

**525\* CONDOMINIUM ASSOCIATION, INC**

**DECLARATIONS  
of Covenants, Conditions and Restrictions**

WHEN RECORDED RETURN TO:

Joanne Schroeder  
2351 S. Krameria Street  
Denver, Colorado 80222

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**AMENDMENT TO  
CORRECT TYPOGRAPHICAL ERROR**

This Amendment to Correct Typographical Error is made to be effective as of August 1, 2008.

**WHEREAS**, an Amended and Restated Condominium Declaration for 525\* Condominiums, dated as of May 22, 2000, was recorded in the real property records of the Clerk and Recorder for the City and County of Denver on June 12, 2000 at Reception #2000081856 (the "**Declaration**") as an encumbrance against the real property and improvements described as follows: Lots 9 and 10, and the South 0.5 feet of Lot 8, Block 14, Harmon's Subdivision, City and County of Denver, State of Colorado; and

**WHEREAS**, the Declaration contains a typographical error which the executive board of The 525\* Condominium Association, Inc., a Colorado nonprofit corporation (the "**Association**"), has elected to correct.

**NOW, THEREFORE**, in consideration of the mutual promises set forth in the Declaration and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. **Typo Correction.** Section 10.3 of the Declaration contains an incomplete sentence, which constitutes the entirety of said Section 10.3. Said Section 10.3 is hereby amended to include, as the first four words thereof, the phrase "An Owner shall procure", thereby rendering said Section 10.3, in its entirety:

"Section 10.3 Owner's Insurance. An Owner shall procure insurance coverage on the furnishings and other items of personal property belonging to an Owner and any additions and alterations to a Unit which increase the Unit's replacement value above that of the original specifications for the Unit (unless financed by a Mortgage to be purchased by FNMA or FHLMC), casualty and public liability insurance coverage for each Unit and the work within each Unit or on the Limited Common Elements associated therewith shall be the responsibility of the Owner of the Unit."

This change is consistent with Article 10 of the Declaration which states that: "Each Owner shall be responsible for obtaining additional or supplemental insurance covering any additions, alterations or improvements to his Unit which increases the replacement value of his Unit."

2. **No Other Changes.** Except as modified by this Amendment to Correct Typographical Error, the Declaration remains unchanged and in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Amendment to Correct Typographical Error is executed as of the date first above written.

525\* CONDOMINIUM ASSOCIATION, INC.,  
a Colorado nonprofit corporation

By: Heather Reddy 8/6/08  
Name:  
Title: President

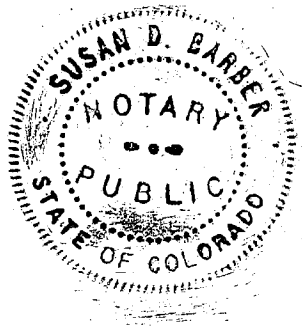
STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of August, 2008, by Heather Reddy as President of 525\* CONDOMINIUM ASSOCIATION, INC., a Colorado nonprofit corporation.

Witness my hand and official seal.

Susan Barber  
Notary

My commission expires: June 16, 2009



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DENVER COUNTY CLERK AND RECORDER 200.00  
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**DECLARATION  
FOR  
THE 525\*CONDOMINIUMS**

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**AMENDED AND RESTATED  
CONDOMINIUM DECLARATION  
FOR  
525\* CONDOMINIUMS**

THIS AMENDED AND RESTATED DECLARATION is made effective this 22nd day of May, 2000.

**RECITALS**

I. Fifth and Jackson Associates, a Colorado General Partnership as "Declarant" and as owner of certain real property executed that certain Declaration of Grants, Covenants, Conditions, and Restrictions Establishing a Plan for Condominium Ownership for 525\* Condominiums recorded in Book 2947 at Page 554 in the office of the Clerk and Recorder for the City and County of Denver (the "Original Declaration").

II. The Original Declaration imposed upon the real property described in the Original Declaration, certain terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations and obligations, which run with and are binding upon said real property. Said property is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Real Estate").

III. By virtue of the Original Declaration, a Common Interest Community was created upon the real estate and certain covenants, conditions, restrictions, easements, reservations, and rights-of-way set forth therein for the purpose of protecting the value and desirability of said property and for the purpose of furthering a plan for the improvement, sale and condominium ownership of said property, to the end that a harmonious and attractive development of said property were and should continue to be accomplished and the health, comfort, safety, convenience and general welfare of the Owners of such Common Interest Community be promoted and safeguarded.

V. The Owners and the Association desire to Amend and Restate all provisions of the Original Declaration by virtue of this Amended and Restated Condominium Declaration (the "Declaration"), have obtained the approval of the requisite number of first mortgagees as required by the Original Declaration, and intend upon the recording of this Declaration that all prior recorded amendments and instruments creating covenants, conditions, restrictions, and reservations on the real property shall be incorporated herein and superseded by this Declaration.

NOW THEREFORE, the Original Declaration is amended and restated as follows:

**ARTICLE 1  
DEFINITIONS**

Section 1.1 Act. The Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 et seq., as the same may be amended from time to time. References to the Act in this Declaration shall

mean only those provisions of the Act now applicable, or which may in the future be made applicable, to this Common Interest Community.

Section 1.2 Agency. Any agency or corporation such as the U.S. Department of Housing and Urban Development ("HUD") or the U.S. Veterans' Administration ("VA"), and any quasi-governmental agency such as Federal National Mortgage Association a/k/a Fannie Mae ("FNMA") or Federal Home Loan Mortgage Corporation a/k/a Freddie Mac ("FHLMC") that purchases or insures residential mortgages.

Section 1.3 Allocated Interests. Collective reference to the undivided interest in the Common Elements, Common Expense Assessment liability, and voting interests, all of which are set forth on Exhibit B of this Declaration.

Section 1.4 Articles of Incorporation. The Amended and Restated Articles of Incorporation for 525\* Condominium Association, Inc., a Colorado nonprofit corporation, as the same may be amended from time to time.

Section 1.5 Association. The 525\* Condominium Association, Inc., a Colorado non-profit corporation, its successors and assigns. The Association shall act by and through its Board of Managers and officers.

Section 1.6 Board of Managers. The governing body of the Association, pursuant to the Bylaws and the Act (referred to in the Act as the "executive board").

Section 1.7 Building. The structure within the Real Estate (including all fixtures and improvements therein contained) in which Units and Common Elements are located.

Section 1.8 Bylaws. The Amended and Restated Bylaws of the Association as the same may be amended from time to time.

Section 1.9 Common Elements. Collective term for all portions of the Condominium other than the Units, as more particularly set forth in Article 3 below. Except as otherwise specifically provided, the term "Common Elements" includes Limited Common Elements and General Common Elements.

Section 1.10 Common Expense. As used in this Declaration, this term includes all charges levied by and for the benefit of the Association, pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Association, (ii) large, single item expenditures of the Association (including but not limited to, capital expenditures and "special assessments"), and (iii) amounts necessary to fund reserves.

Section 1.11 Common Expense Assessment(s); Assessment(s). In addition to the definition included in the Act, shall include these items levied against a particular Owner or Unit: (i) late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Board of Managers; (ii) charges against a particular Owner and the Unit for the purpose of

reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or Related Users (including "default assessments"); and (iii) insurance assessments (assessed in proportion to risk).

Section 1.12 Common Interest Community; Community. The condominium project known as "525\* Condominiums."

Section 1.13 Covenants. Collective term for all promises, restrictions, reservations, conditions, terms, easements, and rights-of-way specifically set forth in this Declaration or referenced in this Declaration and set forth in the Governing Documents, as the same may be adopted and amended from time to time.

Section 1.14 Declaration. This Amended and Restated Declaration, as it may be amended from time to time.

Section 1.15 Eligible Mortgagee. A First Mortgagee (as hereinafter defined), who has notified the Association, in writing, of its name and address, and that it holds a First Lien Security Interest or other first lien on a Unit or Units. The notice must include the legal description and street address of the Unit on which it has such security interest and a request to be given the information and afforded the rights described in Article 13 below.

Section 1.16 First Lien Security Interest. Any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of the City and County of Denver, Colorado, having priority of record over all other recorded liens except those governmental liens and Common Expense Assessment liens made superior by statute.

Section 1.17 First Mortgagee. A bank, savings and loan association, insurance company, real estate mortgage investment trust, pension fund, an Agency or any other lender generally recognized as an institutional lender, holding a first mortgage or deed of trust encumbering a Unit or Units.

Section 1.18 General Common Elements. All Common Elements which are not reserved for the use of one or more, but less than all, of the Owners. References herein to Common Elements shall also include all General Common Elements unless the context would prohibit or it is otherwise expressly provided.

Section 1.19 Governing Documents. Collective reference to those documents which govern the operation of the Association and the Community, including (a) its Amended and Restated Articles of Incorporation, (b) its Amended and Restated Bylaws, (c) its Rules and Regulations, (d) the Map, and (e) this Declaration, as one or more of the same may be amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Declaration.

Section 1.20 Limited Common Elements. Those Common Elements, the use of which are reserved to a certain Unit or Units to the exclusion of other Units. References herein to Common

Elements shall also include all Limited Common Elements unless the context would prohibit it or is otherwise expressly provided. Limited Common Elements are more particularly described in Article 3 below.

Section 1.21 Map. Collective reference to the condominium maps creating this Community recorded in the office of the Clerk and Recorder for the City and County of Denver, as may be amended and supplemented pursuant to the Act and this Declaration.

Section 1.22 Member. Each Owner. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 1.23 Owner or Unit Owner. The record Owner, whether one or more persons or entities, of a fee simple title to any Unit, excluding those having such interest merely as security for the performance of an obligation.

Section 1.24 Real Estate. The Common Interest Community is located in the City and County of Denver, State of Colorado. The Real Estate of the Common Interest Community is described on Exhibit A. Upon recording of this Declaration, all of the property described in Exhibit A shall be deemed to have been included in this Common Interest Community, to the extent any portion of the Real Estate was inadvertently not included within the boundaries of the Common Interest Community by virtue of a technical error in, or omission from, previously recorded documents.

Section 1.25 Related User. Any Person who (a) resides with an Owner within the Unit, (b) is a guest or invitee of an Owner, or (c) is an occupant, tenant or contract purchaser of a Unit, and any family member, guest, invitee or cohabitant of any such person.

Section 1.26 Rules and Regulations. Collective term for all rules, regulations, policies, procedures and guidelines of the Association, as the same may be adopted and amended from time to time by the Board of Managers pursuant to the Act, this Declaration and the Bylaws.

Section 1.27 Unit. A physical portion of the Common Interest Community, designated for separate ownership, shown as a Unit on the Map, together with all fixtures and improvements therein contained, and together with the undivided interest in the Common Elements appurtenant to the Unit as shown on the Map and Allocated Interests shown on Exhibit B.

## **ARTICLE 2**

### **GENERAL STATEMENT OF COVENANTS**

Section 2.1 Covenants Bind the Real Estate. The Real Estate shall be held, sold, and conveyed subject to the Covenants for the purpose of protecting the value and desirability of the Real Estate and any other purposes incidental thereto, and all Covenants shall continue to run with the Real Estate, shall be binding on all parties having any right, title or interest in the Real Estate or any

part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Owner thereof and the Association.

Section 2.2 Inseparability. Each Unit, as well as other appurtenances, rights and burdens connected therewith, shall be inseparable and may be transferred, conveyed, leased, devised, encumbered or otherwise disposed of only as a portion of a Unit. Every conveyance, transfer, devise, lease, encumbrance or other disposition of a Unit shall be deemed to be a conveyance, transfer, devise, lease, encumbrance or other disposition, as the case may be, of the entire Unit, together with all appurtenant rights, interests, duties and obligations, created by the Act or other law, or the Governing Documents.

Section 2.3 No Partition. The Common Elements shall be owned in common by all of the Owners and shall remain undivided, except as otherwise provided in applicable provisions of the Act, or the Governing Documents. By acceptance of a deed or other instrument of conveyance, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Elements. Furthermore, each Owner agrees to pay all attorneys' fees and costs and all damages incurred by the Association in defending an action brought by an Owner in violation of this Section 2.3.

### **ARTICLE 3** **DESCRIPTION OF THE CONDOMINIUM**

Section 3.1 Number of Units. There are 25 Units in the Common Interest Community, There is no Common Expense Liability, undivided interest in the Common Elements, or voting rights allocated to any Unit owned by the Association. A Unit owned by the Association shall be considered a Common Element.

Section 3.2 Title to Units/Identification. Every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Unit may legally describe that Unit as follows:

CONDOMINIUM UNIT NO. \_\_\_\_\_, THE 525\* CONDOMINIUMS,  
City and County of Denver, State of Colorado, as shown on the  
Condominium Map recorded in Book \_\_\_\_\_, Page \_\_\_\_\_, subject to the  
Condominium Declaration for THE 525\* CONDOMINIUMS,  
recorded in Book \_\_\_\_\_, at Page \_\_\_\_\_, City and County of Denver,  
State of Colorado records, together with the right to the exclusive use  
of Parking Space No. \_\_\_\_ and Storage Space No. \_\_\_\_\_.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit, but also the Common Elements and the right to the use of the Limited Common Elements that are appurtenant or assigned to each Unit. Subject to the easements, obligations, limitations, rights, encumbrances, covenants, conditions and restrictions created in this Declaration, each such description shall be construed to include a nonexclusive

easement for ingress and egress throughout, and for the use of, the General Common Elements and the right to the appropriate and exclusive use of the appurtenant or assigned Limited Common Elements.

Section 3.3 Unit Boundaries. Each Unit shall include that part of the Real Estate that lies within the boundaries of the Unit, which boundaries are as follows:

(i) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

(a) Upper Boundaries. The plane of the unfinished ceiling of the Unit, whether horizontal or vaulted, regardless of whether or not same is above a drop ceiling or similar installation. Space above ceilings, to which access is needed for repair and maintenance of the Unit and Common Elements above the Unit are Limited Common Elements to the Unit.

(b) Lower Boundaries. The horizontal plane of the unfinished lower surface of the floor of the Unit.

(ii) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be, as applicable: (i) the vertical planes formed by the interior undecorated unfinished surfaces of all walls bounding the Unit (excluding divider walls); and (ii) the vertical plane formed by the centerline of the divider wall and where there is no such divider wall and the Unit consists in whole or in part of unenclosed space, the vertical plane lying on the survey line defining the Unit perpendicular to the upper and lower boundaries as shown on the Map, as amended or supplemented, extended to their planar intersections with each other and with the upper and lower boundaries.

(iii) Apertures and Miscellaneous. Where there are apertures in any boundary, including, but not limited to, windows, doors and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such apertures, including all frameworks, window casings and weather stripping thereof, together with exterior surfaces made of glass or other transparent materials. All wires, conduits, ducts, vents, concrete joists and other such facilities serving more than one Unit located within any walls, including divider walls, or above the nonstructural acoustical ceiling lying below the upper boundary of the Unit, shall be Common Elements.

(iv) Divider Walls. Walls which separate one Unit from an adjoining Unit. The location of the vertical plane of the centerline of the divider wall shown on the Map shall be the common boundary between the adjoining Units. That part of the divider wall located within the boundary of the Unit shall be part of the Unit. Adjoining Units which share a divider wall shall have a cross-easement of support in the portion of the divider wall not located within the boundary of the Unit. Maintenance and repair of the divider wall shall be accomplished by the appropriate Unit Owners. Each Unit Owner shall be responsible for any damage caused to a divider wall by its negligent or intentional acts or the negligent or intentional acts of its employees or agents, and the cost of said repair shall be the specific obligation of that Unit Owner.

(v) Exceptions. In cases not specifically covered above and/or in any case of conflict or ambiguity, the survey of the Units set forth on the Map shall control in determining the boundaries of a Unit.

(vi) Other Property Included Within a Unit. The following shall constitute and be part of a Unit:

(a) all lath, furring, wallboard plasterboard, plaster, paneling, tiles, wallpaper, paint, and finished flooring and any other materials constituting any part of the finished surfaces of the walls floors or ceilings; and

(b) special portions or pieces of equipment, such as utility meters, meter boxes, utility connection structures, air or gas pump and storage facilities and storage portions, which are situated outside the Unit (notwithstanding their non-contiguity with the principal portions).

Section 3.4 Common Elements. The following are Common Elements:

(i) easements through Unit boundary walls, ceilings and floors, for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements;

(ii) an easement of support in every portion of a Unit which contributes to the structural support of the Building;

(iii) all portions of the Building (including, but not by way of limitation, all apparatus, installations and equipment within the Building, and the foundations, columns, girders, beams, supports, perimeter and supporting walls, chimneys, fireplaces and flues, roofs, stairs, stairways, entrances and exits, milk chutes, and the mechanical installations of the Building consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, heating, refrigeration, central air conditioning and incinerating which exists for common uses, including the pipes, vents, ducts, flues, chutes, conduits, wires, and other similar utility installations used in connection therewith), except those portions of the Building within the boundary of a Unit pursuant to Section 3.3 above;

(iv) the property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements;

(v) any yards, sidewalks, walkways, paths, grass, shrubbery, trees, driveways, landscaping gardens, and facilities designed for the general benefit of Unit Owners, located within the Real Estate;

(vi) all parking areas within the Real Estate whether or not the same have been assigned to specific Unit Owners, and including those allocated to a particular Unit as a Limited Common Element pursuant to Section 3.5 below;

- (vii) storage spaces allocated to a particular Unit;
- (viii) any other parts of the Real Estate designated as Common Elements in this Declaration or shown on the Map;
- (ix) all real and personal property located within or outside of the Common Interest Community existing for the common uses of the Owners, and all other parts of the Community necessary or convenient to its existence, maintenance or safety, or normally in common use, including all recreational facilities; and
- (x) all real property owned by the Association.

Section 3.5 Allocation of Limited Common Elements. Limited Common Elements are allocated as follows:

- (i) those parts of the Common Elements which are either limited to and reserved for the exclusive use of an Owner or are limited to and reserved for the common use of more than one, but fewer than all, of the Owners, which Limited Common Elements are deemed to be allocated, and an inseparable appurtenance, to such Unit or Units;
- (ii) Limited Common Elements include, but are in no way limited to, such utility installations, pipes, ducts, wiring, conduits and flues located within a Unit or adjoining Units and serving such Unit or Unit, such portions of the perimeter walls, floors and ceiling, doors, windows and entryways and all associated fixtures and structures intended to be physically located within the Unit, as may be lie outside the Unit boundary; and
- (iii) any portion of the Real Estate, including the "parking spaces" and the "storage spaces," as are designated, located or shown on the Map by legend, symbol or word , and shall without further reference thereto, be used in connection with such Unit to the exclusion of the use thereof by other Owners of Units, except by invitation.

#### **ARTICLE 4** **EASEMENTS**

Section 4.1 Recorded Easements. In addition to all easements and rights-of-way of record at or before the recording of this Declaration, the Property, and all portions thereof, shall be subject to the easements as shown on any recorded plat of the Property, or any portion thereof, and as shown on the recorded Map.

Section 4.2 Encroachments. In the event that any portion of the Common Elements encroaches upon any Unit(s) or in the event that any portion of a Unit encroaches upon any other Unit(s) or upon any portion of the Common Elements, or in the event any encroachment shall occur in the future as a result of: (i) settling of the Building, or (ii) alteration or repair to the Common Elements, or (iii) repair or restoration of the Building and/or Unit(s) after damage by fire or other



casualty, or condemnation or eminent domain proceedings, then, in any of said events, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the encroachment exists. In the event that any one or more of the Unit(s), the Building or other improvements comprising part of the Common Elements, are partially or totally destroyed and are subsequently rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding or reconstruction, any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Unit(s) for purposes of marketability of title or other purposes. In interpreting any and all provisions of this Declaration, subsequent deeds, mortgages, deeds of trust or other security instruments relating to the Unit(s), the actual location of a Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations, either horizontally, vertically or laterally, from the location of such Unit as indicated on the Map.

Section 4.3 Utility Easements. There is hereby created a general easement upon, across, over, in and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, electrical and cable television. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone and cable television services to erect and maintain the necessary poles and other necessary telephone and cable television wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Building.

Section 4.4 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or persons to enter upon the Common Elements in the proper performance of their duties.

Section 4.5 Maintenance Easement. An easement is hereby granted to the Association, its officers, agents, employees and assigns upon, across, over, in and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain on the Common Elements maintenance and storage facilities for use by the Association.

Section 4.6 Drainage Easement. An easement is hereby granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

Section 4.7 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within Units or may be conveniently accessible only through Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal or replacement of any of the Common Elements located therein, necessary to prevent damage to the

Common Elements or to any Unit. The Association shall also have such right, independent of any agency relationship. Damage to the interior of any part of the Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Elements or as a result of emergency repairs within another Unit shall be a Common Expense of all the Owners. If such damage is caused by a negligent or tortious act of an Owner or Related User then such Owner shall be responsible and liable for all such damage. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs, and replacements of the Common Elements, whether located inside or outside of Units, shall be the Common Expense of all the Owners unless the Board of Managers determines such was caused by or reasonably related to the negligence, misuse, or tortious acts of an Owner, in which case such expense shall be charged to such Owner as a Common Expense Assessment.

Section 4.8 Rights of Owner's Easements of Enjoyment and Rights of Ingress and Egress. Every Owner and Related User shall have a right and easement of enjoyment in and to the General Common Elements and those Limited Common Elements appurtenant to his Unit, subject to the following provisions:

(i) the right of the Association to exercise all powers and duties pursuant to the Governing Documents, and the Act;

(ii) the right of the Association to charge reasonable admission and other fees for the use of any Common Elements, and to limit the number of guests of Owners on Common Elements;

(iii) the right of the Association to adopt, from time to time, Rules and Regulations concerning the Common Elements and any facilities located thereon, as the Association may determine is necessary or prudent;

(iv) the right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members; and

(v) the right of the Association to close or limit the use of all or any portion of the Common Elements while maintaining, repairing and making replacements in the Common Elements.

Section 4.9 Delegation of Use. Any Owner may delegate, in accordance with the Governing Documents, his right of enjoyment to the Common Elements to Related Users.

Section 4.10 Additional Easements. The Association, through its Board of Managers, on the Association's behalf and on behalf of all Unit Owners (each of whom hereby appoints the Association irrevocably as its attorney-in-fact for this purpose), shall have the right to grant such additional general and specific electric, drainage, gas or other utility, cable television, security systems, communications or service easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining thereto), or relocate any such existing utility or

service easements or drainage facilities in any portion of the Common Interest Community, and to grant access easements or relocate any existing access easements in any portion of the Common Interest Community, as the Association shall deem necessary or desirable for the proper operation and maintenance of the improvements, or any portion thereof, or for the general health, welfare or business opportunities of the Unit Owners or their tenants, or for the purpose of carrying out any provisions of this Declaration or otherwise, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for their lawful purposes.

**ARTICLE 5**  
**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

Section 5.1 Membership. Every Owner of a Unit shall be a Member of the Association and shall remain a Member for the period of his ownership of a Unit. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 5.2 Allocated Interests. Each Unit's voting interest pursuant to the Bylaws, Common Expense Assessment liability and undivided interest in the Common Elements is shown on Exhibit B. Except for Units owned by the Association, each Unit shall be allocated one vote.

Section 5.3 Rights Subject to Governing Documents. Membership and voting rights are subject to the Governing Documents.

**ARTICLE 6**  
**THE ASSOCIATION**

Section 6.1 General Purposes and Powers. The Association, acting in all instances through its Board of Managers unless otherwise required by the Act or this Declaration, shall perform functions and manage the Common Interest Community as provided in this Declaration so as to further the interests of the Owners. The Association shall have all power necessary or desirable to effectuate such purposes, and shall act pursuant to the Governing Documents. The Board of Managers, may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 6.2 Powers; Duties. The Association shall have the following powers and duties:

- (i) the Association shall have all of the powers, authority and duties permitted pursuant to the Act and the Colorado Revised Nonprofit Corporation Act;
- (ii) the Association shall have all of the powers, authority and duties necessary and proper to manage the business affairs of the Common Interest Community;

(iii) the Association shall have all of the powers, authority and duties necessary and proper to own, operate, manage, lease, encumber, maintain, repair, reconstruct, replace, improve, and otherwise deal with the Common Elements;

(iv) the Association shall have the irrevocable right to have access to each Unit from time to time during reasonable hours to the extent deemed necessary for the maintenance, repair or replacement of any Common Elements or any portion of a Unit pursuant to the Governing Documents, or at any time and by force, if necessary, to prevent damage to any real or personal property within the Common Interest Community;

(v) the Association may undertake any activity, function or service for the benefit of, or to further the interests of the Owners;

(vi) the Association shall have the absolute right to engage a professional property manager as more particularly provided in the Association's Bylaws, and such other legal, accounting and other professionals it deems necessary;

(vii) the Association may assign its future income, including its rights to receive Common Expense Assessments, upon the affirmative vote of the Owners to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose;

(viii) the Association shall have complete authority and control to issue and amend restrictions on use, occupancy and alienation of the Units in addition to those contained in this Declaration;

(ix) the Association shall have the right, from time to time, without the consent of any Unit Owner, to amend the Map and supplements thereto, to conform the Map to the actual location and dimensions of any of the constructed improvements, to establish, vacate and relocate utility easements, access easements and parking areas, and to establish certain Common Elements as Limited Common Elements;

(x) the Association shall have the right, but not the obligation, to purchase and own any Unit for the purpose of maintaining an office for the Association for storage, recreation, or conference area or any other use which the Association determines is consistent with the operation of the Community. The Association may also maintain such other portions of the Real Estate which may be used in a manner consistent with the operation of this Common Interest Community; and

(xi) the Association shall have the right to take any and all actions and make any and all performances it deems necessary or incidental to ensuring the successful life of the Community.

Section 6.3 Identity of Board of Managers. From time to time, but not less than annually, there shall be mailed by the Association to each Owner a notice containing the names and addresses of the members of the Board of Managers, and the Managing Agent, if any.

Section 6.4 Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Real Estate and the Common Interest Community in the event of its destruction, damage, obsolescence, or condemnation, including the repair, replacement and improvement of any Units, Buildings, Common Elements or other portions of the Real Estate which have been so destroyed, damaged, condemned, or becomes obsolete. Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint 525\* Condominium Association, Inc. as their true and lawful attorney in their name, place and stead, for the purpose of dealing with the Community upon its damage, destruction, obsolescence, or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of an Owner which are necessary and appropriate to exercise the powers herein granted.

Section 6.5 Acquiring and Disposing of Personal Property. The Association may acquire, own and hold for the use and benefit of all Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such beneficial interest of an Owner shall not be transferable except with the transfer of that Owner's Unit. Transfer of a Unit, including transfer pursuant to foreclosure, shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property without any reference thereto. Each Owner may use such personal property in accordance with the purposes for which it is intended, provided that such use shall not hinder or encroach upon the lawful rights of other Owners.

Section 6.6 Promulgation of Rules and Regulations. The Board of Managers may adopt, amend, repeal and enforce Rules and Regulations and to impose fines for violations thereof, as it deems desirable with respect to the interpretation and implementation of this Declaration and the operation of the Association, including Units, in accordance with the following:

- (i) the Rules and Regulations shall be reasonable and uniformly applied;
- (ii) the Rules and Regulations shall be effective fifteen days after delivery of Notice of the adoption, amendment or repeal of any Rule or Regulation, in writing to each Owner. Copies of the currently effective Rules and Regulations shall be made available to each Owner upon request;

(iii) each Owner shall comply with the Rules and Regulations and shall see that Related Users comply with the Rules and Regulations; and

(iv) the Rules and Regulations shall have the same force and effect as if they were part of this Declaration. In the event of conflict between the Rules and Regulations and this Declaration, this Declaration shall prevail, but only to the extent that such Rule or Regulation invalidates a specific provision in this Declaration.

Section 6.7 New Additions to Common Elements. Subject to the other provisions of this Declaration, the Association shall have the right to construct new additions to the Common Elements. Ownership of, and the Common Expenses for any such additions to the Common Elements shall be apportioned among all Units in proportion to the respective undivided interest in the Common Elements appurtenant thereto, as shown in Exhibit B attached hereto. The construction of new additions to the Common Elements shall not affect an Owner by way of modification of his voting power in the Association.

Section 6.8 Agreements for Access. Notwithstanding any provision of this Declaration to the contrary, the Association, through its Board of Managers, is hereby authorized to enter into agreements, including but not limited to the acceptance of easements and/or rights-of-way, for the use by Owners and/or other persons, their family members, guests and invitees, of real property for pedestrian and vehicular access, ingress and egress to, from and through the Real Estate, or any portion thereof. Such agreements shall be upon such terms and conditions as agreed to by the Board of Managers of the Association, which may include provisions by which the Association covenants and agrees that it shall pay part or all of the costs and expenses of maintaining and repairing such real property, and the improvements thereto and thereon, and any such costs shall be treated by the Association as Common Expenses.

Section 6.9 Contracts, Licenses and Other Agreements. The Association, through its Board of Managers, shall have the right to enter into, make, perform or enforce contracts, agreements, licenses, leases, easements and/or rights-of-way, for the use of Owners and Related Users of real property, and any facilities or improvements thereto and thereon, for pedestrian and vehicular access, ingress and egress to and from the Community, or any portion thereof, for vehicular parking, or for recreational use and enjoyment; and/or contracts, licenses, leases or other agreements for cable or satellite television service to the Community, or any portion thereof. Any of such contracts, licenses, leases, agreements, easements and/or rights-of-way, as provided for in this Section 6.9, shall be upon such terms and conditions as may be agreed to from time to time by the Board of Managers of the Association, which may include provisions by which the Association covenants and agrees that it shall pay part or all of the costs and expenses of maintaining and repairing such real property, and the facilities and improvements thereto and thereon, providing such cable or satellite television service, or other amounts which the Board determines are reasonably necessary to secure any such contracts, licenses, leases, agreements, easements and/or rights-of-way, and any such costs shall be treated by the Association as a Common Expense Assessment.

Section 6.10 Enforcement. The Association shall have the power to enforce provisions in its Governing Documents and shall take such action as the Board deems desirable to cause such compliance by each Owner and each Related User, by any of the following means:

(i) by entry upon any Unit after notice and an opportunity to be heard (and, without notice when a bona fide emergency exists), without liability to the Owner thereof, for the purpose of enforcement or causing compliance including by curing said violation;

(ii) by commencing and maintaining actions and suits to recover damages or restrain and enjoin any violation or threatened violation by mandatory injunction or otherwise;

(iii) by exclusion of any Owner or Related User from use of any Common Elements for a period of sixty (60) days following any violation of any covenant, or so long as the violation continues, whichever is longer;

(iv) by suspension of the voting rights of an Owner for a period of thirty (30) days following any violation of any covenant, or so long as the violation continues, whichever is longer; and

(v) by levying and collecting, after notice and an opportunity to be heard, fines against any Owner for violation by such Owner or a Related User, to be secured by a continuing lien, from the date it is levied.

Section 6.11 Owner Use and Occupancy Regulation. The Association shall have and may exercise the right to control Owners' use and occupancy of their respective Units in order to assure Owners of eligibility of the Community for any Agency. In this regard, the Association may adopt Rules and Regulations with respect to the leasing of Units to non-Owners and the acquisition by one Owner of more than one Unit. From the date this Declaration is recorded, any Owner wishing to lease a Unit shall be subject to the percentage occupancy requirements of the applicable Agency and must first apply for authorization from the Association for any non-Owner residential use (non-Owner commercial use is strictly prohibited). Allowance of an Owner to rent a Unit shall be in accordance with the criteria set forth in the Rules and Regulations and the Association shall have the authority to permit or deny the use or leasing of any Unit within the Community, subject to then-current federal mortgage eligibility requirements promulgated by any Agency. Any written lease in effect at the time this Declaration is recorded shall continue in full force and effect; provided however, any extension or renewal of such a lease must first be approved by the Association in the manner prescribed by this Section 6.11 and the Rules and Regulations. The Owner's failure to provide information to the Association regarding the proposed leasing of the Unit or failure to comply with all terms and conditions of the Rules and Regulations shall result in the non-approval of the lease. Notwithstanding any provision in this Declaration, in no event shall this Section 6.11 prohibit any First Mortgagee who obtains title to a Unit through foreclosure of a First Mortgage from leasing or otherwise operating such Unit, nor shall this Section 6.11 prohibit the Association from leasing or otherwise operating the Unit currently owned by it, or any Unit acquired by the Association as a result of foreclosure of its lien for Assessments. In furtherance of this Section 6.11, if required by Agency regulations, the Rules and Regulations shall provide that no Owner may hold

title to more one Unit; provided, however, Owners owning more than one Unit on the date this Declaration is recorded, shall not be required to divest their ownership interest in those Units, but shall not be permitted to acquire additional Units except in accordance with the terms and conditions of the Governing Documents.

For purposes of this Declaration, the terms "rental" and "lease" shall mean the occupancy by the use by an Owner of a Unit for purposes other than such Owner's principal residence in return for monetary or any other type of compensation or in-kind consideration. "Owner" shall be deemed to include any individual, trust, joint venture, or entity or person in a representative capacity recognized in Colorado as capable of holding title to real property, and any common, affiliated, or subsidiary ownership between such types of Owners shall be considered the same Owner for purposes of this Section 6.11 and Section 11.9, below. No lease or rental shall be allowed which is not in the form required by and in accordance with the terms and conditions of Section 11.9 below.

## **ARTICLE 7**

### **MAINTENANCE, REPAIRS, ALTERATIONS AND CAPITAL IMPROVEMENTS**

#### **Section 7.1 Owners' Rights and Responsibilities.**

7.1.1 Unit Owners are responsible for ensuring and paying the costs of all maintenance, repair, and replacement of the furnishings and other fixtures, personal property, and all heating, ventilation, air conditioning, water heaters, pumps, and utility lines located within their Unit boundaries unless the Association is specifically obligated to maintain, repair or replace a portion of a Unit as elsewhere provided in this Declaration or the Association, without obligation, assumes that responsibility. Owners shall be liable for all damages caused by a failure to so maintain, repair and replace, as may reasonably be determined by the Association, and such Owners shall insure against such losses pursuant to Section 10.3 below. In furtherance of the maintenance responsibility of the Unit Owners, each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and in a good state of repair. No Owner may make any changes or alterations of any type or kind whatsoever to the exterior surfaces of the Building, (i.e doors, entryways, walls, or windows) without the prior written consent of the Association. The Association may adopt Rules and Regulations concerning maintenance policies and procedures.

7.1.2 Unit Owners shall have the right to make additions, alterations and improvements to Units, at their sole cost and expense, subject to the following:

(i) any alteration, addition, or improvement by Unit Owners may only be made in accordance with applicable provisions of the Act and the Governing Documents;

(ii) in no event may a divider wall be constructed, removed, or otherwise altered if the structural soundness of the Building may in any way be affected thereby; and



(iii) to the extent such additional, alteration or improvement affects the exterior surfaces of the Building, doors or entry ways or windows within the Building exterior it shall first obtain the prior written consent of the Association.

7.1.3 No Owner may make any addition, alteration or improvement in or to a Limited Common Element allocated solely to his or her Unit, or to any portion of a Parking Area assigned to his or her Unit, without the prior written consent of, and in accordance with applicable Rules and Regulations established by, the Board of Managers. Any such addition, alteration or improvement shall be performed at the Owner's sole cost and expense and in accordance with written plans and specification which have been approved by the Board of Managers.

7.1.4 No Owner shall make any addition, alteration or improvement in or to the Building or a Common Element.

## Section 7.2 Association's Rights and Responsibilities.

7.2.1 Except as otherwise provided in the Governing Documents, the Association shall be responsible for, and pay all costs of, the maintenance, repair, replacement, addition, alteration or improvement of Common Elements. The Board of Managers shall determine the specifications, scope, extent, nature and parameters of these responsibilities. The Association shall be responsible for:

- (i) the maintenance, repair and replacement of the exterior of the Building;
- (ii) the improvement, maintenance, repair and replacement of the Common Elements, including snow removal, landscape care and trash removal;
- (iii) the improvement, upkeep and maintenance, repair and reconstruction of certain landscaped areas in dedicated public right-of-ways or public easements; and
- (iv) for the payment of expenses which may be incurred by virtue of agreement with or requirement of any local governmental authority; and for such other maintenance and repair as set forth in this Declaration.

7.2.2 In the event a Common Expense is associated with the maintenance, repair, replacement, addition, alteration or improvement of a Limited Common Element, those Common Expenses may be assessed equally or in such reasonable proportion as determined by the Association against the Units to which the Limited Common Element is allocated or assigned. In furtherance of these responsibilities of the Association, the Association may adopt Rules and Regulations concerning maintenance policies and procedures.

Section 7.3 Owners' Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or replacement of any portion of the Common Elements, the Units, or for personal property belonging to any Owner or Related User is caused through or by the negligent or willful act or omission of an Owner or Related User (such

determination of negligence or willful act or omission, and the amount of the Owner's liability therefor, having been determined by the Association by a hearing after notice to the Owner), then the expenses, costs and fees incurred by the Association for such maintenance, repair or replacement, including, but not limited to, any insurance deductibles paid by the Association, shall be the personal obligation of such Owner; and, if not repaid to the Association within ten (10) days after the Association shall have given notice to the Owner of the total amount of such expenses, costs and fees, then the amount due shall be a Common Expense Assessment, collectible pursuant to Article 9.

## **ARTICLE 8**

### **MECHANIC'S LIENS**

Section 8.1 Mechanic's Liens. No labor performed or materials furnished for use and incorporated in any Unit with the consent or at the request of the Owner thereof, his agent, contractor or subcontractor, shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed or such materials furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien against the Unit of any other Owner, the Common Elements, or any part thereof, for labor performed and/or for materials furnished in work on the first Owner's Unit.

Section 8.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner, if the Association determines that further action by it is proper and the mechanic's lien(s) are not disputed claims with a reasonable basis for such dispute, the Association, after notice and hearing, shall enforce the indemnity by collecting from the Owner of the Unit on which the labor was performed and/or materials furnished, the amount necessary to discharge any such mechanic's lien, including all costs and reasonable attorneys' fees incidental thereto, and obtain a discharge of such lien. In the event that the Owner of the Unit on which the labor was performed and/or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount, or any portions thereof, from time to time, of the amount to be indemnified, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 8.2 and such amount to be indemnified shall automatically become a Common Expense Assessment determined and levied against such Unit, and the Association may proceed in accordance with Section 9.9 hereof.

Section 8.3 Effect of Part Payment. In the event a lien attributable to labor performed and/or materials furnished on the Community, or any portion thereof, is effected against two or more Units, the Owner(s) of any of the affected Units may pay to the lienholder the amount of the lien attributable to such Owner's Unit and the lienholder shall release such Unit from the lien. The amount required to be paid by any such Owner(s) in order to obtain release of his (their) Unit from any such lien shall be equal to the quotient of (i) of the amount of the lien, divided by (ii) the total number of Units subject to the lien. Partial payment and release of any such lien with respect to any

Unit(s) shall not prevent the lienholder from enforcing his rights against any Unit for which payment has not been received.

**ARTICLE 9**  
**COVENANT FOR COMMON EXPENSE ASSESSMENT**

Section 9.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. The Common Expense Assessments shall be a charge of the land and shall be a continuing lien upon the Unit against which each such Common Expense Assessment is made. A lien under this Section 9.1 is prior to all other liens and encumbrances on a Unit except: (i) as otherwise provided in the Act and in Section 9.2 below, a First Lien Security Interest on the Unit Recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent; and (ii) liens for real estate and other governmental taxes.

This Article 9 does not prohibit an action to recover sums for which this Section creates a lien or prohibits the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Unit shall not affect the lien for a Common Expense Assessment except that sale or transfer of any Unit pursuant to foreclosure of any First Lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of the Common Expense Assessment as provided in the Act. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Owner from continuing liability for any Common Expenses Assessment thereafter becoming due, nor from the lien thereof.

The Association's annual Common Expense Assessments and such other assessments as imposed by the Association, including special assessments, fees, charges, late charges, attorneys' fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Assessment is levied. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due, including the due date set by the Board's acceleration of installment obligations.

Each Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree, to pay all Assessments. Assessments shall be the personal obligation of the Owner at the time when it becomes due.

Section 9.2 Limited Priority Lien. The Association's statutory lien for Assessments is prior to a First Lien Security Interest recorded on or after July 1, 1992 to the extent provided in the Act.

Section 9.3 Apportionment of Common Expenses. Common Expenses shall be assessed against all Units in accordance with the Allocated Interests set forth in Article 6 of this Declaration, except as provided below:

(i) any Common Expense associated with the maintenance, repair or replacement of components and elements attached to or a part of a Unit or Units or to a Unit or Units to which a Limited Common Element is assigned may be assessed against that or those Units. If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element may be assessed equally among the Units to which it is assigned;

(ii) any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner may be assessed against that Unit;

(iii) any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit;

(iv) an assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities; and

(v) if a Common Expense is caused by the misconduct of a Unit Owner or such Owner's Related User, the Association may assess that expense exclusively against that Unit Owner and that Unit.

Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against a Unit Owner pursuant to the Governing Documents are enforceable as Common Expense Assessments.

**Section 9.4 Purpose of Assessments.** In addition to such other purposes as set forth in the Act, Assessments shall be used for the purposes of promoting the health, safety, and welfare of residents within the Common Interest Community, and, in particular:

(i) to provide for a Common Expense Assessment made on an annual basis against all Units based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year;

(ii) to enforce all provisions of the Governing Documents;

(iii) to exercise all rights and powers and to discharge all duties and obligations pursuant to the Act and the Governing Documents;

(iv) to discharge all expenses incurred by the Association in the administration, operation, management or repair or for the acquisition, alteration, improvement, construction, reconstruction, repair, maintenance or replacement of Common Elements and all improvements located thereon, including fixtures and personal property related thereto; and

(v) to fund any operating deficit or reserves the Association deems necessary to meet its financial obligations.

Section 9.5 Reserves. The Association shall establish an adequate reserve fund for the maintenance, repair and replacement of those Common Elements that must be periodically maintained, repaired or replaced. Such reserve fund shall be funded through the monthly payments of the annual Common Expense Assessments.

Section 9.6 Special Assessments. In addition to the assessment authorized above, the Association may at any time, from time to time, determine, levy and assess a special assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of the Common Elements, specifically including without limitation any fixtures and personal property related thereto. Any such special assessment shall be due and payable as determined by the Association's Board of Managers. Notice in writing setting forth the amount of such special assessment per Unit and the due date for payment thereof shall be given to the Owners not less than thirty (30) days prior to such due date.

Section 9.7 Installments; Assessments. The Board of Managers may determine that any Common Expense Assessment shall be payable in installments, and may also elect to accelerate the installments remaining for such assessment year, pursuant to Section 9.8 below.

Section 9.8 Application of Payments. Any payments received by the Association from a delinquent Unit Owner shall be applied first to any interest accrued on the delinquent installment(s), then to any costs and reasonable attorneys' fees incurred in collection and then to the delinquent and any accelerated Assessments. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment.

Section 9.9 Effect of Non-Payment of Assessments. Any Assessments provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, shall bear interest at the rate of twenty-one percent (21%) per annum or at such lesser rate as may be set by the Association from time to time from the due date, and the Association may assess a monthly late charge thereon. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, or any monthly or other installment thereof, may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. In the event that any such Assessment, or monthly or other installment thereof, is not fully paid when due and the Association shall commence such an action (or shall counterclaim or crossclaim for such relief in any action) against any Owner personally obligated to pay the same, or shall proceed to foreclose its lien against the particular Unit, then all unpaid Assessments, and all unpaid monthly or other installments thereof, any and all late charges and accrued interest under this Section, the Association's costs of suit, expenses and reasonable attorneys' fees incurred for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings, shall be taxed by the court as a part of the costs of any such action or foreclosure

proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Unit. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessments, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, votes appurtenant to ownership thereof, convey or otherwise deal with the same.

## **ARTICLE 10** **INSURANCE**

Section 10.1 General Insurance Provisions. The Association shall acquire and pay for, out of the Assessments, the insurance policies below carried with reputable insurance companies authorized to do business and licensed to provide insurance in Colorado.

10.1.1 Property Insurance Coverage. Property insurance, with extended coverage, including fire, vandalism, malicious mischief, special form, replacement cost, agreed amount, special condominium, building ordinance or law and inflation guard endorsements attached, in amounts determined by the Board of Managers to represent not less than the full then current insurable replacement cost of the Common Elements, and including all fixtures, interior and exterior walls and floors, partitions, decorated and finished surfaces of interior and exterior walls, floors, and ceilings, doors, windows and other elements or materials comprising a part of the Units and including any fixtures, equipment or other property within the Units which are to be financed by a Mortgage to be purchased by an Agency, including FNMA and FHLMC, but excluding any betterments and improvements made by Owners and building excavations and foundations. Maximum deductible amounts for such policy shall be determined by the Board of Managers; provided, however, that if any Agency requires specific deductibles, the Board of Managers shall follow such Agency's requirements. The Association shall obtain insurance covering the original specifications of each Unit. Each Owner shall be responsible for obtaining additional or supplemental insurance covering any additions, alterations or improvements to his Unit which increases the replacement value of his Unit. In the event that satisfactory arrangement is not made for additional insurance by the Owner, the Owner shall be responsible for any deficiency in any resulting insurance loss recovery and the Association shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. Any additional premiums attributable to the original specifications of a Unit for which the insurance is increased as herein provided may be the subject of a lien for nonpayment of Assessments in the event the Association pays such premium for an Owner. Subject to Section 10.2 below, such property insurance policy must be written by an insurance carrier that has (a) a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, or (b) an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports International Edition.

10.1.2 Comprehensive Liability. Comprehensive general public liability and property damage insurance in such amounts as the Board of Managers deems desirable, provided that such coverage shall be for at least \$1,000,000 for bodily injury, including deaths and property damage arising out of a single occurrence insuring the Association, the Board of Managers, the manager or managing agent, or both, if any, and their respective agents and employees, and the Owners from liability in connection with the operation, maintenance and use of the Common Elements including a "severability of interest" clause or specific endorsement. Such coverage shall also include legal liability arising out of contracts of the Association and such other risks as are customarily covered with respect to condominiums similar to the Community in the Denver metropolitan area including automobile liability insurance if appropriate. The Board of Managers shall not enter into employment contracts or independent contractor contracts of any kind unless the contracting party provides evidence (such as a Certificate of Insurance) to the Board of Managers that such party has current satisfactory insurance, including workers' compensation insurance, commercial general liability insurance and automobile insurance on all of which the Association is named as an additional insured.

Section 10.2 Form. The insurance policies may be carried in blanket policy form naming the Association as the insured, for the use and benefit of and as attorney-in-fact for the Owners. Each Owner shall be an insured person under the policy with respect to liability arising out of such Owner's interest in a Unit and in the Common Elements or membership in the Association. Each Mortgagee and its successors or assigns shall be a beneficiary of the policy in the percentages of Allocated Interests for the Unit which the Mortgage encumbers. The insurance company shall waive its rights of subrogation under the insurance policy against any Owner or member of the Owner's household. No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, shall void the insurance policy or be a condition to recovery under the insurance policy. If, at the time of a loss under an insurance policy described above there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association's policy shall provide primary insurance.

Section 10.3 Owners' Insurance. Insurance coverage on the furnishings and other items of personal property belonging to an Owner and any additions and alterations to a Unit which increase the Unit's replacement value above that of the original specifications for the Unit (unless financed by a Mortgage to be purchased by FNMA or FHLMC), casualty and public liability insurance coverage for each Unit and the work within each Unit or on the Limited Common Elements associated therewith shall be the responsibility of the Owner of the Unit.

Section 10.4 Certificates of Insurance: Cancellation. Certificates of insurance shall be issued by the Association to each Owner and Mortgagee upon written request to the Association. All policies required to be carried under this Article 10 shall provide a standard non-contributory mortgagee clause in favor of each First Mortgagee of a Unit and shall provide that such policy cannot be canceled by the insurance company for nonpayment of premium without at least forty-five (45) days' prior written notice to each First Mortgagee whose address is shown in the records maintained pursuant to the Association's documents. If the Association's insurance described in Article 10 is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause

notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and to all First Mortgagees.

Section 10.5 Insurance Proceeds. Any loss covered by the property insurance policy described in Section 10.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 10.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated pursuant to the applicable provisions of this Declaration and the Act.

Section 10.6 Insurer Obligation. An insurer that has issued an insurance policy for the insurance described in Sections 10.1, 10.2 and 10.9 or its agent shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until forty-five (45) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses, and to any servicer of any other Mortgage.

Section 10.7 Repair and Replacement. Any portion of the Common Elements for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

(i) Owners representing ninety-five percent (95%) of the votes in the Association allocated to Units and the Board of Managers vote not to rebuild but to instead terminate the Community as provided in Article 12 below and in accordance with the applicable provisions of this Declaration and the Act; or

(ii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety.

The cost of repair or replacement of Common Elements in excess of insurance proceeds and reserves is a Common Expense, except as otherwise determined by the Board of Managers. If all the Common Elements are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Building, and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to each Unit's Allocated Interests.

Section 10.8 Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses, provided, however, that if the Association's property and extended coverage insurance covers fixtures,



equipment or other property within or associated with some but not all of the Units (as required by any Agency including FNMA or FHLMC), or other insurance attributable to some but not all of the Units, the Association reserves the right to charge the Owners of such Units for which the Association provides additional insurance coverage, an amount equal to the premium attributable to such additional insurance coverage as calculated by or through the Association.

Section 10.9 Fidelity Insurance. Fidelity insurance or fidelity bonds must be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others, including any Manager hired by the Association, who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than the greater of: (a) twenty-five thousand dollars (\$25,000); or (b) the estimated maximum of funds, including reserve funds, in the custody of the Association or managing agent as the case may be, at any given time during the term of each policy as calculated from the current budget of the Association but in no event less than a sum equal to three (3) months' aggregate assessments plus reserve funds. In addition, if responsibility for handling funds is delegated to a Manager, such insurance or bonds must be obtained by or for the Manager and its officers, employees and agents, as applicable. Such fidelity insurance or bonds shall name the Association as insured and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 10.10 Workers' Compensation Insurance. The Board of Managers shall obtain Workers' Compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

Section 10.11 Deductibles. Any loss falling within the deductible portion of such policy shall be borne by the person or entity who is responsible for the repair and maintenance of the property which is damaged or destroyed. The Association shall have the right to establish nondiscriminatory adjustment policies and procedures, and after notice and hearing, the Association may determine that a loss, either in the form of a deductible to be paid by the Association or an uninsured loss, resulted from the act or negligence of an Owner. Upon said determination by the Association, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as any Assessment.

Section 10.12 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Managers of the Association to ascertain that the coverage provided by such policies adequately covers those risks insured by the Association. Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Managers or the managing agent of the Association may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or other person knowledgeable as to replacement costs, which appraiser shall reasonably estimate the full replacement value of the improvements to the insured for the purpose of determining the amount of insurance required pursuant to the provisions of this Article 10. Any First Mortgagee shall be furnished with a copy of such appraisal upon request.

Section 10.13 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act.

## **ARTICLE 11**

### **RESTRICTIVE COVENANTS**

Section 11.1 Absolute Authority. The Board of Managers shall have complete authority and control to issue and amend restrictions on use, occupancy and alienation of the Units in addition to those contained in this Declaration. All provisions of the Governing Documents shall apply to Owners and Related Users. Existing Owners and their successors and assigns, by acceptance of a deed to their Unit, acknowledge that they have been given notice, and that:

(i) the ability of Owners to use their Units is limited by the provisions in the Governing Documents;

(ii) the Board of Managers may, in its sole discretion, add, delete, modify, create exceptions to, or amend use guidelines and restrictions in accordance with this Declaration.;

(iii) the Board of Managers may, from time to time, adopt and amend definitions of words, phrases and terms used in this Declaration and other Governing Documents;

(iv) the use, enjoyment and marketability of his or her Unit can be affected by this provision and that the Rules and Regulations may change from time to time; and

(v) the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

Section 11.2 Household Pets. The Association shall have, and is hereby given, the right and sole authority to (i) enact such Rules and Regulations it deems necessary or desirable regarding number, size, breed, and type of household pets which are acceptable, and (ii) to reasonably determine that household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance to other Owners, or that an Owner is otherwise in violation of this Section 11.2, and to take such action or actions as it deems reasonably necessary to correct the same, including requiring such pet be removed from the Common Interest Community. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such Owner's pet(s). If the pet owner fails to honor a request to remove the pet, the Board of Managers may remove the pet, and recover all monetary costs of removal and damages suffered pursuant to Section 9.9.

Section 11.3 Residential Use. All Units shall be owned and occupied for residential purposes only, including uses related to the convenience and enjoyment of such residential use, and no business, profession, trade, garage sale, moving sale, rummage sale, or similar activity shall be conducted within a Unit or elsewhere within the Community, except that an Owner may conduct business activities within the Unit so long as:

- (i) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit;
- (ii) the activity conforms to all zoning requirements for the Common Interest Community;
- (iii) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Owners or Related Users; and
- (iv) the activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Owners or Related Users, as may be determined in the sole discretion of the Board.

Section 11.4 Signs and Advertising. Except as hereinafter provided, no signs may be placed within the Real Estate without prior written approval of the Association and in accordance with the Rules and Regulations.

Section 11.5 Commercial Vehicles. No commercial vehicles and no trucks shall be parked within the Community except while temporarily engaged in transport to or from a Unit. A pickup truck of 3/4 ton or less with no painted markings or advertising shall not be deemed to be a commercial vehicle or truck.

Section 11.6 Abandoned or Inoperable Vehicles. No abandoned or inoperable automobiles or vehicles of any kind, except as hereinafter provided, shall be stored or parked on any portion of the Community. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, boat, trailer, camper, housetrailer, self-contained motorized recreational vehicle, or other similar vehicle, which has not been driven under its own propulsion for a period of two (2) weeks or longer, or any vehicle which does not have an operable propulsion system installed therein; provided, however, that the foregoing restrictions shall not include otherwise permitted vehicles parked by Owners while on vacation or during a period of illness. In the event the Association shall determine that a vehicle is an abandoned or inoperable vehicle, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the abandoned or inoperable vehicle is not removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

Section 11.7 Nuisances. No nuisance shall be allowed on the Community, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful enjoyment or possession and proper use of the Community by its residents. All parts of the Community shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate, nor any fire hazard to exist. Further, no immoral, improper, offensive or unlawful use shall be permitted or made of the Community or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community, or any portion thereof, shall be observed.

Section 11.8 No Parking on Private Roads. Parking of vehicles shall be permitted only within parking areas as may be designated by the Board of Managers from time to time for such purpose.

Section 11.9 Leases. The term "lease", as used herein, shall include any agreement transferring the right to exclusive possession and use of a Unit and shall specifically include, without limitation, a month-to-month rental. Owners shall have the right to lease their Units only under the following conditions:

(i) all leases shall be subject to the Governing Documents, and in particular to Section 6.11, above. No Unit may be occupied by a non-Owner without full compliance with all provisions of the Governing Documents;

(ii) no Owner may lease less than the entire Unit;

(iii) all leases shall be for a term of at least 180 days;

(iv) all leases shall be made only pursuant to a written agreement (the "Agreement") which shall provide that the terms of the Agreement and lessee's occupancy of the Unit shall be subject in all respects to provisions of this Declaration, the Articles of Incorporation, the Bylaws, and the Rules and Regulations of the Association. Any failure by the lessee to comply therewith shall be a default under the Agreement and shall entitle the Association to take such direct action against lessee as deemed appropriate to protect the Common Elements and/or enforce any provisions of the Governing Documents;

(v) upon approval of a lease pursuant to Section 6.11 above and any applicable Rules and Regulations, the Owner shall forward a copy of the executed Agreement to the Association or the Association's managing agent;

(vi) each Owner agrees to use or cause to be used such form of lease or rental document as may be provided or approved from time to time by the Association in order to properly protect the integrity of the Community, and the Association's responsibility in connection therewith; and

(vii) an Owner who leases his Unit shall be deemed to have appointed the Association his attorney-in-fact and granted to the Association the right, in the place and stead of

the Owner, to evict any occupant possessing a Unit in violation of Section 6.9 or this Section 11.9, and to deal with any failure by the lessee to comply with the provisions of the lease or the Governing documents, which failure shall be deemed a material default under the Agreement and shall entitle the Association to take such direct action against lessee as deemed appropriate by the Board, including the pursuit of any and all remedies as provided in the Agreement, by law, or as set forth herein, including termination and eviction remedies.

None of the provisions contained in this Section 11.9 shall be deemed to require any Owner to use any particular management or rental agent. Any attempted leasing or leasing of a Unit in violation of this Section 11.9 shall be considered a covenant violation subject to all remedies set forth in this Declaration and the Act.

Section 11.10 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on, altered or constructed upon, or removed from any part of the Common Elements without the prior written approval of the Association of the Board of Managers.

## **ARTICLE 12**

### **AMENDMENTS/TERMINATION**

Section 12.1 Amendment. Except as otherwise provided in this Declaration, the provisions of this Declaration may be amended, in whole or in part, at any time and from time to time, by an instrument approved in writing by the Board of Managers and by Owners of Units to which 67% of the votes in the Association are allocated, and in accordance with Article 13 below.

Section 12.2 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the office of the Clerk and Recorder of City and County of Denver, Colorado, and must contain evidence of approval thereof.

Section 12.3 Recording of Amendments. One method of satisfying the requirements of Section 12.2 is the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Units have given their notarized written consent to the amendment, and that the requisite percentage of Eligible First Mortgagees have given notarized written consent to the amendment. The Secretary must further certify that originals of such written consent by Owners along with the recorded amendment are in the corporate records of the Association and available for inspection.

Section 12.4 Termination. The Community may only be terminated by approval of the Board of Managers, approval of Owners representing ninety-five percent (95%) of the votes in the Association allocated to Units, and in accordance with Article 13, below.

**ARTICLE 13**  
**SPECIAL RIGHTS OF HOLDERS OF FIRST LIEN SECURITY INTERESTS**

Section 13.1 General Provisions. The provisions of this Article are for the benefit of holders, insurers, or guarantors of holders of First Lien Security Interests recorded within the Common Interest Community. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws of the Association.

Section 13.2 Special Rights. Eligible Mortgagees shall be entitled to: (a) timely written notice from the Association of any default by a mortgagor of a Unit in the performance of the mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association, including any annual audited financial statement; (d) receive written notice of all meetings of the Board of Managers or Members of the Association; (e) designate a representative to attend any such meetings; (f) written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; (g) written notice of abandonment or termination of the Association of the plan contemplated under this Declaration; (h) thirty (30) days' written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles of Incorporation, or the Bylaws; (i) thirty (30) days' written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Elements, when professional management had been required previously under the legal documents for the Common Interest Community or by an Eligible Mortgagee; and (j) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements or to the Unit on which the Eligible Mortgagee holds a Security Interest, if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements or any Units.

Section 13.3 Special Approvals. Unless at least fifty-one percent (51%) of the Eligible Mortgagees (based on one vote for each mortgage owned) have given their written approval, neither the Association nor any Member shall: (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or any improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utility easements, drainage easements and water facilities easements or easements for other public purposes consistent with the intended use of such real estate by the Association shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to architectural approval of improvement of Units, including the architectural design of the exterior appearance of Units, or the upkeep of the Common Elements; (d) fail to maintain the casualty, fire and extended coverage insurance as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses other than the repair, replacement or reconstruction of the improvements which were damaged or

destroyed; (f) take action to terminate the legal status of the Common Interest Community after substantial destruction or condemnation occurs; (g) amend any material provision of this Declaration; and (h) establish self-management by the Association when professional management has previously been required by the legal documents for the Common Interest Community or by an Eligible Mortgagee. An amendment shall not be deemed material if it is for the purpose of correcting technical errors, or for clarification only. If an Eligible Mortgagee receives written request for approval of the proposed act, omission, change or amendment by certified or registered mail, with a return receipt requested, and does not deliver or post to the requesting party a negative response within 30 days, it shall be deemed to have approved such request.

Section 13.4 Right to Pay Taxes and Insurance Premiums. Any holder of a First Lien Security Interest shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Unit or any of the Common Elements and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Elements or Units, and the holder of a First Lien Security Interest making such payments shall be entitled to immediate reimbursement therefor from the Association.

#### **ARTICLE 14** **MISCELLANEOUS**

Section 14.1 Attorneys' Fees. Notwithstanding any provision herein to the contrary, and in addition to all other remedies the Association may have pursuant to this Declaration, the Act, or at law or equity, if any person fails to comply with any provision in the Act or a Governing Document, the Association may require reimbursement for collection costs and reasonable attorneys' fees and costs (including expert witness fees) incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. For each such claim, including but not limited to counterclaims, cross-claims, and third-party claims, in any legal proceeding to enforce a provision of the Act or of a Governing Document, the court shall award to the Association its reasonable attorneys' fees and costs incurred in asserting or defending the claim. However, the Association shall have no right to its attorneys' fees and costs if the court finds that the Association's claim or defense was frivolous or groundless.

Section 14.2 Period of Ownership. The ownership created by this Declaration shall continue until this Declaration is terminated in the manner provided in this Declaration.

Section 14.3 Registration of Mailing Address. Each Owner, Eligible First Mortgagee, insurer and guarantor of a First Lien Security Interest, shall register his mailing address with the Association, and notices or demands intended to be served upon any Owner, Eligible First Mortgagee, insurer or guarantor shall be delivered by messenger or sent by mail, postage prepaid, to such registered address.

Section 14.4 Non-Waiver. Failure by the Association or any Owner to enforce any Covenant or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 14.5 Variances. The Board of Managers may authorize variances from compliance with any provision of the Governing Documents, when circumstances so warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all the members of the Board of Managers and approved by a majority of the Board. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Declaration or in other Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision in the particular instance covered by the variance.

Section 14.6 Scope of Judicial Review. The scope of judicial review of any action taken by the Association pursuant to the Governing Documents, including but not limited to the promulgation and enforcement of provisions of the Governing Documents shall be limited to cases of fraud, bad faith, or lack of due process.

Section 14.7 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidation of any one or more of the provisions hereof, or any portion thereof, by judgement or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provision shall remain in full force and effect.

Section 14.8 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 14.9 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration or the intent of any provision hereof.

Section 14.10 Conflicts in Documents. In case of any conflict between this Declaration and the Articles of Incorporation or By-Laws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and By-Laws of the Association, the By-Laws shall control.

Section 14.11 Counterparts. This Declaration, and any amendments hereto, may be executed in several counterparts and all counterparts so executed shall constitute one document binding on all signatories thereof, notwithstanding that all signatories have not executed the original or the same counterpart. In the event that any such document is executed in counterparts, those pages from the counterparts on which signatures and/or certificates of notaries public appear may be attached to the original instrument for the recordation thereof, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are identical.



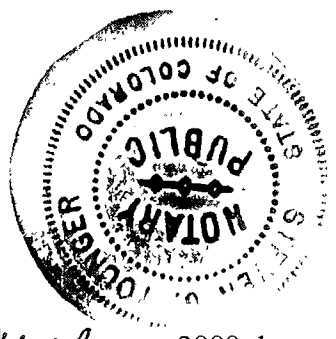
The undersigned, being the president and the secretary of 525\* Condominium Association, Inc., hereby certify that the Association has obtained written approval of this Amended and Restated Declaration from at least sixty-seven percent (67%) of the Owners of 525\* Condominiums, as evidenced by written instruments executed by the record Owners of at least 17 of the Units and filed with the records of the Association.

525\* CONDOMINIUM ASSOCIATION, INC.,  
a Colorado nonprofit corporation

By: E. Sydney Glick  
President

ATTEST:

Joanne Polanshek  
Secretary



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

The foregoing was acknowledged before me this 9th day of June, 2000, by E. Sydney Glick as President of 525\* Condominium Association, Inc., a Colorado nonprofit corporation.

WITNESS my hand and official seal.

My Commission expires: 1, 24, 2004

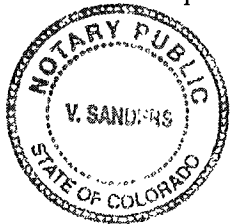
Steven Glick  
Notary Public

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

The foregoing was acknowledged before me this 9th day of June, 2000, by Joanne Polanshek as Secretary of 525\* Condominium Association, Inc., a Colorado nonprofit corporation.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_



Joanne Polanshek  
Notary Public

My Commission Expires Feb. 25, 2002

**EXHIBIT A**  
**THE REAL ESTATE**

LOTS 9 and 10, and the SOUTH 0.5 FEET OF LOT 8, BLOCK 14  
HARMON'S SUBDIVISION,  
CITY AND COUNTY OF DENVER  
STATE OF COLORADO

**EXHIBIT B**  
**ALLOCATED INTERESTS**

UNIT #	UNDIVIDED INTEREST IN COMMON ELEMENTS	COMMON EXPENSE LIABILITY (%)
101	.0415	.0415
102	.0415	.0415
103	.0494	.0494
104	.0405	.0405
108	.0405	.0405
109	.0494	.0494
201	.0415	.0415
202	.0415	.0415
203	.0494	.0494
204	.0425	.0425
205	.0326	.0326
206	.0326	.0326
207	.0326	.0326
208	.0425	.0425
209	.0494	.0494
301	.0435	.0435
302	.0435	.0435
303	.0514	.0514
304	.0425	.0425
305	.0326	.0326
306	.0326	.0326
307	.0326	.0326
308	.0425	.0425
309	.0514	.0514
<b>TOTAL 24 Units</b>	<b>100%</b>	<b>100%</b>