event that a receiver has been appointed.

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P. Remedies Cumulative. The remedies provided herein are cumulative, and the Board, on behalf of the Association, may pursue them concurrently. In addition, the Association shall have such other and further remedies as may be provided by law, although the same not be expressed herein.

Q. Transfer Fee. Each purchaser of a Unit, not including Declarant, shall pay to the Association immediately upon becoming a Unit Owner of an Unit, a transfer fee in such amount as is established from time to time by the Board.

ARTICLE XIII

Insurance

A. Insurance Coverage. There shall be maintained at common expense a policy or policies of insurance, and bonds as required, to provide, to the extent that the same be available, the following coverage:

1. Real Property Insurance. A "master" or "blanket" policy of property insurance in an amount equal to the full replacement value of the Condominium, including all buildings, common area service equipment and fixtures, with a "Demolition Endorsement" or its equivalent and, if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent; such insurance to afford protection against at least loss or damage by fire and other hazards covered by a standard Extended Coverage Endorsement, including debris removal costs, costs of demolition, vandalism, malicious mischief, windstorm and water damage.

2. Liability Coverage. A comprehensive policy of public liability insurance covering all of the Common Elements with a "Severability of interest Endorsement" or equivalent coverage or provisions which preclude the insurance carrier from denying the claims of a Unit Owner because of the negligent acts of the Association or any other Unit Owner, with such limits of no less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate ; such coverage to include protection against water damage liability, liability for non-owned or hired automobiles, liability for personal injury, including medical payments, death and damage to property of others.

3. Other Coverage. Board of Directors and Officer's insurance with limits of no less than \$1,000,000 per occurrence and in the aggregate .

B. Additional Policy Provisions. Any insurance obtained pursuant to the provisions hereof shall be subject to the following provisions and limitations if, and to the extent, the Board is

able to purchase policies and endorsements affecting such provisions and limitations.

1. Named Insured. The named insured under any such policies shall be the Association, as trustee for the Unit Owners, and each of the Unit Owners each in accordance with the percentages established in this Declaration with respect to liability arising out of each Unit Owner's allocated interests in the Common Elements and/or membership in the Association. The Association shall have exclusive authority to negotiate settlement of losses under said policies.

2. Contribution. In no event shall the insurance coverage obtained and maintained pursuant to the provisions hereof be brought into contribution with insurance purchased by Unit Owners or by their mortgagees.

3. Absence of Association Control. Such policies of insurance shall provide that coverage shall not be prejudiced by (a) any act or neglect of Unit Owners when and/or if such act or neglect is not within the control of the Declarant or the Association nor unless such Unit Owners are acting within the scope of such Unit Owners' authority on behalf of the Association, or (b) by failure of the Declarant or the Association to comply with any warranty or condition with regard to any portion of the premises over which the Declarant or the Association has control.

4. Cancellation. All policies shall provide that coverage may not be canceled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named therein, including mortgagees or their servicing agents.

5. Waiver of Subrogation, Co-Insurance and Acts of Insured. All such policies shall contain a waiver of subrogation by the insured as to any and all claims against the Declarant, in its capacity as a Unit Owner, against the Association, or any Unit Owner, Unit Owners and/or their respective agents, mortgagees, employees or tenants, and of any defenses based on co-insurance or upon invalidity arising from the acts of the insured.

6. Primary Insurance. If at the time of an insured loss, there is other insurance in force in the name of a Unit Owner covering the same loss, the Association's policy shall provide primary insurance.

7. Unit Contents and General Liability. Nothing contained in this Declaration shall be deemed to require Declarant or the Association to purchase a policy of casualty and general liability insurance to cover the loss, theft or damage to personal property of a Unit Owner, including improvements to the Unit, and each Unit Owner is specifically advised to purchase, at said Unit Owner's sole expense, such insurance and coverage as they deem necessary and prudent to cover the risk of loss, general liability, or damage to the Unit Owner's (including tenants, if any) personal property or improvements.

C. Mortgagee Clause. Each applicable policy of insurance shall contain a standard mortgagee clause which shall:

1. Define Mortgagee. Provide that any reference to a mortgagee in such policy shall mean and include all holders of a mortgage on a Unit, or a lease or sublease thereof, in their respective order and preference, whether or not named therein.

2. Protect Mortgagee. Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect by the Board, the Unit Owners, the Association or any persons acting under authority of any of them.

3. Waive Certain Requirements. Waive any provision invalidating such mortgagee clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy of a Unit, any requirement that the mortgagee pay any premium thereon and any contribution clause.

4. Reconcile Named Insured. Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable as required herein.

D. Fidelity Bond Coverage. The Association may, at the option of the Board, maintain fidelity coverage to protect against dishonest acts on the part of its Officers, Directors, agents and employees and all others who handle, or are responsible for handling, funds of the Association. If obtained, such fidelity coverage shall, to the extent reasonably obtainable, meet the following requirements:

1. Obligatee. All fidelity bonds shall name the Association as the obligee.

2. Amount. Such fidelity bonds shall be written in an amount equal to at least Fifty Percent (50%) of the estimated annual operating expenses of the Association, including reserves.

3. Waiver of Defense. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar terms.

4. Cancellation. Such bonds shall provide that they shall not be canceled or substantially modified without at least thirty (30) days prior written notice to any affected mortgagee or its servicing agent.

5. Obligation to Purchase Fidelity Insurance Coverage. If any Unit Owner or employee of the Association owns thirty (30) or more Units controls or disburses funds of the Association, the Association must obtain and maintain, to the extent reasonably available, fidelity insurance. Coverage shall not be less in aggregate than two months' current assessments plus reserves, as calculated from the current budget of the Association.

6. Personal Obligation to Purchase Fidelity Insurance Coverage. Any person employed as an independent contractor by the Association with thirty or more Units for the purposes of managing the Association must obtain and maintain fidelity insurance in accordance with Colorado law, unless the Association names such person as an insured employee in a contract of fidelity insurance.

E. Insurance Proceeds. Insurance proceeds payable for damage or destruction to any part of the Condominium shall be paid to the Association as trustee for the Unit Owners, Mortgagees of the Units and/or of the Condominium. The Association, acting through its Board, shall have the authority to settle and compromise any claim under insurance obtained by the Association, and the insurer may

accept a release and discharge of liability from the Board on behalf of the named insureds under the policy and any affected mortgagee. No provision of this Declaration shall entitle the Owner of any Unit, or any third party, to priority over the Mortgagee of a Unit with respect to the distribution of any insurance proceeds.

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F. Unit Owners' Policies. Any Unit Owner may obtain additional insurance covering his Unit, to the extent permitted by law, at such Unit Owner's own expense. Any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than personal property belonging such Unit Owner, is required to file a copy of such policy or policies with the Board within thirty (30) days following the purchase thereof, and the Board shall immediately review the effect of such policy with the Board's insurance agent and direct changes to the extent that such a policy adversely impacts the Association's policies or insurance costs. Each Unit Owner shall be responsible for maintaining insurance on the contents of such Owner's Unit, any additions and improvements to such Unit, the personal property therein maintained and the personal property of the Unit Owner situated at any other location within the Condominium.

ARTICLE XIV

Damage or Destruction; Reconstruction

A. Determination by the Association. In the event of damage or destruction to any part of the Condominium, the Association, through the Board or through its authorized agent, shall promptly, and in any event within twenty (20) days after the date of damage or destruction, make the following determinations with respect to such damage or destruction, employing such advice as deemed available:

1. The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected;
2. A reasonably reliable estimate of the cost to repair and restore the damage and destruction, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible licensed parties;
3. The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer;
4. The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds; and,
5. Whether the Board or its authorized agent recommends that such damage or destruction shall be repaired or restored.

B. Notice of Damage or Destruction. The Board shall promptly, and in all events within thirty (30) days after the date of damage or destruction, provide Unit Owners and each affected mortgagee with a written notice summarizing the initial determination made pursuant to section A above. If the Board fails to so do within thirty (30) days, then the Unit Owners or any affected mortgagees, or both, if applicable, may make the determination required pursuant to this section B.

C. Definitions; Restoration; Emergency Work.

1. As used in this Article, the words "repair," "reconstruct," "rebuild" or "restore" shall mean restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made.

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2. As used in this Article, the term "emergency work" shall mean that work which the Association deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and reasonably necessary to protect Unit Owners and the Association from liability because of the condition of the site.

D. Restoration by the Association.

1. The Association shall promptly repair and restore the damage and destruction, use available insurance proceeds for same, and pay for the actual cost of repair and restoration in excess of insurance proceeds received as a common expense. All insurance proceeds available for such repair and restoration shall be used for such purpose until all such proceeds are exhausted, and such insurance proceeds shall not be paid to others or applied for other purposes until payment for all repair and restoration expenses has been made in full. Excess insurance proceeds may be distributed to Unit Owners and affected mortgagees as their interests may appear.

2. The Association shall have the authority to employ architects and attorneys, to advertise for bids, to let contracts to contractors and others, and to take such other action as is reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Association, by means of insurance proceeds and sufficient assessments, has provided for the total cost thereof.

3. The Association may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company or such similar firm or institution to act as an insurance trustee to adjust and settle any claim for loss or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

E. Decision Not to Restore: Disposition. Any damage or destruction to the Condominium, or any portion thereof, shall be repaired or restored promptly by the Association unless: (1) the Condominium is terminated; (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (3) eighty (80%) percent of the Unit Owners, including every Owner of a Unit which will not be rebuilt, vote not to rebuild. If all of the damaged or destroyed portions of the Condominium are not repaired or replaced: (1) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (2) the insurance proceeds attributable to Units which are not rebuilt shall be distributed to the Owners of those Units, or to mortgagees as their interests may appear; and (3) the remainder of the insurance proceeds shall be distributed to all of the Unit Owners or mortgagees as their interests may appear, in proportion to the allocated interests assigned to each such Unit. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests shall be automatically reallocated as if the Unit had been condemned under Article XV hereof, and the Association promptly shall prepare, execute and record an

amendment to this Declaration reflecting the reallocations. Notwithstanding any other provision hereof, in the event that the Condominium is terminated, the distribution of insurance proceeds shall be governed by the provisions of Colorado law.

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ARTICLE XV **Condemnation**

A. Consequences of Condemnation: Notices. If at any time during the continuance of the Condominium pursuant to this Declaration, all or any part of the Condominium shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance of such taking, the provisions of this Article shall apply, and notice of the proceeding or proposed acquisition shall promptly be given to each Unit Owner and to each mortgagee.

B. Proceeds. All compensation, damages or other proceeds from such taking, the sum of which is called in this Declaration the "condemnation award," shall be payable proportionately to Unit Owners.

C. Complete Taking. In the event that the entire Condominium is taken or condemned, or is sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium form of ownership pursuant hereto shall terminate. The condemnation award shall be apportioned among the Unit Owners in proportion to their respective allocated interests in the Common Elements; provided, that if a standard different from the value of the Condominium as a whole is employed to measure the condemnation award in negotiations, judicial decree or otherwise, then in determining such apportionment the same standard shall be employed to the extent it is relevant and applicable. Any such condemnation award shall, before it is distributed to Unit Owners in accordance with their respective percentage of allocated interests in the Common Elements, be used first to pay all mortgages and liens on the Condominium and on the Units, for which the Association or the Unit Owners as a whole are responsible, then be used to pay all mortgages and liens on each Unit within the Condominium to the extent of the prorata portion of the award otherwise distributable to the Unit Owner to which such mortgage or lien attaches.

D. Partial Taking. In the event that less than the entire Condominium is taken or condemned, or is sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium form of ownership hereunder shall not terminate. The Unit Owners shall be entitled to a share of the condemnation award to be determined in the following manner:

1. As soon as practicable, the Association shall, reasonably and in good faith, allocate the condemnation award between compensation, damages and other proceeds.

2. The Association shall first apportion the amounts so allocated to the taking of, or injury to, the Common Elements, which in turn shall be apportioned between the Unit Owners in proportion to the Unit Owners' respective allocated interests in the Common Elements.

3. The total amount allocated to severance damages shall then be apportioned to the Units which were not taken or condemned.

4. The respective amounts allocated specifically to the taking of, or injury to, any

Unit and/or improvements the Unit Owner had made within such Unit shall be allocated to such Unit.

5. The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances.

6. If an allocation of the condemnation award is already established in negotiations, judicial decree or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable.

7. Distribution of apportioned proceeds shall be made to the Unit Owners and the Unit Owners' respective mortgagees in the manner provided in Section C of this Article.

E. Reductions of Units Upon Partial Taking. In the event that (a) a partial taking occurs which, pursuant to Section D of this Article, does not result in a termination of Condominium hereunder, and (b) at least one (I) Unit is taken or condemned and (c) the condemning authority elects not to hold, use and own said Unit subject to and in accordance with this Declaration, then the provisions of this Section E shall take effect immediately upon the condemning authority taking possession of the Unit or Units so taken or condemned:

1. The Units subject to this Declaration shall be reduced in number to those which were not so taken or condemned.

2. The Common Elements subject to this Declaration shall be reduced to the remaining Common Elements not so taken or condemned.

3. The percentage of allocated interests in the Common Elements shall be recalculated so that the adjusted allocated interests assigned to each Unit not so taken or condemned shall retain the same percentage of undivided interest in the Common Elements in relation to the other remaining Units, but the percentage of each remaining Unit should be recalculated in order that the total of such percentages shall equal one hundred percent (100%).

4. Except with respect to the share of proceeds apportioned pursuant to section D of this Article, no Unit Owner or Mortgagee of any Unit so taken or condemned shall have any right, title, interest, privilege, duty or obligation in, to or with respect to the Association or all, or any portion of, the Condominium which remains subject to this Declaration and which is not so taken or condemned.

5. Except as otherwise expressly provided in this section E, the rights, title, interests, privileges, duties and obligations of Unit Owners and Mortgagees of the Units not so taken or condemned (and in, to or with respect to the Association and the Common Elements) shall continue in full force and effect as provided in this Declaration.

6. The provisions of this section E shall be binding upon and inure to the benefit of the Unit Owners and all Mortgagees of (and other persons having or claiming to have any interest in) any Unit. All such Unit Owners, mortgagees and other persons covenant to

execute and deliver any documents, agreements or instruments (including, but not limited to appropriate amendments to the Declaration and/or Plat) as are reasonably necessary to effectuate the provisions of this Section E.

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F. Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by procedures specified in Article XIV; provided, however, the Association may retain and apply such portion of the condemnation award as is necessary to discharge any liability for any special assessment arising from the operation of such Article.

ARTICLE XVI

Limitation of Liability

A. Liability for Utility Failure and Certain Personal and Real Property Damage. Except to the extent covered by insurance pursuant to Article XIII, neither the Declarant, the Board, the Association or the Unit Owners shall be liable for injury or damage to persons or property caused by the elements or other events of nature, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of the buildings, or from any common pipes, drains, conduit, appliances or equipment, or from any other place, or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of assessments shall be claimed or allowed for such injury or damage or for such inconvenience or discomfort. This Section shall not be interpreted to impose any form of liability by implication upon any Unit Owners.

B. No Personal Liability. If the Unit Owners, the Association, the Board, their agents and/or the Declarant have acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person or entity, then such persons or entities shall not be liable to any Unit Owners or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, that this section shall not apply where the consequences of such act, omission, error or negligence are actually and fully covered by insurance obtained pursuant to Article XIII, nor shall it apply to the extent prohibited by the Act.

C. Indemnification. Each Officer, Director or other person or committee member duly authorized by the Association, by the Board or by the Declarant to manage this Condominium and/or the Association, when exercising the powers and duties of the Board and/or of an officer, shall be indemnified by the Association and the Unit Owners against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed in connection with any proceeding to which he or it may be a party, or in which he or it may become involved, by reason of holding or having held such position, whether or not he or it holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his or its duties; provided, that in the event of a settlement, the indemnification shall apply only when the Unit Owners approve such settlement before it becomes binding upon the party being indemnified hereunder.

ARTICLE XVII

Mortgagee Protection

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A. Priority of Mortgages. Notwithstanding all other provisions of this Declaration and except as limited by the provisions of the Act, the liens created under this Declaration upon each Unit for assessments shall be subject to and subordinate to any real property tax liens attaching to such Unit and against any mortgages which were given in good faith and for value against the Unit. When such mortgagee or other purchaser obtains possession of the Unit as a result of mortgage foreclosure, such mortgagee or other purchaser shall not be liable for the common expense liability chargeable to the Unit which became due prior to the date on which such foreclosing mortgagee was legally entitled to complete such foreclosure and take possession of the Unit, but shall be liable for the common expense liability relating thereto accruing after such date. For the purposes of this Article, the term "mortgages" shall not include real estate contracts; and the term "mortgagee" shall not include a real estate contract vendor or the assignee of a vendor of a real estate contract regarding such Unit.

B. Abandonment of Condominium Status. Except when acting pursuant to the provisions of the Act involving damage, destruction or condemnation, or as otherwise provided in Colorado law, no Unit Owner shall, without the prior written consent of the first mortgagee of the Unit, seek to abandon the condominium status of the project.

C. Change in Percentages. Except as provided in Articles II, III, IV, VII, and XXI, the Unit Owners shall not amend the Declaration to materially change the percentage of allocated interests assigned to any Unit, without the prior written approval of all first Mortgagees of the Units affected by such change or amendment. Declarant specifically reserves the right to change the percentage of allocated interests upon the addition of future phases to the Condominium and Declarant shall be allowed to amend this Declaration to reflect the same without prior approval of first Mortgagees or Unit Owners.

D. Copies of Notices. In the event the Association gives a Unit Owner any notice that such Unit Owner has for more than thirty (30) days failed to meet any obligation under the Condominium documents, including the obligation to pay assessments, the Association shall also give a copy of such notice to any Mortgagee of such Unit who has requested to be so notified.

E. Effect of Declaration Amendments. No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded, unless the amendment shall be approved in writing by the affected mortgagee, except for those amendments which relate to a merger of the Condominium with other parcels and those amendments relating to the conformance of Plat with actual construction. Any provision of this Declaration conferring rights upon mortgagees which is inconsistent with any other provision of this Declaration or the Bylaws shall control over such other inconsistent provisions.

F. Insurance. The Mortgagee of a Unit has the right to demand, by written request, the following:

1. That a copy of any insurance policy or evidence thereof which is intended to cover the Unit on which such mortgagee has a lien be provided by the Association.
2. That any insurance carrier give the Association and any and all insureds (including such mortgagees) at least thirty (30) days' written notice before canceling,

reducing the coverage or limits of or otherwise substantially modifying, any insurance with respect to such property on which such mortgagee has a lien (including cancellation for a premium non-payment).

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3. That written notice be provided by the Association of any loss or condemnation affecting Common Elements, if such loss or condemnation exceeds Ten Thousand Dollars (\$10,000.00).

4. That written notice be provided by the Association of any loss, damage or condemnation affecting the Unit in which such mortgagee has an interest, if such loss, damage or condemnation exceeds One Thousand Dollars (\$1,000.00).

H. Inspection of Books. A Mortgagee of a Unit shall be entitled upon reasonable notice to inspect at reasonable hours during weekdays all of the books and records of the Association, and, upon request, to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

ARTICLE XVIII

Mortgagee's Right After Foreclosure

In the event any Units are conveyed to the Mortgagee of the Condominium in lieu of foreclosure, or the Mortgagee of the Condominium obtains possessory rights, legal title or purchaser's certificates to the Units and interests appurtenant thereto not sold by the Declarant, then said mortgagee will be liable for only that portion of any assessment against such Units so owned by the mortgagee (or to which the mortgagee has a certificate of purchase) for which Declarant would be liable; provided, that in no event will the mortgagee be liable for any past due assessments which accrued or became due prior to the time the mortgagee obtained possession by foreclosure or by deed in lieu of foreclosure and provided, further, that if at any time the Mortgagee of the Condominium grants, rents or leases such Units or any portion thereof, the Mortgagee of the Condominium shall be liable only for the common expense liability for Units or the portions thereof that the mortgagee grants, rents or leases.

ARTICLE XIX

Easements

A. General. In addition to rights under the Act, each Unit is hereby granted an easement in and through each of the other Units and all of the Common Elements, for all support elements and utility, wiring, conduit, heat, sewer, storm drainage, water and service elements, and for reasonable access to same, as required to effectuate and continue proper operation of the Condominium. Without limiting the foregoing, each of the Units and all Common Elements are specifically subject to an easement for the mutual benefit of each other for all duct work or ventilation stacks. In addition, each of the Units and all the Common Elements are specifically subject to easements as required for any electrical system, electrical wiring, plumbing, heating systems, telephone and cable lines and systems, sewer systems, storm drainage systems, fire alarms, water distribution systems, and all other similar equipment for the benefit of each Unit and the entire Condominium. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for the benefit of the Declarant as reserved by the Act.

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B. Easements and Rights Reserved. Declarant hereby reserves non-exclusive easements over, across and through each Unit and the Common Elements for the benefit of itself, its successors and assigns and the Association. The reserved easements are for ingress to and egress from the Units and for access to, over and under the Common Elements of the Condominium in order to connect and utilize any water, sanitary sewer, storm sewer, conduit, electricity, telephone and/or cable systems, fire pumps, bollards, drainage systems, and other utility lines now established or hereafter to be built in the Condominium. Such reservations in favor of Declarant are expressly for the purpose of allowing the completion of the balance of the improvements, but are not limited to such purposes. The easements reserved hereby shall not be exercised in a manner that will overload or materially impair the use and enjoyment of any Unit in the Condominium. Declarant further reserves an easement over, under, across and through the Common Elements for the benefit of itself, its successors and assigns and the Association for the purpose of remodeling, refurbishing or construction of other improvements, reserving to Declarant and to such others the right to create all reasonable noise, clutter, dirt and debris as may be necessary in completing said construction, subject to the obligations to remove the same upon completion.

C. Encroachments. Each Unit and all Common Elements are hereby declared to have an easement over all other Units and all of the Common Elements for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the buildings or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Unit Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of any Unit Owner if said encroachment occurred due to the willful act or acts of such Unit Owner or his agent. In the event any Unit or Common Elements are partially or totally destroyed, and then repaired or rebuilt, the adjacent Unit Owners agree to grant an easement for changes in the structure required by law at the time of such repair or rebuilding. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Unit.

ARTICLE XX

Procedures for Subdivision or Combination

Subject to Special Declarant Rights and except as provided in Article XVII, subdividing, adjusting and/or combining of the Units or Common Elements are subject to the following provisions:

A. Procedure. Subdivision and/or combining of any Unit or Units or Common Elements are authorized only as follows:

1. Any Owner of any Unit may propose in writing to the Association any subdividing or combining of a Unit or Units, together with complete plans and specifications for accomplishing the same and proposed amendments to the Declaration and the Plat covering such subdividing or combining, and the Association shall then notify all other Unit Owners of the requested subdivision or combination.

2. Upon written approval of such proposal by seventy-five (75%) percent of all Unit Owners, the unanimous written approval of all Unit Owners whose allocated interests

are to be adjusted, the written approval of seventy-five percent (75%) of the first Mortgagees of all Units and unanimous written approval of the first Mortgagee(s) of the Unit(s) to be combined or subdivided, the Unit Owner making the proposal may proceed according to such plans and specifications; provided, that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work, that provisions be made for the protection of other Units and the Common Elements and/or that reasonable deadlines for completion of the work be inserted in the contracts for the work.

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3. The changes in the Plat and the changes in the Declaration shall be placed of record as amendments to the Plat and Declaration as soon as practical and shall be effective upon recording. The amendment to the Declaration must include the signature or signatures of the Unit Owner or Owners of the Unit or Units to be subdivided or combined, assign an identifying number to each Unit created or excluded the identifying number of any Unit eliminated, and reallocate the allocated interests formerly allocated to the subdivided or combined Unit or Units to the new Unit or Units in any reasonable and equitable manner prescribed by the Owner or Owners of the subdivided or combined Unit or Units.

B. Costs. Any Unit Owner who is authorized to proceed with such subdivision, adjustment or combination shall bear the entire cost of amending and recording the Plat and Declaration, as well as all costs associated with any approved renovations incident thereto, and such Unit Owner shall indemnify and hold the Association and all other Unit Owners harmless on account thereof.

ARTICLE XXI

Amendment of Declaration, Survey Map, Plans

A. Declaration Amendment. Except in cases of amendments that may be executed by Declarant under Special Declarant Rights provided for herein and Sections 38-33.3-205(4) and (5), 38-33.3-208(3), 38-33.3-209(6), 38-33.3-210 or 38-33.3-222, C.R.S., by an Association under Sections 38-33.3-107, 38-33.3-206(4), 38-33.3-208(2), 38-33.3-212, 38-33.3-213 or 38-33.3-218 (11) and (12), or by the District Court for any county that includes all or any portion of the Condominium, amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration of Micro Spaces @ Indiana Business Center Commercial Condominium," which instrument shall set forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by the Association. Amendments shall be adopted at a meeting of such Unit Owners and first Mortgagees of Units only if approved unanimously by Unit Owners particularly affected, by such other Unit Owner necessary to aggregate fifty-one (51%) percent of the allocated interests in the Condominium, and by all of the affected first Mortgagees of Units, as set forth in Article XVII, or without a meeting if all Unit Owners and such mortgagees have been notified and the above-stated percentages of the Unit Owners and mortgagees consent in writing to such amendment. An amendment when adopted shall bear the signature of the President of the Association and shall be attested to by the Secretary of the Association, each of whose signatures shall be acknowledged. Amendments shall be effective upon recording. Any decision changing the allocated interests of any Unit, except as provided herein, shall require the approval of all Owners of that Unit, and any such amendment affecting the allocated interests shall be by unanimous consent of all Unit Owners actually affected by such change. Any amendment to this Declaration will be completely effective to amend any or all of the

covenants, conditions, restrictions or reservations contained herein which are intended to be affected, unless otherwise specifically provided in the section being amended or the amendment itself.

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B. Plat Amendment. Except as otherwise provided herein, the Plat may be amended by completion of revised versions or revised portions thereof, such amendment having been approved as a part of any amendment to the Declaration as provided for herein. Such amendment to the Plat shall be effective upon recording in conjunction with the Declaration amendment.

C. Discontinuance of Condominium. Any decision or failure to act by the Unit Owners under this Declaration or any applicable provision of law which intends or requires discontinuance of this Condominium or removal of the Real Property from the provisions of the Act, shall, if such decision or failure to act is sufficient with respect to the Act, also terminate and discontinue the effect of any and all of the covenants, conditions, restrictions and reservations set forth herein, and all provisions of the Plat, unless other specific provision is made by recorded amendments to the Declaration and, if required, to the Plat; provided, however, that no such termination shall be sought or accomplished other than with full compliance with the provisions of the Act, as presently adopted or as hereafter amended.

ARTICLE XXII

Compliance with Declaration

A. Enforcement. Unit Owners shall comply with the provisions of this Declaration, the Bylaws and the rules and regulations adopted by the Association, all as the same may be lawfully amended from time to time, together with all decisions adopted pursuant to this Declaration, the Bylaws and such rules and regulations. Failure to comply shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of a lien, or any combination of same.

B. No Waiver of Strict Compliance. The failure of any Unit Owner or of the Association in any one or more instances to insist upon strict compliance with any of the terms, covenants, conditions or restrictions of this Declaration, the Bylaws or with any rules and regulations adopted, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but the same shall remain in full force and effect. The receipt and acceptance by the Association of any payment of an assessment from a Unit Owner, with knowledge of any such breach by such Unit Owner, shall not be deemed a waiver of such breach, and no waiver by the Association or the Unit Owners of any provision in this Declaration shall be deemed to have been made unless expressed in writing and signed by the Board, on behalf of the Association, or by all of the affected Unit Owners. This section shall also extend to the managing and authorized agents of the Association and of any Unit Owners exercising the power of their respective principals.

C. Cost and Attorney Fees. In any proceeding arising because of an alleged default by any Unit Owner with respect to any provision of this Declaration, the prevailing party shall be entitled to recover the cost of the proceeding, the cost of title search, if any, and all other related costs and reasonable attorney's fees incurred in such proceedings and in any appeals taken therefore.

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ARTICLE XXIII

Interpretation

A. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for development, construction and operation of this Condominium pursuant to the laws of the State of Colorado and in accordance with the other provisions of this Declaration.

B. Consistent with Act. The terms such as, but not limited to, "Unit," "Unit Owners," "Association," "building," "Common Elements," "Common Expenses," "Limited Common Elements," and "Real Property," used in this Declaration are intended to have the same meaning given in the Act unless the context clearly requires otherwise.

C. Covenant Running With Land. This Declaration shall be operative as a set of covenants running with the land and/or as equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

D. Unit and building Boundaries. For interpreting the Plat, the existing physical boundaries of the buildings and each Unit, as constructed, shall be conclusively presumed to be their respective boundaries.

E. "Person." When interpreting the term "person" in this Declaration, the singular may include the plural and the masculine may include the feminine, or vice versa, where the context so permits or requires.

F. Declarant-Original Unit Owners. Declarant is the original Owner of the Units and will continue to be deemed the Unit Owner except as conveyances or documents changing such ownership are filed for record with appropriate authorities.

ARTICLE XXIV

Miscellaneous

A. Declarant Rights & Interest. Declarant is the owner of Micro Flex 1, LLC., and hereby exclusively reserves for the sole use and benefit of Declarant all rights and interest in and to all marks, trademarks, copyrights, logos, art work, and most specifically the name Micro Flex and Micro Spaces @ Indiana Business Center and neither the Association, the Unit Owners nor any successor nor assign shall acquire any interest in and to said intellectual property which shall at all times remain in the ownership of Micro Flex 1, LLC. Declarant further states that any and all signage or other use of the logos, marks, trademarks, copyrights or art work by the Association shall not be made except with the express written permission of the Declarant, and the Declarant shall reserve the right to remove from the Property any signage or other visible marks which bear the logos, marks, trademarks, copyrights or art work associated with the name Micro Flex and Micro Spaces @ Indiana Business Center at the sole discretion of the Declarant. For this purpose, Declarant reserves a right of access through over and across any and all of the subject Property for itself for the sole and limited purpose of removing such signage should Declarant deem the same to be in its best interest.

B. Ownership of Plans and Specifications. Declarant is the sole owner of the complete plans and specifications for the Units and the improvements on the Property. Said plans and

specifications are the stock and trade of Declarant and neither the Association nor any Unit Owners shall be entitled to use, transmit or make available information contained in or concerning the plans and specifications to builders or other third parties without prior written consent of Declarant, which Declarant may withhold in its sole discretion. Any consent given by the Declarant shall be only for the specific request received from the Association or Unit Owner and they must request Declarant's consent each time they desire to transmit such information.

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C. Enforcement: The Association, or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

D. Binding Effect: By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by doing so thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Unit Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Unit Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Units and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

E. Survival of Liability: Except as specifically provided herein, the termination of membership in the Association shall not relieve or release any such former Unit Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former Unit Owner arising out of or in any way connected with such membership and the covenants and obligations incident thereto.

F. Platting and Re-Platting: Each Unit Owner agrees to cooperate with Declarant, upon request, in signing any and all documents and granting such consents (other than dedicating any portion of his, her or its Unit) in connection with the process of obtaining all approvals and the recording of the Plat; provided that such agreement to cooperate shall not require any Unit Owner to incur any expenses on behalf or for the benefit of Declarant. In addition and subject to the approval of any and all appropriate governmental agencies having jurisdiction, Declarant hereby reserves the right at any time, without the consent of other Unit Owners, to resubdivide and replat any Unit or Units which the Declarant then owns and has not sold.

G. Not a Public Dedication: Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Property to the general public or for the benefit of the general public or

for any public purposes whatsoever, it being the intention of the Unit Owners that this Declaration shall be strictly limited to and for the purposes herein expresses. The right of the public or any person to make any use whatsoever of the Property or any portion thereof (other than any use expressly allowed by a written or recorded map, agreement, deed or dedication) is by permission, and subject to control of the Association. Notwithstanding any other provisions herein to the contrary, the Association may periodically restrict ingress to and egress from the Property in order to prevent a prescriptive easement from arising by reason of continued public use.

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H. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Act or as covenants affect the common plan.

I. Effective Date. This Declaration shall take effect upon recording.

J. Taxation. Each Unit will be assessed separately for all taxes, assessments and other charges of the State of Colorado, any political subdivision thereof, any special improvement district and any other taxing or assessing authority, in accordance with the Act. For the purpose of such assessments, the valuation of the Common Elements will be apportioned among the Units in proportion to the allocated interests. The Association will furnish to the Tax Assessor of the County of Jefferson, and to all other appropriate Persons and authorities, all necessary information with respect to such apportionment. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges will divest or in any way affect the title to any other Unit.

K. Certificate of Resale. A resale certificate shall be issued by the Association upon written request by the unit owner. The request for a certificate shall be accompanied by payment of a processing fee in the amount of \$50.00 (Fifty Dollars), or such fee as may be established by the Board from time to time. Upon receipt of a written request and the applicable processing fee, the Association shall prepare a resale certificate and make the same available to the Unit Owner within Ten (10) days.

SIGNATURES ON FOLLOWING PAGE

DATED this 16 day of March, 2017.

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DECLARANT:

MICRO FLEX 1, LLC, a Colorado Limited Liability Company

By: 
Kurt J. Esbenson
Member/Manager, LLC

By: 
Gregory Pierce
Member/Manager, LLC

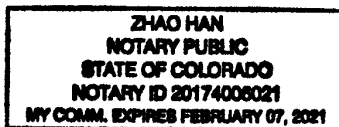
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The foregoing CONDOMINIUM DECLARATION was acknowledged before me this 16 day of March, 2017 by Kurt I. Esbenson and Gregory Pierce, each as Manager/Member of Micro Flex 1, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

By: [Signature]
Notary Public

My Commission expires:



CONSENT OF LENDER

As beneficiary of that certain Deed of Trust dated September 22, 2016, recorded September 28, 2016 at Reception #2016099217 in the real estate records of Jefferson County, Colorado, Wells Fargo Bank National Association hereby consents to the recordation of the above Declaration: however, such Consent shall not be construed to waive, modify or amend any rights of the Bank or obligations of the borrower contained in the Deed of Trust, all terms and provisions of which shall remain in full force and effect.

Dated this 17th day of March, 2017.

Wells Fargo Bank, National Association

By Kiva Stram

Name: Kiva Stram

Title: Vice President

STATE OF COLORADO, COUNTY OF JEFFERSON) ss.

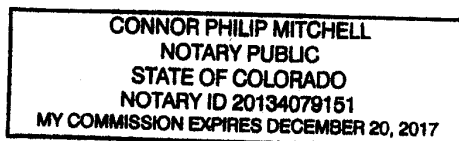
The forgoing instrument was acknowledged before me this 17th day of March, 2017 by Kiva Stram as Vice President of Wells Fargo Bank, National Association.

Witness my hand and seal.

My commission expires: December 20, 2017.

[Signature]

Notary Public



SCHEDULE "A"
CONDOMINIUM DECLARATION
Micro Spaces at IBC Commercial Condominium
Real Property Legal Description

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COMMENCING

A PORTION OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 69
WEST OF THE 6TH P.M. CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF
COLORADO

LOT 4:

LOT 4, INDIANA BUSINESS CENTER, COUNTY OF JEFFERSON, STATE OF
COLORADO.

CONTAINS 56,446 SQUARE FEET OR 1.30 ACRES.

SCHEDULE "B"
CONDOMINIUM DECLARATION
Micro Spaces at IBC Commercial Condominium
Legal Description of the Total Real Property to be Developed.

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See reduced-size Site Plan, attached hereto.

COMMENCING

A PORTION OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 69 WEST
OF THE 6TH P.M. CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF COLORADO

LOT 1:

LOT 1, INDIANA BUSINESS CENTER, COUNTY OF JEFFERSON, STATE OF COLORADO.
CONTAINS 67,946 SQUARE FEET OR 1.56 ACRES.

LOT 2:

LOT 2, INDIANA BUSINESS CENTER, COUNTY OF JEFFERSON, STATE OF COLORADO.
CONTAINS 46,643 SQUARE FEET OR 1.07 ACRES.

LOT 3:

LOT 3, INDIANA BUSINESS CENTER, COUNTY OF JEFFERSON, STATE OF COLORADO.
CONTAINS 54,117 SQUARE FEET OR 1.24 ACRES.

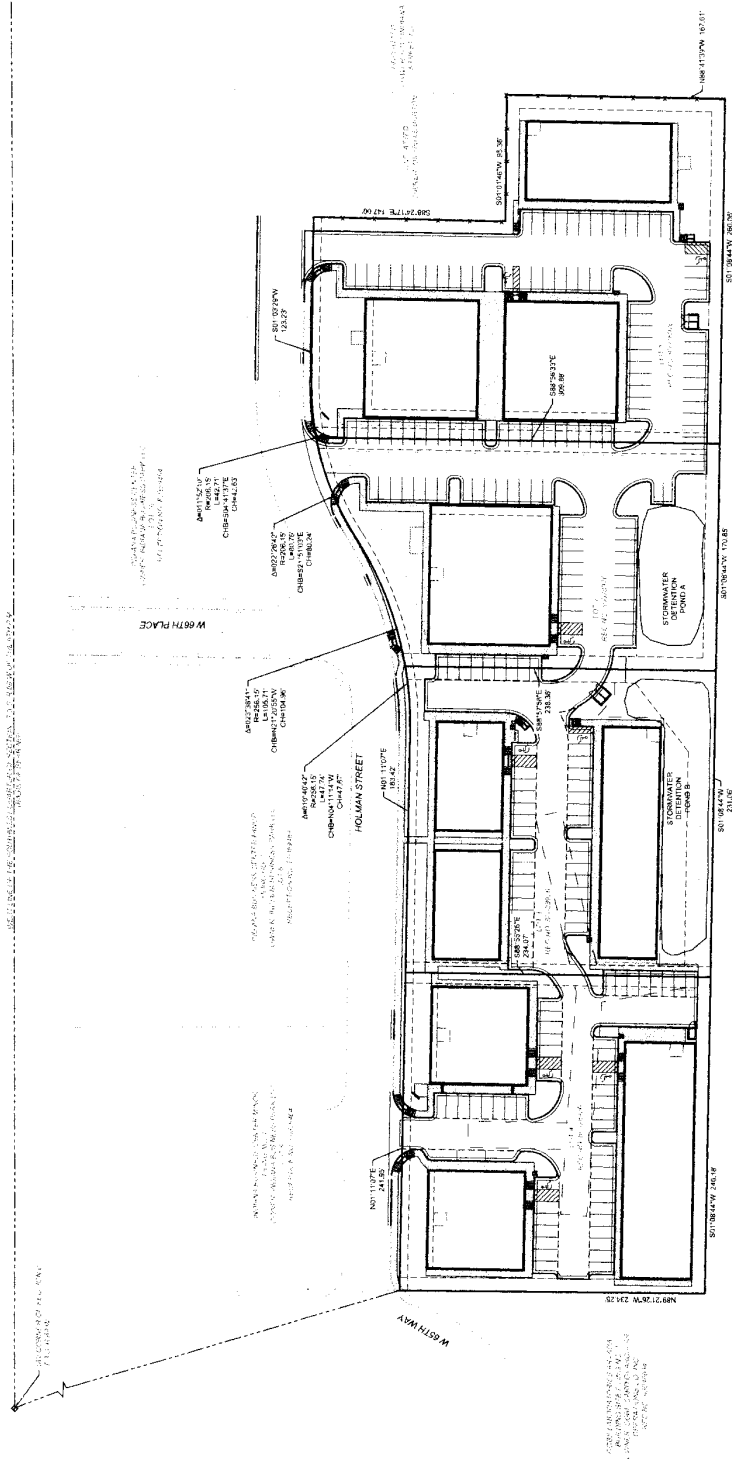
LOT 4:

LOT 4, INDIANA BUSINESS CENTER, COUNTY OF JEFFERSON, STATE OF COLORADO.
CONTAINS 56,446 SQUARE FEET OR 1.30 ACRES.

ACCORDING TO THE INDIANA BUSINESS CENTER PLAT RECORDED

March 17, 1983 AT RECEPTION NO. 83023441

LOTS 1,2,3,4 OF THE INDIANA BUSINESS CENTER SUBDIVISION RECEPTION NO. 800728926
A PORTION OF THE SOUTHWEST QUARTER OF SECTION 6
TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN
CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF COLORADO
AREA EQUALS 225,152 SQUARE FEET (5.17 ACRE)



PROPERTY LINE	EXISTING CURB & GUTTER	PROPOSED CURB & GUTTER	PROPOSED SIDEWALK
			



**SITE PLAN
SCHEDULE B**

JANSEN STRAWN
CONSULTING ENGINEERS, INC.
10000 W. 10TH AVENUE, SUITE 100
DENVER, CO 80223
P. 303.501.3333
F. 303.501.3330

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SCHEDULE "C"
CONDOMINIUM DECLARATION
Micro Spaces at IBC Commercial Condominium
Condominium Map

53

See reduced-size condominium map, attached hereto. Actual size condominium map
recorded March 17th, 2017 at Reception Number 2017028860

MICRO SPACES AT IBC

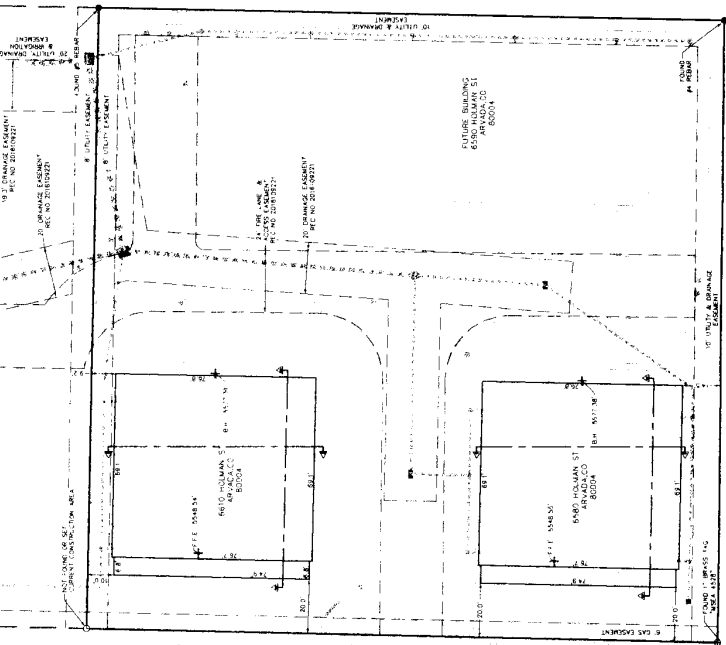
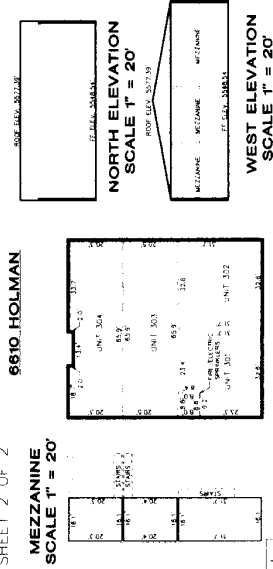
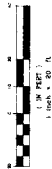
LOT 4, INDIANA BUSINESS CENTER, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH P.M., CITY OF ARAVADA, COUNTY OF JEFFERSON, STATE OF COLORADO

SHEET 2 OF 2

- Legend**
- FOUND MONUMENT AS DEPICTED
 - FOUND BRASS TAG AS DEPICTED
 - MONUMENT LOCATION NOT SHOWN ON SET
 - M.D. AS MEASURED AT TIME OF SURVEY
 - CALCULATED FROM RECORD AND AS MEASURED
 - INFORMATION
 - INFORMATION PLAT OF INDIANA BUSINESS CENTER REC # 8012447 3/17/1983
 - BUILDING HEIGHT
 - ELEVATION

N

GRAPHIC SCALE



6680 HOLMAN

MEZZANINE SCALE 1" = 20'

