

NOTICE OF LEVY  
OF  
REAL ESTATE TRANSFER ASSESSMENT

THIS NOTICE OF LEVY OF REAL ESTATE TRANSFER ASSESSMENT (this "Notice of Levy") is executed as of the 15th day of May, 2000, by Riverfront Park Association, a Colorado nonprofit corporation (the "Association").

RECITALS:

A. The Association is a nonprofit corporation formed to act as the property owners association pursuant to that certain Declaration for Riverfront Park dated May 16, 2000, and recorded in the Office of the Clerk and Recorder for the City and County of Denver, Colorado, on June 16, 2000, under Reception No. 2000085198 (the "Declaration"). The Declaration governs certain matters relating to the ownership and use of the real property located in the City and County of Denver, Colorado, and legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Property") and may in the future govern matters relating to ownership and use of the real property located in the City and County of Denver, Colorado, and legally described on Exhibit B attached hereto and incorporated herein by this reference (the "Expansion Property") if such Expansion Property is subjected to the Declaration as provided therein.

B. Pursuant to Section 5.16 of the Declaration, the Executive Board of the Association is authorized to levy a real estate transfer assessment payable upon the transfer of any portion of the Property. By action of the Executive Board dated May 15, 2000, the Executive Board has adopted a real estate transfer assessment in the amounts and subject to the procedures, limitations and exclusions as described in this Notice of Levy.

NOW, THEREFORE, the Association hereby gives notice of the real estate transfer assessment as described herein:

1. Incorporation of Recitals: Definitions. The provisions of the Recitals set forth above are hereby incorporated in this Notice of Levy by this reference. Any capitalized term used in this Notice of Levy without definition herein shall have the definition ascribed to such term in the Declaration.

2. Levy of Real Estate Transfer Assessments: Amounts. Upon the occurrence of any transfer, as defined below, the transferee under such transfer shall pay to the Association a real estate transfer assessment (the "Transfer Assessment") as follows:

a. With respect to any transfer occurring from January 1, 2000, through and including June 30, 2002, the Transfer Assessment shall be one-quarter of one percent (0.25%) of the fair market value, as defined below, of the Unit or Fractional Ownership Interest subjected to transfer; and

REVISED

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DENVER, CO 80202

b. With respect to any transfer occurring from and after July 1, 2002, the Transfer Assessment shall be one-half of one percent (0.50%) of the fair market value, as defined below, of the Unit or Fractional Ownership Interest subjected to transfer.

3. Purpose and Use of Funds. The Transfer Assessments shall be levied on transfers of Units as described in this Notice of Levy for the purposes of funding or contributing toward certain educational, cultural and/or recreational facilities, equipment, events, activities or operations as determined by the Executive Board to benefit Riverfront Park, regardless of whether such activities or operations are directly located at Riverfront Park, including, without limitation, the equipping and functioning of a community center or school located or to be located within Riverfront Park, all as more particularly described, limited and defined in Section 5.16 of the Declaration, and the proceeds of the Transfer Assessments shall be delivered to an independent nonprofit organization known as Riverfront Park Community Foundation established for such purposes.

4. Definitions.

a. Transfer. For purposes of this Notice of Levy, "transfer" means and includes, whether in one transaction or in a series of related transactions, any conveyance, assignment, lease or other transfer of beneficial ownership of any Unit or Fractional Ownership Interest, including but not limited to (i) the conveyance of fee simple title to any Unit or Fractional Ownership Interest (including any conveyance arising out of an installment land contract or a lease containing an option to purchase), (ii) the transfer of more than 50 percent of the outstanding shares of the voting stock of a corporation which, directly or indirectly, owns one or more Units and/or Fractional Ownership Interests, and (iii) the transfer of more than 50 percent of the interest in net profits or net losses of any partnership, limited liability company, joint venture or other entity (each referred to hereinafter as a "Business Association") (other than Declarant) which, directly or indirectly, owns one or more Units and/or Fractional Ownership Interests, but "transfer" shall not mean or include the transfers excluded under Section 5 of this Notice of Levy.

b. Transferee. For purposes of this Notice of Levy, "transferee" means and includes all parties to whom any interest in a Unit or Fractional Ownership Interest passes by a transfer, and each party included in the term "transferee" shall have joint and several liability for all obligations of the transferee under this Notice of Levy.

c. Fair Market Value. In the case of a transfer that is in all respects a bona fide sale, "fair market value" of the Unit or Fractional Ownership Interest subjected to transfer shall be the consideration, as such term is defined below, given for the transfer. In the case of a transfer that is a long-term lease not exempt under Section 5 hereof or is otherwise not in all respects a bona fide sale, fair market value of the Unit or Fractional Ownership Interest subjected to transfer shall be determined by the Association. A transferee may make written objection to the Association's determination within fifteen (15) days after the Association has given notice of such determination, in which event the Association shall obtain an appraisal, at the transferee's sole expense, from a real estate appraiser of good reputation who is qualified to perform

appraisals in Colorado, who is familiar with real estate values in the City and County of Denver, and who shall be selected by the Association. The appraisal so obtained shall be binding on both the Association and the transferee. The above provisions to the contrary notwithstanding, where a transferee does not make a full report of a transfer within fifteen (15) days after the time required by this Subsection 4.c for making such report, the transferee shall be deemed to have waived all right of objection concerning fair market value, and the Association's determination of such value shall be binding.

d. Consideration. For purposes of this Notice of Levy, "consideration" means and includes the total of money paid and the fair market value of any property delivered, or contracted to be paid or delivered, in return for the transfer of any Unit or Fractional Ownership Interest, and includes any money or property paid or delivered to obtain a contract right to purchase any Unit or Fractional Ownership Interest; and the amount of any note, contract indebtedness (including, without limitation, obligations which could be characterized as contingent land gain), or rental payment reserved in connection with such transfer, whether or not secured by any lien, mortgage, or other encumbrance, given to secure the transfer price, or any part thereof, or remaining unpaid on the property at the time of transfer, whether or not assumed by the transferee. The term "consideration" does not include the amount of any outstanding lien or encumbrance for taxes, special benefits or improvements in favor of the United States, the State of Colorado, or a municipal or quasi-municipal governmental corporation or district.

5. Exclusions. The Transfer Assessment shall not apply to any of the following, except to the extent that they are used for the purpose of avoiding the Transfer Assessment:

- a. any transfer of a Project Lot that is wholly Undeveloped Property;
- b. any transfer to the United States, or any agency or instrumentality thereof, the State of Colorado, or any county, city and county, municipality, district or other political subdivision of the State of Colorado;
- c. any transfer to the Association;
- d. if the transferor is a natural person, any transfer, whether outright or in trust, that is for the benefit of the transferor or his or her relatives, but only if there is no more than nominal consideration for the transfer. For the purposes of this exclusion, the relatives of a transferor shall include all lineal descendants of any grandparent of the transferor, and the spouses of the descendants. Any person's stepchildren and adopted children shall be recognized as descendants of that person for all purposes of this exclusion. For the purposes of this exclusion, a distribution from a trust shall be treated as a transfer made by the grantors of the trust, in the proportions of their respective total contributions to the trust;
- e. any transfer arising solely from the termination of a joint tenancy or the partition of property held under common ownership, except to the extent that additional consideration is paid in connection therewith;

f. any transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution;

g. any transfer made (i) by a majority-owned subsidiary to its parent corporation or by a parent corporation to its majority-owned subsidiary, or between majority-owned subsidiaries of a common parent corporation, in each case for no consideration other than issuance, cancellation or surrender of the subsidiary's stock; or (ii) by a partner, member or joint venturer (each, a "Business Association Member") to a Business Association in which the Business Association Member has not less than a 50 percent interest, or by a Business Association to a Business Association Member holding not less than a 50 percent interest in such Business Association, in each case for no consideration other than the issuance, cancellation or surrender of the interests in the Business Association, as appropriate; or (iii) by a corporation to its shareholders, in connection with the liquidation of such corporation or other distribution of property or dividend in kind to shareholders, if the Unit or Fractional Ownership Interest is transferred generally pro rata to its shareholders, and no consideration is paid other than the cancellation of such corporation's stock; or (iv) by a Business Association to its Business Association Members, in connection with a liquidation of the Business Association or other distribution of property to the Business Association Members, if the Unit or Fractional Ownership Interest is transferred generally pro rata to its Business Association Members, and no consideration is paid other than the cancellation of the Business Association Members' interests; or (v) to a corporation or Business Association where such entity is owned in its entirety by the persons transferring the Unit or Fractional Ownership Interest and such persons have the same relative interests in the transferee entity as they had in the Unit or Fractional Ownership Interest immediately prior to such transfer, and no consideration is paid other than the issuance of each such persons' respective stock or other ownership interests in the transferee entity; or (vi) by any person(s) or entity(ies) to any other person(s) or entity(ies), whether in a single transaction or a series of transactions where the transferor(s) and the transferee(s) are and remain under common ownership and control as determined by the Executive Board in its sole discretion applied on a consistent basis; provided, however, that no such transfer or series of transactions shall be exempt unless the Executive Board finds that such transfer or series of transactions (x) is for no consideration other than the issuance, cancellation or surrender of stock or other ownership interest in the transferor or transferee, as appropriate, (y) is not inconsistent with the intent and meaning of this Subsection 5.g, and (z) is for a valid business purpose and is not for the purpose of avoiding the obligation to pay the Transfer Assessment. In connection with considering any request for an exclusion under this Subsection 5.g, the Executive Board may require the applicant to submit true and correct copies of all relevant documents relating to the transfer setting forth all relevant facts regarding the transfer, stating that in their opinion the transfer is exempt under this Subsection 5.g, and setting forth the basis for such opinion;

h. any transfer made solely for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses, and any exchange of Units or Fractional Ownership Interests between Declarant and any original purchaser from Declarant of the one or more Units or Fractional Ownership Interests being transferred to Declarant in such exchange. To the extent that consideration in addition to

previously purchased Units or Fractional Ownership Interests is paid to Declarant in such an exchange, the additional consideration shall be a transfer subject to the Transfer Assessment. To the extent that Declarant, in acquiring by exchange Units or Fractional Ownership Interests previously purchased from Declarant, pays consideration in addition to transferring Units or Fractional Ownership Interests, the amount of such additional consideration shall be treated as reducing the original assessable transfer and shall entitle an original purchaser from Declarant, who exchanges with Declarant Units or Fractional Ownership Interests previously purchased from Declarant, to a refund from the Association of the amount of the Transfer Assessment originally paid on that portion of the original transfer;

i. any transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but only where such decree or order would otherwise have the effect of causing the occurrence of a second assessable transfer in a series of transactions which includes only one effective transfer of the right to use or enjoyment of a Unit or Fractional Ownership Interest;

j. any lease of any Unit or Fractional Ownership Interest (or assignment or transfer of any interest in any such lease) for a period of less than thirty (30) years;

k. any transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation, including transfers in connection with foreclosure of a deed of trust or mortgage or transfers in connection with a deed given in lieu of foreclosure;

l. the subsequent transfer(s) of a Unit or Fractional Ownership Interest involved in a "tax free" or "tax deferred" trade under the Internal Revenue Code wherein the interim owner acquires property for the sole purpose of reselling that property within thirty (30) days after the trade. In these cases, the first transfer of title is subject to Transfer Assessment, and subsequent transfers will only be exempt as long as a Transfer Assessment has been paid in connection with the first transfer of such Unit or Fractional Ownership Interest in such exchange;

m. the transfer of a Unit or Fractional Ownership Interest to an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended (or any comparable statute), provided that the Executive Board specifically approves such exemption in each particular case;

n. any transfer made by a corporation or other entity, for consideration, (1) to any other corporation or entity which owns 100 percent of its equity securities (a "Holding Company"), or (2) to a corporation or entity whose stock or other equity securities are owned, directly or indirectly, 100 percent by such Holding Company;

o. any transfer from a partially-owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where consideration is paid for, or in connection with, such transfer; however, unless such transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the transferee in the transferor immediately prior to the transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and



corporation C conveys a Unit or Fractional Ownership Interest to corporation A for \$200,000, 60 percent of the Transfer Assessment would be exempt and a Transfer Assessment would be payable only on \$80,000 (i.e., 40 percent of the \$200,000 consideration); and

p. the consecutive transfer of a Unit or Fractional Ownership Interest wherein the interim owner acquires such Unit or Fractional Ownership Interest for the sole purpose of immediately reconveying such Unit or Fractional Ownership Interest, but only to the extent there is no consideration to the interim owner and such interim owner receives no right to use or enjoyment of such Unit or Fractional Ownership Interest, provided the Executive Board specifically approves such exemption in each particular case. To the extent that consideration is paid to, or for the benefit of, the interim owner, the additional consideration shall be a transfer subject to the Transfer Assessment. In these cases, the first transfer of title is subject to the Transfer Assessment and subsequent transfers will only be exempt as long as a Transfer Assessment has been paid in connection with the first transfer of such Unit or Fractional Ownership Interest in such consecutive transaction and only to the extent there is no consideration to the interim owner.

6. Payment and Reports. The Transfer Assessment shall be due and payable by the transferee to the Association at the time of the transfer giving rise to such Transfer Assessment. With such payment, the transferee shall make a written report to the Association on forms prescribed by the Association, fully describing the transfer and setting forth the true, complete and actual consideration for the transfer, the names of the parties thereto, the legal description of the Unit or Fractional Ownership Interest transferred, and such other information as the Association may reasonably require. If the Transfer Assessment is not paid within thirty (30) days of when due, the transferee shall pay a penalty to the Association in the amount of 150% percent of the amount of the Transfer Assessment. The Association shall obtain periodic reports of or check all transfers of record in the Office of the Clerk and Recorder of the City and County of Denver, Colorado for the purpose of verifying the Transfer Assessments due.

7. Expansion. This Notice of Levy shall be effective with respect to all real property that is subjected to the Declaration, from time to time, including the Expansion Property if and when such Expansion Property is subjected to the Declaration. The submission of any of the Expansion Property to the Declaration by Supplemental Declaration in accordance with the terms of the Declaration shall have the automatic effect of submitting such Expansion Property to the terms and conditions of this Notice of Levy. In addition, the Executive Board may record a supplement to this Notice of Levy in order to evidence that any such Expansion Property is subject hereto upon the submittal of the Expansion Property to the Declaration, but the recording of a supplement to this Notice of Levy shall not be required to subject such Expansion Property to the terms and conditions hereof.

8. Covenant Running with the Land. All provisions of this Notice of Levy shall be deemed to be covenants running with the land, or equitable servitudes, as the case may be. The benefits, burdens and other provisions contained in this Notice of Levy shall be binding upon and shall inure to the benefit of Declarant, all Owners, the Project Associations and their respective heirs, executors, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, this Notice of Levy of Real Estate Transfer Assessment is executed as of the date first above written.

RIVERFRONT PARK ASSOCIATION, a Colorado nonprofit corporation

By: [Signature]  
Name: Jim Hill  
Title: President

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of May, 2000, by Jim Hill, as President of Riverfront Park Association, a Colorado nonprofit corporation.

WITNESS my hand and official seal.  
My commission expires: \_\_\_\_\_

*My Commission Expires 03/02/2004*

[SEAL]



[Signature]  
NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lot 2, Block 3; Lot 2, Block 4; and Lot 1, Block 5 as depicted on the plat of The Commons Subdivision - Filing No. 1 recorded at Reception No. 2000085197 in the real property records of the City and County of Denver, Colorado.

and

A PARCEL OF LAND BEING A PART OF BLOCK 1, EAST DENVER, RECORDED IN BOOK 1 AT PAGE 1, IN THE CITY AND COUNTY OF DENVER CLERK AND RECORDERS OFFICE, AND WITHIN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6 TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE 20 FOOT RANGE LINE ON THE SOUTHWESTERLY SIDE OF 15TH STREET BETWEEN VACATED BASSETT STREET AND THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 33, BEARING NORTH 45°25'28" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT A POINT BEING THE INTERSECTION OF THE 20 FOOT RANGE LINE FOR VACATED BASSETT STREET AND 15TH STREET, THENCE NORTH 30°42'47" EAST A DISTANCE OF 319.89 FEET TO THE POINT OF BEGINNING;

THENCE AROUND THE PERIMETER OF BASSETT CIRCLE THE FOLLOWING FOUR (4) COURSES:

1. THENCE NORTH 44°34'56" EAST A DISTANCE OF 150.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF VACATED 16<sup>TH</sup> STREET PER ORDINANCE NO. 188, SERIES 1907;
2. THENCE EASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY SOUTH 45°28'34" EAST A DISTANCE OF 48.00 FEET;
3. THENCE SOUTH 44°34'56" WEST A DISTANCE OF 150.00 FEET;



4. THENCE NORTH 45°28'34" WEST A DISTANCE OF 48.00 FEET TO  
THE POINT OF BEGINNING.

AND EXCEPTING THEREFROM SUBTRACT A-2, THE COMMONS  
SUBDIVISION - FILING NO. 1, RECORDED AT RECEPTION NO. 2000085197  
IN THE REAL PROPERTY RECORDS OF THE CITY AND COUNTY OF  
DENVER, COLORADO.

EXHIBIT B

EXPANSION PROPERTY

All of those parcels of land depicted with identifying lot and block numbers on the plat of The Commons Subdivision - Filing No. 1 recorded at Reception No. 2000085197 in the real property records of the City and County of Denver, Colorado, excluding, however, the Property described on Exhibit A hereto and any public streets depicted on the plat.

and

That certain parcel of land generally known as Parcel 10, and legally described as: Lots 1 through 7, inclusive, and Lots 70 through 76, inclusive, Block 10, Hoyt and Robinsons Addition to Denver, a plat which is on file in the City and County of Denver Clerk and Records Office, situated within the southeast quarter of Section 28, Township 3, South, Range 68 West of the 6th Principal Meridian, City and County of Denver, Colorado.

and

A PARCEL OF LAND BEING A PART OF BLOCK 1, EAST DENVER, RECORDED IN BOOK 1 AT PAGE 1, IN THE CITY AND COUNTY OF DENVER CLERK AND RECORDERS OFFICE, AND WITHIN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6 TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE 20 FOOT RANGE LINE ON THE SOUTHWESTERLY SIDE OF 15TH STREET BETWEEN VACATED BASSETT STREET AND THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 33, BEARING NORTH 45°25'28" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT A POINT BEING THE INTERSECTION OF THE 20 FOOT RANGE LINE FOR VACATED BASSETT STREET AND 15TH STREET, THENCE NORTH 04°40'30" WEST A DISTANCE OF 370.2\* FEET TO THE POINT OF BEGINNING;

THENCE AROUND THE PERIMETER OF BASSETT CIRCLE THE FOLLOWING TWELVE (12) COURSES:

1. THENCE SOUTH 25°43'12" EAST A DISTANCE OF 97.44 FEET TO A POINT OF TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 42.00 FEET;
2. THENCE ALONG SAID CURVE A DISTANCE OF 14.54 FEET, THROUGH A CENTRAL ANGLE OF 19°50'28", THE CHORD OF WHICH BEARS SOUTH 35°38'26" EAST, A DISTANCE OF 14.47 FEET;
3. THENCE SOUTH 45°33'40" EAST A DISTANCE OF 70.91 FEET TO A POINT OF TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 27.00 FEET;
4. THENCE ALONG SAID CURVE A DISTANCE OF 42.34 FEET, THROUGH A CENTRAL ANGLE OF 89°51'24", THE CHORD OF WHICH BEARS NORTH 89°30'38" EAST, A DISTANCE OF 38.14 FEET;
5. THENCE NORTH 44°34'56" EAST A DISTANCE OF 77.09 FEET TO A POINT;
6. THENCE SOUTH 45°28'34" EAST A DISTANCE OF 48.00 FEET ALONG SAID 16 TH STREET;
7. THENCE SOUTH 44°34'56" WEST A DISTANCE OF 77.14 FEET TO A POINT OF TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 75.00 FEET;
8. THENCE ALONG SAID CURVE A DISTANCE OF 117.62 FEET, THROUGH A CENTRAL ANGLE OF 89°51'24", THE CHORD OF WHICH BEARS SOUTH 89°30'38" WEST, A DISTANCE OF 105.93 FEET;
9. THENCE NORTH 45°33'40" WEST A DISTANCE OF 70.91 FEET TO A POINT OF TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 90.00 FEET;
10. THENCE ALONG SAID CURVE A DISTANCE OF 31.17 FEET, THROUGH A CENTRAL ANGLE OF 19°50'28", THE CHORD OF WHICH BEARS NORTH 35°38'26" WEST, A DISTANCE OF 31.01 FEET;
11. THENCE NORTH 25°43'12" WEST A DISTANCE OF 97.44 FEET TO A POINT ON SAID LITTLE RAVEN STREET;

12. THENCE NORTH 64°16'48" EAST A DISTANCE OF 48.00 FEET ALONG  
SAID LITTLE RAVEN STREET TO THE POINT OF BEGINNING;

AND EXCEPTING THEREFROM SUBTRACT A-1; THE COMMONS  
SUBDIVISION - FILING NO. 1, RECORDED AT RECEPTION NO. 2000085197  
IN THE REAL PROPERTY RECORDS OF THE CITY AND COUNTY OF  
DENVER, COLORADO.