

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS OF
HILLCREST VILLAGE CONDOMINIUMS

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**DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS OF
HILLCREST VILLAGE CONDOMINIUMS**

This Declaration is made and entered into by Holly Street Partners, LLC., a Colorado Limited Liability Company, hereinafter referred to as "Declarant":

WITNESSETH:

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

WHEREAS, Declarant has or shall have constructed one building on the Property which building shall consist of a total of 32 separately designated Units; and

WHEREAS Declarant desires to create a Condominium Common Interest Community on the real estate described in **Exhibit 1**, the name of which is Hillcrest Village Condominiums, in which portions of the real estate described in **Exhibit 1** will be designated for separate ownership and the remainder of which will be designated for common ownership solely by the owners of the separate ownership portions; and

WHEREAS Declarant has caused to be incorporated under the laws of the State of Colorado, Hillcrest Village Homeowners Association, Inc., a nonprofit corporation for the purpose of exercising the functions as herein set forth.

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

**ARTICLE I
SUBMISSION AND DEFINITIONS**

Section 1.1 Submission of Real Estate: Declarant hereby submits the real estate to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et. seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act"). In the event that the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable. The Common Interest Community shall be a Condominium regime as defined in the Act.

Section 1.2. Names.

- a. Condominium. The name of the Condominium is Hillcrest Village Condominiums.
- b. Association. The name of the Association is Hillcrest Village Homeowners Association, Inc.

Section 1.3 Real Estate. The Condominium is located in the City and County of Denver, State of Colorado. The Real Estate is described in Exhibit 1.

Section 1.4 Definition of Terms. Each term not otherwise defined in this Declaration or in the plat or map shall have the meanings specified or used in the Act. As used in this Declaration, the terms hereinafter set forth shall have the following meanings:

- a. "Condominium Unit" or "Unit" shall mean and refer to the air space contained within the enclosed rooms occupying part of a floor or floors in the Building and bounded by the unfinished interior surfaces of the perimeter walls (or the demising walls, if two or more Units adjoin each other), unfinished interior surfaces of floors (or the lowermost floor in respect of the Units containing more than one level), unfinished interior surfaces of ceilings, including the unfinished surfaces of any "drop" ceilings originally constructed for the Unit (or the uppermost ceilings, in respect of the Units containing more than one level), and unfinished interior surfaces of windows and window frames, doors and door frames. Each Unit is separately identified on the Map and shall have access to a public street through the Common Elements. The term "Unit" does not include any structural component of the Building or utility facility located within the Unit or any other Common Element or portion thereof located within the Unit. Accordingly, as provided in Section 202 of the Act, if any chute, flue, duct, wire, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the boundaries of a Unit, the same shall not be considered part of the Unit; any portion thereof serving only that Unit shall be a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements shall be a part of the Common Elements, either a Limited Common Element allocated to the specific Units served thereby or a Common Element if such portion serves all of the Units. All shutters, awnings, window boxes, door steps, stoops, porches, entries, balconies, terraces, courtyard areas, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit. All lath, furring, wallboard, plasterboard, plaster, drywall paneling, tiles, wallpaper, paint and finished flooring and any other materials constituting any part of the finished surfaces thereof is part of the Unit and all other portions of such walls, floors or ceilings will be deemed part of the Common Elements.

- b. "Condominium" means a common interest community in which portions of the real estate are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate ownership portions.
- c. "Declaration" means any recorded instruments however denominated, that create a common interest community, including any amendments to those instruments and also including, but not limited to, plats and maps.
- d. "Common Elements" means the land or the interest therein on which a building or buildings are located; the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of such building or buildings; the basements, yards, gardens, parking areas, and storage spaces; the premises for the lodging of custodians or person in charge of the property; installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, central air conditioning, and incinerating; the elevators, tanks, pumps, motors, fans, compressors, ducts, community and commercial facilities as may be provided for in the declaration; and all other parts of the property other than the Units, or normally in common use.
- e. "Limited Common Elements" means those common elements designated in the Declaration or by operation of section 38-33.3-202(1)(b) or (1)(d) as reserved for use by fewer than all of the owners of the individual units.
- f. "Owner" means the Person or Persons, as hereinafter defined, owning a Unit in fee simple together with an undivided interest in fee simple in the Common Elements in the percentage specified and established in this Declaration including the Declarant so long as any Condominium Unit, as defined herein, is owned by Declarant, and including contract sellers, but excluding those having such interest merely as security for the performance of obligations.
- g. "Association" means Hillcrest Village Homeowners Association, Inc., a Colorado nonprofit corporation, its successors and assigns, organized under section 38-33.3-301, the Articles and Bylaws of which, as hereinafter defined, along with this Declaration, shall govern the administration of the Condominium Project; the members of which shall be all of the Owners.
- h. "Building" means one or more of the building improvements erected within the Condominium Project.
- i. "Common Expenses" means and includes:
 - i. all sums lawfully assessed against the Owners by the Board, as hereinafter defined;
 - ii. expenses or liabilities incurred in the administration, maintenance, repair or replacement of the Common Elements, including assessments for the creation and maintenance of reserves;
 - iii. expenses declared Common Expenses by provisions of this Declaration and the Bylaws; and

- iv. expenses agreed upon as Common Expenses by a vote of the Owners representing an aggregate ownership interest of at least a two-thirds (2/3) share of the Common Elements.
- j. "Person" means an individual, corporation, partnership, combination, association, trustee and or any other legal entity.
- k. "Project" means all of the Property, Condominium Units, Buildings and improvements submitted to this Declaration.
- l. "Executive Board" or "Board" means the governing body of the Association.
- m. "Managing Agent" means the independent contractor employed by the Board to perform the management and operational functions of the Condominium Project.
- n. "Bylaws" means the bylaws of the Association.
- o. "Articles" means the articles of incorporation of the Association.
- p. "Guest" means any agent, employee, tenant, guest, licensee or invitee of an owner.
- q. "Declarant" means any person or group of persons acting in concert who:
 - i. As part of a common promotional plan, offers to dispose of to a purchaser such Declarant's interest in a unit not previously disposed of to a purchaser; or
 - ii. Reserves or succeeds to any special Declarant right.
- r. "Condominium Project" means the project and all land and improvements subsequently submitted to this Declaration as is hereinafter provided.
- s. "Map" means that part of the Declaration that depicts all or any portion of a common interest community in three dimensions, is executed by a person that is authorized by this title to execute a declaration relating to the common interest community, and is recorded in the real estate records in the City and County of Denver, State of Colorado.
- t. "Common Interest Community" shall have the same meaning and may be used interchangeably with Condominium Project.

Section 1.5 Map. There shall be filed for recording in the City and County of Denver, Colorado, a map, hereinafter referred to as the "Map" and shall depict thereon:

- a. The name and a general schematic plan of the entire common interest community;
- b. The location and dimensions of all real estate not subject to development rights, or subject only to the development right to withdraw, and the location and dimensions of all existing improvements within the real estate;
- c. A legally sufficient description of any real estate subject to development rights, labeled to identify the rights applicable with that real estate;
- d. The extent of any existing encroachments across any common interest community boundary;
- e. To the extent feasible, a legally sufficient description of all easements serving or burdening any portion of the common interest community;

- f. The location and dimensions of any vertical boundaries not shown or projected on maps recorded pursuant to subsection (j) and that unit's identifying number;
- g. The location, with reference to established data, of horizontal boundaries, if any, not shown or projected on maps recorded pursuant to subsection j. and that unit's identifying number;
- h. The distance between noncontiguous parcels of real estate comprising the common interest community;
- i. The approximate location and dimensions of limited common elements, including porches, balconies, and patios.
- j. To the extent not shown on the plats, maps of the units shall depict:
 - i. The location and dimensions of the vertical boundaries of each unit and that unit's identifying number;
 - ii. Horizontal boundaries, if any, with reference to all established data, and that unit's identifying number;
 - iii. Any units in which the Declarant has reserved the right to create additional units or common elements, identified appropriately; and
 - iv. The approximate location and dimensions of limited common elements including porches, balconies, and patios, other than parking spaces;
- k. A certification made by a registered land surveyor.

In interpreting any and all provisions of this Declaration or the Bylaws, subsequent to deeds to and/or Mortgages of Condominium Units, the actual location of a Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations from the location of such Unit indicated on the Map.

ARTICLE II DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP

Section 2.1. Division Into Units. Declarant does hereby submit the Project to condominium ownership pursuant to the Colorado Common Interest Ownership Act and the Project is hereby divided into 32 Condominium Units, each consisting of a separate fee simple estate in a particular Unit, and an appurtenant undivided fee simple interest in the Common Elements appurtenant to a particular Unit as is set forth on **Exhibit 2** attached hereto and incorporated herein by reference. The Declarant reserves no rights to create additional Units. The number of Condominium Units that may be created pursuant to this declaration shall not exceed 32.

Section 2.2 Unit Boundaries. The boundaries of each Unit are located as shown on the plat or map and are more particularly described as follows:

- a. walls, floors and ceilings are designated as boundaries of a Unit; and

- b. each Unit shall include the heating, hot water and air conditioning apparatus exclusively serving the Unit whether or not located within the boundaries of the Unit.

Section 2.3 Limited Common Elements. Subject to the definition thereof, the Limited Common Elements shall be identified herein or on the Map and designated as appurtenant to a particular Condominium Unit herein or on the Map or in a deed from the Declarant. Any door, window, porch, patio or fireplace which is accessible from, associated with and/or which adjoin(s) a Unit and deck or yard areas, identified as Limited Common Elements on the Map and designated as appurtenant to a particular Condominium Unit, shall, without further reference thereto, be used in connection with the Unit to which it is appurtenant to the exclusion of the use thereof by the other Owners, except by invitation.

Section 2.4 Allocation of Reserved Limited Common Elements. Portions of the Common Elements are marked on the plat or map as "Common Elements which may be allocated as Limited Common Elements." These portions of the Common Elements include, without limitation, vehicle parking areas, portions of the basement of the buildings which may be used for storage purposes and other areas.

Section 2.5 Parking Spaces.

- a. The parking spaces to be assigned to each Unit ("Parking Spaces") are located within the Parking Garage and are identified by number. The Declarant will allocate as a Limited Common Element one (1) or more Parking Spaces to each Unit, as depicted on the Map. Except as provided below, Limited Common Elements Parking Space(s) may not be assigned or transferred apart from the transfer of the subject Unit. The Parking Space(s) may not be assigned or transferred apart from the transfer of the subject Unit. The Parking Space(s) so allocated will be described by number in the deed by which Declarant conveys each Unit to its first Owner other than Declarant. Any subsequent sale of the Unit, after the initial sale by Declarant, shall terminate the selling Owner's right, title and interest to such assigned Parking Space(s) and shall cause the exclusive right to use such assigned Parking Space(s) to vest in the purchaser of the selling Owner's Unit. Parking Spaces may be reallocated among the Units with the consent of the Association, the Owner and first mortgagee of each Unit whose Parking Space(s) assignment is being reallocated or changed, so long as each Unit always has one or more Parking Space(s) and such reallocation otherwise conforms to the requirements of Section 208(2) of the Act; provided, however, that transfer of Parking Spaces may be accomplished by an assignment or other written instrument and shall not require amendment to the Map as long as any such instrument identifies the Unit to which the Parking Spaces shall thereafter be appurtenant. Use of any Parking Spaces not allocated to specific Units by Declarant while the Declarant owns at least one (1) Unit will be governed by

the Association. The Declarant may designate Parking Spaces as Common Elements by written, recorded instrument. Use of each Parking Space which is so allocated to a Unit shall be for parking or storage of automobiles, boats, trailers, motorcycles, trucks and any other type of vehicle which fits within the boundary lines of such Parking Space without impairing other Owners' use of adjacent Parking Spaces, and provided that the foregoing vehicles can be reasonably and safely maneuvered into and out of the subject Parking Space(s) and through the Parking Garage and its entrance and exit areas.

- b. Notwithstanding any other provisions in Section 2.5.a. to the contrary, Declarant may, as part of its development rights and other Declarant rights: complete any Parking Space(s) identified on the Map as a Parking Space, reallocate Parking Space(s) among Units owned by Declarant in any manner desired by Declarant (so long as each Unit has at least one (1) Parking Space permanently and exclusively allocated to it), prior to the sale of such Units to their initial Owners (other than Declarant), and amend the Map accordingly, all without the consent of the Association, the Executive Board, any first mortgagees, or any other person. Declarant's development rights or other Declarant rights set forth in this Section 2.5.b. shall terminate on the first to occur of the seventh (7th) anniversary of the date this Declaration is recorded or the date of conveyance of the last Unit by Declarant to the first purchaser thereof (other than Declarant). Notwithstanding the provisions of this Section 2.5.b., Declarant's right to reallocate Parking Spaces will not apply to Parking Spaces specifically identified in any executed purchase agreement for Declarant's sale of a Unit, without the prior consent of the contract purchaser.

Section 2.6 Storage Areas.

- a. Each Unit shall be allocated one (1) or more storage lockers ("Storage Areas"), located in the parking structure, as depicted on the Map. The Storage Area(s) shall be a Limited Common Element allocated to such Unit and except as provided below may not be assigned or transferred apart from that Unit. The Storage Area(s) so allocated will be described by number in the deed by which Declarant conveys each Unit to its first Owner other than Declarant. Any subsequent sale of the Unit, after the initial sale by Declarant, shall terminate the selling Owner's right, title and interest to the assigned Storage Area(s) and shall cause the exclusive right to use such assigned Storage Area(s) to vest in the purchaser of the selling Owner's Unit. Storage Areas may be reallocated among the Units with the consent of the Association, the Owner and first mortgagee of each Unit whose Storage Area assignment is being changed, so long as each Unit always has an assigned Storage Area and such reallocation otherwise conforms to the requirements of Section 208(2) of the Act; provided, however, that transfer of Storage Areas between and among Owners may be accomplished by an assignment

or other written instrument and shall not require amendment to the Map as long as any such instrument identifies the Unit to which the Storage Area shall thereafter be appurtenant. Each Owner shall be responsible for maintaining the Storage Area(s) allocated to his Unit in a clean and orderly condition, free from debris of any kind. Further, the storage of gasoline or other flammable materials or noxious or hazardous wastes or materials of any kind within any Unit or appurtenant Storage Area is absolutely prohibited.

- b. Notwithstanding any provisions of Section 2.6.a. to the contrary, Declarant may, as part of its development rights and other Declarant rights: complete any Storage Area(s) identified on the Map as a Storage Area, reallocate Storage Area(s) among Units owned by Declarant in any manner desired by Declarant (so long as each Unit has at least one (1) Storage Area permanently and exclusively allocated to it), prior to the sale of such Units to their initial Owners (other than Declarant), and amend the Map accordingly or assign or transfer Storage Areas by means of a separate written instrument, all without the consent of the Association, the Executive Board, any first mortgagees, or any other person. Declarant's development rights or other Declarant rights set forth in this Section 2.6.b. shall terminate on the first to occur of the seventh (7th) anniversary of the date this Declaration is recorded or the date of conveyance of the last Unit by Declarant to the first purchaser thereof (other than Declarant). Notwithstanding the provisions of this Section 2.6.b., Declarant's right to reallocate Storage Areas will not apply to Storage Areas specifically identified in any executed purchase agreement for Declarant's sale of a Unit, without the prior consent of the contract purchaser.

Section 2.7 Inseparability of Condominium Unit. An Owner's undivided interest in the Common Elements and in any appurtenant Limited Common Elements shall not be separated from the Unit to which they are appurtenant and shall be deemed to be conveyed or encumbered with the Unit even though the interest is not expressly mentioned or described in a deed or other instrument.

Section 2.8 Description of Condominium Unit

- a. Every contract for the sale of a Condominium Unit written prior to the filing for record of the Map and this Declaration may legally describe a Condominium Unit by its identifying Condominium Unit designation followed by the words "Hillcrest Village Condominiums", with further reference to the Map thereof to be filed for record and this Declaration to be recorded. Upon recordation of the Map and this Declaration in the records of the Clerk and Recorder of the County of Denver, Colorado, such description shall be conclusively presumed to relate to the therein described Condominium Units.
- b. Contracts Entered Into Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Map and this Declaration,

every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Condominium Unit may legally describe that Condominium Unit as follows:

Condominium Unit _____, Hillcrest Village Condominiums, according to the Condominium Map thereof, recorded on _____, 1999, at Reception No. _____, in the records of the office of the Clerk and Recorder of the City and County of Denver, Colorado, and as defined and described in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HILLCREST VILLAGE CONDOMINIUMS, recorded on _____, 1999, at Reception No. _____, in said records.

Together with the exclusive use of Parking Space(s) No(s). _____ and Storage Space(s) No(s). _____, as designated on the recorded Condominium Map as a limited common element, in accordance with the terms and provisions of the Declaration of Covenants, Conditions and Restrictions of Hillcrest Village Condominiums.

- c. Legal Effect of Description. Every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Condominium Unit which legally describes said Condominium Unit in the manner set forth in Section 2.6(b) hereof shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Unit, but also the undivided interest in the Common Elements appurtenant thereto and all other appurtenant properties and property rights, and incorporate all of the rights, limitations and burdens incident to ownership of a Condominium Unit as described in this Declaration and the Map. Each such description shall be construed to include a nonexclusive easement for ingress and egress to and from each Condominium Unit and the use of all the Common Elements as well as all of the Limited Common Elements appurtenant to said Condominium Unit, all as more fully provided in this Declaration.
- d. The reference to the Map and Declaration in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Map or Declaration, without specific reference(s) thereto.

Section 2.9 No Partition. The Common Elements shall remain undivided and no Owner or any other Person shall bring any action for partition or division of the Common Elements. Each Owner hereby expressly waives any and all such rights of partition which he may have with respect to the Common Elements by virtue of his ownership of a Condominium Unit.

Section 2.10 Title. A Condominium Unit may be held and owned by more than one Person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Colorado.

Section 2.11 Certain Work Prohibited. No Owner shall undertake any work in his Unit which would jeopardize the soundness or safety of the Condominium Project, reduce the value thereof or impair an easement or hereditament thereon or thereto, nor shall any Owner enclose, by means of screening or otherwise, any balcony, yard, deck, patio, or porch which is accessible from, associated with and which adjoins a Unit, without having first obtained the prior written approval of the Board (which approval may be withheld for any reason) for such enclosure and with respect to the materials, plans and specifications for such enclosure. Structural alterations shall not be made by an Owner to the exterior portions of his Unit or to the Building(s) or in the water, gas or steam pipes, electric conduits, plumbing or other fixtures connected therewith, nor shall an Owner remove any additions, improvements or fixtures from the Building(s) without the prior written approval of the Board (which approval may be withheld for any reason) first having been obtained.

Section 2.12 Use and Occupancy of Units. Each Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Unit shall be used for residential purposes only, and no Unit shall be occupied for living or sleeping purposes by more persons than it was designed to accommodate safely. For the purposes of the foregoing sentence, each Unit shall be deemed to have been designed to accommodate safely a maximum of two permanent occupants per bedroom. No Unit shall be used at any time for any business or commercial activity, except as follows: (1) the Owner thereof may lease or rent such Unit for Private residential living purposes (subject to paragraph 14.1 hereafter); (2) Declarant or its nominee or agents may use any Unit(s) as a model or sales unit or as a rental or construction office until all Condominium Units owned by Declarant in the Condominium Project are conveyed by Declarant; and (3) the Association shall have the right, but not the obligation, to purchase, own, or lease any Condominium Unit for a manager's residence or office, or building superintendent or engineer, and the Association may also maintain offices, within the Common Elements.

Section 2.13 Owner's Maintenance Responsibility. For purposes of maintenance, repair, alteration, and remodeling, an Owner shall be deemed to own and shall have the right and obligation to maintain, repair, alter and remodel, the interior nonsupporting walls, the paneling, wallpaper, paint, wall and floor tile, and flooring (but not including the subflooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit's doors and windows, including any patio, balcony, yard or deck enclosure. No Owner shall, however, make any changes or alterations of his Unit nor to any Common Elements (including, but not limited to, the exterior portions of his Unit). The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") running through his Unit which serve one or more Units, except as a tenant in common with the other Owners. Each Owner shall have the

obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An Owner shall maintain and keep in good repair and in a clean, safe, attractive and slightly condition the interior of his Unit, including the fixtures, doors and windows thereof and the improvements affixed thereto, and such other items and areas as may be required in the Bylaws. Also, an Owner shall maintain, clean and keep in a neat and clean condition the fireplace within his Unit, storage areas, parking areas, the deck, yard, porch and/or patio areas adjoining and/or leading to a Unit, if any, which areas are Limited Common Elements appurtenant to such Owner's Condominium Unit. All fixtures, appliances and equipment installed within a Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. If any Owner fails to carry out or neglects the responsibilities set forth in this paragraph, the Board or the Managing Agent may fulfill the same and charge such Owner therefor. Any expense incurred by an Owner under this section shall be the sole expense of said Owner.

Determination of whether such repair or maintenance is the obligation of the Association shall rest solely with the Association, which shall have sole responsibility for determining the kind and type of materials used in such repair and maintenance.

Section 2.14 Compliance with Provisions of Declaration, Articles and Bylaws of the Association. Each Owner shall comply strictly with, and shall cause each of his Guests to comply strictly with, all of the provisions of this Declaration and the Articles and Bylaws, and the decisions, rules, regulations and resolutions of the Association or the Board adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorneys fees, maintainable by the Managing Agent or Executive Board in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner. Aggrieved Owners shall also have rights of action against the Association.

Section 2.15 Mortgaging a Condominium Unit - Priority. Any Owner shall have the right from time to time to mortgage or encumber his Condominium Unit by deed of trust, mortgage or other security instrument. The Owner of a Condominium Unit may create junior Mortgages (junior to the lien, deed of trust or other encumbrance of the first Mortgagee) on his Condominium Unit on the condition that any such junior Mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitation, obligations, lien for Common Expenses, and other obligations created by this Declaration, and the Bylaws.

ARTICLE III

OWNER'S RIGHTS IN THE COMMON ELEMENTS

Section 3.1 Use of Common and Limited Common Elements. Each Owner may use the Common Elements and his appurtenant Limited Common Elements in accordance with the

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

Section 3.2 Various Rights and Easements.

- a. Owner's Rights in Limited Common Elements: Subject to the other provisions of this Declaration, each Owner, his family and Guests, shall have an exclusive right to use and enjoy the Limited Common Elements designated herein, in the Map or in the initial deed from Declarant as appurtenant to the Condominium Unit owned by such Owner.
- b. Association Rights: The Association, the Board and the Managing Agent shall have a non-exclusive right and easement to make such use of and to enter into or upon the Common Elements, the Limited Common Elements and the Units as may be necessary or appropriate for the performance of the duties and functions which they are obligated or permitted to perform under this Declaration.

ARTICLE IV
EASEMENTS

Section 4.1 Owners' Easements for Access, Support and Utilities: Each Owner shall have a non-exclusive easement for access between his Unit and roads and streets adjacent to the Condominium Project and the roads, streets and driveways in the Condominium Project, over and on the halls, corridors, stairs, walks, bridges and exterior access and other easements which are part of the Common Elements. Each Owner shall have a non-exclusive easement in, on and over the Common Elements, including the Common Elements within the Unit of another Owner, for horizontal and lateral support his Condominium Unit, for utility service to that Unit, including but not limited to, water, sewer, gas, electricity, telephone and television service and for the release of smoke, arising from any fireplace within a Unit, through the flue leading therefrom.

Section 4.2 Easement for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit, a valid easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon another Unit, the Owner of that Unit shall and does have a valid easement for such encroachment and for the maintenance of the same. Such encroachments shall not be considered to be encumbrances either on the Common Elements or on a Condominium Unit for purposes of Marketability of title or otherwise. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building(s), by error in the Map, by

settling, construction, rising or shifting of the earth, or by changes in position caused by repair, reconstruction or movement of the Condominium Project or any part thereof.

Section 4.3 Easements in Units for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within a Unit or may be conveniently accessible only through a particular Unit. The Association, Board and Managing Agent shall and each Owner shall have an easement, which may be exercised for any Owner by the Association, the Board or the Managing Agent, as his agent, for access through each Unit and to all Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair or replacement to any of the Common Elements located therein necessary to prevent damage to the Common Elements or to another Unit or for making repairs or replacements. Non-emergency repairs shall be made only during regular business hours or business days after twenty-four hours notice to the occupant of the Unit wherein such repairs are to be made, except where the occupants have no objections to earlier entry for repairs. In emergency situations, the occupants of the affected Unit shall be warned of impending entry as early as is reasonably possible. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, or as a result of emergency repairs within another Unit, at the instance of the Association, the Board or the Managing Agent, shall be a Common Expense of all the Owners. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or improvements. Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs and expenses of repairing such damage.

Section 4.4 Easements deemed Appurtenant: The easements, uses and rights herein created for an Owner shall be appurtenant to the Condominium Unit of that Owner and all conveyances of and other instruments affecting title to a Condominium Unit shall be deemed to grant and reserve the easements, uses and rights as are provided for herein, even though no specific reference to such easements, uses and rights appears in any such conveyance.

Section 4.5 Emergency Easement: A non-exclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons now or hereafter servicing the Condominium Project, to enter upon all streets, roads and driveways located in the Condominium Project, and upon the Property, in the performance of their duties.

Section 4.6 Recorded Easements. In addition to all easements and right-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. Further, the Property or portions thereof, is now or may hereafter be subject to the easements, licenses, and other recorded documents, or any of them, set forth on Exhibit 3

attached hereto and incorporated herein by this reference.

ARTICLE V THE ASSOCIATION

Section 5.1 General Purposes and Powers: The Association, through the Board or the Managing Agent, shall perform functions and hold and manage the Property as provided in this Declaration so as to further the interests of Owners of Condominium Units in the Condominium Project. It shall have all powers necessary or desirable to effectuate such purposes.

Section 5.2 Membership: The Owner of a Condominium Unit shall automatically become a member of the Association. Said membership is appurtenant to the Condominium Unit of said Owner and the ownership of the membership for a Condominium Unit shall automatically pass with fee simple title to the Condominium Unit. Each Owner shall automatically be entitled to the benefits and subject to the membership for his Condominium Unit. If the fee simple title to a Condominium Unit is held by more than one Person, each Owner of a Condominium Unit shall be member of the Association. Memberships in the Association shall be limited to Owners of Condominium Units in the Project.

Section 5.3 Executive Board: The affairs of the Association shall be managed by an Executive Board which may by resolution delegate any portion of its authority to an executive committee, or to a director or Managing Agent for the Association. There shall be not less than three nor more than ten members of the Executive Board, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners elected by Owners. Regardless of the number of members of the Board, the terms of at least one-third of such Board shall expire annually. Declarant may appoint and remove officers and members of the Executive Board. Notwithstanding the foregoing, Declarant control of the Executive Board shall terminate no later than sixty days after conveyance of seventy-five percent of the Units that may be created to Unit Owners other than a Declarant, two years after the last conveyance of a unit by the Declarant in the ordinary course of business, or two years after any right to add new units was last exercised, whichever first occurs. Not later than sixty days after conveyance of twenty-five percent of the units that may be created to unit owners other than a Declarant, at least one member and not less than twenty-five percent of the members of the Executive Board must be elected by unit owners other than the Declarant. Not later than sixty days after conveyance of fifty percent of the units that may be created to unit owners other than a Declarant, not less than thirty-three and one-third percent of the members of the executive board must be elected by unit owners other than the Declarant.

Section 5.4 Termination of Declarant Control. Within Sixty days after the unit owners other than the Declarant elect a majority of the members of the executive board, the Declarant shall deliver to the association all property of the unit owners and of the association held by or

controlled by the Declarant, including without limitation the following items:

- a. The original or a certified copy of the recorded declaration as amended, the association's articles of incorporation, if the association is incorporated, bylaws, minute books, other books and records, and any rules and regulations which may have been promulgated;
- b. An accounting for association funds and financial statements, from the date the association received funds and ending on the date the period of Declarant control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for or charged to the association;
- c. The association funds or control thereof;
- d. All of the Declarant's tangible personal property that has been represented by the Declarant to be property of the association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the common elements, and inventories of these properties;
- e. A copy, for the nonexclusive use by the association, of any plans and specifications used in the construction of the improvements in the common interest community;
- f. All insurance policies then in force, in which the unit owners, the association, or its directors and officers are named as insured persons;
- g. Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the common interest community;
- h. Any other permits issued by governmental bodies applicable to the common interest community and which are currently in force or which were issued within one year prior to the date on which unit owners other than the Declarant took control of the association;
- i. Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;
- j. A roster of unit owners and mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;
- k. Employment contracts in which the association is a contracting party;
- l. Any service contract in which the association is a contracting party or in which the association or the unit owners have any obligation to pay a fee to the person performing the services.

Section 5.5 Voting of Owners: The Owner or Owners of each Condominium Unit shall be entitled to one vote for each such Condominium Unit owned by said Owner or Owners.

Section 5.6 Bylaws and Articles: The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified, but not modified, by provisions of the Articles and Bylaws of the Association regardless of their allocated interest in the Common Elements.

Section 5.7 Association as Attorney-in-Fact for Owners: The Association is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of each Owner in the Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Project upon its destruction or obsolescence, as hereinafter provided and to grant utility easements through any portion of the Common Elements. The acceptance by any Person of any interest in any Condominium Unit shall constitute an appointment of the Association as attorney-in-fact as provided above and hereinafter. The Association is hereby granted all of the powers necessary to govern, manage, maintain, repair, rebuild, administer and regulate the Condominium Project and to perform all of the duties required of it.

Section 5.8 Common Elements: The Association shall provide for the care, operation, management, maintenance, repair and replacement of the Common Elements. Without limiting the generality of the foregoing, said obligation shall include the keeping of such Common Elements in good, clean, attractive and sanitary condition; order and repair; removing snow and any other materials from such Common Elements which might impair access to the Condominium Project or the Units; keeping the Condominium Project safe, attractive and desirable; and making necessary or desirable alterations, additions betterments or improvements to or on the Common Elements.

Section 5.9 Other Association Functions: The Association may undertake any activity, function or service for the benefit of or to further the interest of all, some or any Owners on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of garbage and trash collection services.

Section 5.10 Labor and Services: The Association (i) may obtain and pay for the services of a Managing Agent who shall be an independent contractor to manage affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Condominium Project, whether such personnel are furnished or employed directly by the Association or by any Person with whom or which it contracts; (ii) may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Condominium Project or the enforcement of this Declaration; and (iii) may arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services.

Section 5.11 Declarant Control: The Declarant shall have all the powers reserved in Section

38-33.3-303(5) of the Act to appoint and remove officers and members of the Executive Board.

Section 5.12 Property of Association: The Association may pay for, acquire and hold or lease real property and tangible and intangible personal property and may dispose of the same by sale or otherwise. Subject to the rules and regulations of the Association, each Owner and each Owner's family and Guests may use such property. Upon termination of condominium ownership of the Condominium Project and dissolution of the Association, if ever, the beneficial interest in any such property shall be deemed to be owned by the then Owners as tenants in common in the same proportion as their respective interests in the Common Elements. Each owner may use such property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed Condominium Unit.

Section 5.13 Association Right to Grant Utility Easements: The Association shall have the right to grant utility easements under, through or over the Common Elements which are reasonably necessary to the ongoing development and operation of the Condominium Project. The rights granted to the Association in this subparagraph shall only be used in the promotion of the collective best interests of the Owners.

Section 5.14 Audit. Any mortgagee may have an audit of the Association's books and records performed at its own expense.

Section 5.15 Enforcement by Association: The Board may suspend any Owner's acting or voting rights in the Association or the right of the Owner to use the recreational facilities of the Condominium Project during any period or periods during which such Owner fails to comply with the Association's rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take justified action against any Owner to enforce compliance with such rules, regulations or other obligations herein or in the Bylaws mentioned or to obtain damages for noncompliance thereof, all to the extent permitted by law.

Section 5.16 Certificate: The Executive Board may, from time to time, record a certificate of the identity and the mailing addresses of the persons then comprising the Executive Board, together with the identity and address of the Managing Agent, if any there be. Such certificate shall be conclusive evidence thereof in favor of any Person relying thereon in good faith regardless of the time elapsed since the date thereof.

Section 5.17 Implied Rights: The Association shall have and may execute any right or privilege given to it expressly by this Declaration or the Articles or Bylaws, or reasonably to be implied from the provisions of said documents, or given or implied by law, or which

may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

ARTICLE VI ALLOCATED INTERESTS

Section 6.1 Allocated Interests. The undivided interest in the Common Elements and the Common Expense liability allocated to each Unit are set forth in Exhibit 2.

ARTICLE VII COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 7.1 Assessment for Common Expenses:

- a. All Owners, including Declarant, shall be obligated to pay the annual assessments imposed by the Executive Board to meet the Common Expenses from and after the conveyance of the first Condominium Unit by Declarant. The assessments shall be made pro rata according to each Owner's interest in and to the Common Elements of the Condominium Project as set forth in Exhibit 2 (provided that any approved combined Units will be treated as the sum of interest in the in the Common Elements of its constituent Units for the purpose of calculating its share of assessments). Except as hereinbefore provided, the Limited Common Elements shall be maintained as Common Elements and Owners having the exclusive use thereof shall not be subject to any special charges or assessments. Assessments for the estimated Common Expenses shall be determined annually and shall be due monthly, in advance, on the first day of each month. The Executive Board shall prepare and deliver or mail to each Owner an itemized annual budget showing the various estimated or actual expenses for which the assessments are made. Contributions for assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first day of the month. The assessments made for Common Expenses shall be based upon the annual requirements deemed to be such aggregate sum as the Executive Board shall from time to time determine is to be paid to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements, which sum may include, among other things expenses of management; terms and special assessments, until separately assessed; premiums for insurance of the types and kinds provided for in Article IX hereafter; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collections; wages; water and sewer charges; legal and accounting fees; capital expenditures made by the Board in any one calendar year; expenses and liabilities incurred by the Managing Agent or Executive Board under or by reason of this Declaration; deficits remaining from a previous period; and

other costs or expenses relating to the Common Elements. Further, it shall be mandatory for the Board to establish, out of such annual assessments, a contingency or reserve fund for the repair, replacement and maintenance of the Common Elements that must be replaced periodically. The failure of the Executive Board to fix the assessment for any year shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay same. Any Owner or first Mortgagee may, pursuant to C.R.S. 38-33-107, inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and upon ten days' notice to the Executive Board or Managing Agent, if any, and upon payment of a reasonable fee, any Owner or Mortgagee of such Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. At the end of any calendar year, the Executive Board may, but shall not be required to, refund to each Owner his proportionate share of funds then held by the Association which are not deemed to be necessary to meet the Common Expenses. Each Owner shall be obligated to pay all charges for any separately metered utilities servicing their Unit. All utilities that are master metered shall be a Common Expense hereunder.

- b. The Common Expense Assessments of the Association shall be a continuing lien upon the Unit against which each such assessment is made. A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) 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 (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A Lien under this paragraph is also prior to the security interests described in (b)(2) of this paragraph to the extent of an amount equal to the common expense assessments based on a periodic budget adopted by the association under section 38-33.3-315(1), C.R.S., which would have become due, in the absence of acceleration, during the six months immediately preceding institution by either the association or any party holding a lien senior to any part of the association lien created under this paragraph of an action or nonjudicial foreclosure either to enforce or to extinguish the lien. This Section does not prohibit an action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Unit shall not affect the Association's lien 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, cancellation or forfeiture shall not relieve any Unit from continuing liability for any Common Expense Assessments thereafter becoming due.

- c. Subject to the limitation set forth in Section 7.3 hereafter, the Executive Board shall have the right during any calendar year to levy and assess against all of the Owners a special assessment for such purpose or purposes, in accordance with this Declaration, the Articles or Bylaws, as may be necessary to keep the Project as a first class residential property, including, without limitation, expenditures for capital improvements. Such special assessment shall be borne by the Owners in accordance with each Owner's interest in the Common Elements and shall be a lien on each Unit when levied and shall be due and payable as determined by the Executive Board.

Section 7.2 Assessment Reserves: The Association shall require an Owner, other than Declarant, to deposit with the Association (one time only) an amount not exceeding two times the amount of the monthly common assessment then in existence, which sum shall be held, by the Association, in a segregated account as a reserve and for working capital. Such an advance payment shall not relieve an Owner from making the regular monthly payment of the common assessment as the same comes due. Upon the transfer of his Condominium Unit, an Owner shall be entitled to a credit from his transferee for the entire reserve.

Section 7.3 Special Assessments: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, or for a maintenance expense or any other expense properly incurred, provided that any such assessment shall have the approval of the Executive Board. The special assessment may be vetoed by a vote of fifty-one percent (51%) of the Members at a meeting duly called for said purpose. All special assessments shall be made pro rata according to each Owner's interest in and to the Common Elements of the Condominium Project as set forth in Exhibit 2.

Section 7.4 Liens Against Condominium Units - Removal From Lien - Effect of Part Payment:

- a. No labor performed or materials furnished, with the consent or at the request of an Owner of a particular Condominium Unit, or his agent, shall be the basis for the filing of a lien pursuant to law against the Condominium Unit or other property of another Owner not expressly consenting to or requesting the same, except that express consent shall be deemed to be given by the Owner of any Condominium Unit to the Managing Agent or the Board in the case of emergency repairs. Labor performed or materials furnished for the Common Elements, if duly authorized by the Managing Agent or the Executive Board in accordance with the Declaration or Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner

and shall be the basis for the filing of a lien pursuant to law against each of the Condominium Units in the Condominium Project.

- b. In the event a lien is effected against two or more Condominium Units, the Owners of the separate Condominium Units may remove their Condominium Units from said lien by payment of the fractional or proportional amount attributable to each of the Condominium Units affected. Individual payment shall be computed by reference to the percentages appearing in this Declaration. Subsequent to payment, discharge or other satisfaction, the Condominium Unit shall be released from the lien paid, satisfied or discharged. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any Condominium Unit not so released or discharged.
- c. Each Owner shall indemnify and hold each of the other Owners harmless from and against liability or loss arising from the claim of any lien against the Condominium Unit of the Owner, or any part thereof, for labor performed or for materials furnished in work on such Owner's Condominium Unit. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Condominium Unit on which the labor was performed or materials furnished the amount necessary to discharge any such lien and all costs incidental thereto, including reasonable attorney's fees. If not promptly paid, the Association may proceed to collect the same in the manner provided herein for collection of assessments for the purpose of discharging the lien.

Section 7.5 Rate of Assessment: Both annual common expense and special assessments shall be fixed at such rates for all Condominium Units sufficient to meet the expected needs of the Association.

Section 7.6 Lien for Non-Payment of Common Expenses:

- a. All sums assessed by the Board pursuant to any provision of this Declaration, including, without limitation, the share of Common Expenses chargeable to any Condominium Unit, shall constitute a lien on such Condominium Unit superior (prior) to all other liens and encumbrances, excepting only:
 - i. Tax and special assessment liens on the Condominium Unit in favor of any governmental assessing unit, and
 - ii. All sums unpaid on the first Mortgage of record, including all unpaid obligatory sums as may be provided by such encumbrance.
 - iii. Liens and encumbrances recorded before the recordation of the Declaration.
- b. If any assessment shall remain unpaid after 20 days after the due date thereof, such unpaid sums shall bear interest from and after the due date thereof at the

rate of 18% per annum, and the Executive Board may impose a late charge on such defaulting Owner to cover the extra cost and expenses involved in handling such delinquent assessments.

- c. To evidence such lien the Association shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Executive Board or other authorized agent of the Association and shall be recorded in the office of the Clerk and Recorder of the County of Denver, Colorado. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage on real property, upon the recording of a notice or claim thereof. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the Association the monthly assessment for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to the appointment of a Receiver to collect the same. The Executive Board shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same. The assessment lien shall attach whether or not such notice is filed.
- d. Any party holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Condominium Unit, and upon such payment shall have a lien on such Condominium Unit for the amounts paid of the same rank as the lien of his encumbrance, provided that any first Mortgagee who acquires title to and comes into possession of a Condominium Unit by foreclosure or by a deed in lieu thereof, or any purchaser at a foreclosure sale, shall acquire title to such Condominium Unit free and clear of any claims or lien for unpaid Common Expenses against such Condominium Unit which accrue prior to the time such holder acquires title to and comes into possession of the Condominium Unit. Notwithstanding the foregoing, any first Mortgagee who acquires title in the manner stated in this paragraph (c), shall acquire title subject to any lien created under C.R.S. 38-33.3-316(b)(i).
- e. The Association shall, upon request, deliver written notice to the first Mortgagee of a Condominium Unit of any unpaid assessments remaining unpaid for longer than thirty days after the same are due, as well as, of any other default of an Owner hereunder known to the Association which is not cured within sixty days.
- f. Each Owner hereby agrees that the Association's liens on a Condominium Unit for assessments as hereinbefore described shall be superior to the homestead exemptions provided by C.R.S. 38-41-201, et. seq. and by 11 U.S.C. 522d(1), and each Owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Condominium Unit

within the Condominium Project shall signify such grantee's waiver of the homestead rights granted in said section of the Colorado statutes and the United States Bankruptcy Code.

- g. Any recorded lien for non-payment of the Common Expenses may be released by recording a Release of Lien executed by one of the Executive Board or other authorized agent of the Association.

Section 7.7 Owners' Obligations for Payment of Assessments: The amount of the Common Expenses and/or any special assessment assessed against each Condominium Unit shall be the personal and individual debt of the Owner or Owners thereof and a lien upon the Condominium Unit at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses and/or special assessments and costs of suit and attorney's fees, shall be maintainable without foreclosing or waiving the lien securing same. No Owner may exempt himself from liability for his contribution towards the Common Expenses and / or any special assessment by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Condominium Unit.

Section 7.8 Liability For Common Expenses Upon Transfer of a Condominium Unit:

- a. Upon payment of a reasonable fee, the Association, by its Managing Agent or Executive Board, shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Condominium Unit, the amount of the monthly payment, the amount of any assessment reserve on deposit with the Association and any credit for advanced payments for prepaid items, including, but not limited to, insurance premiums, which statement shall be conclusive upon the Association in favor of all Persons who rely thereon in good faith.
- b. The personal obligation for all unpaid Common Expenses and / or any special assessments shall not pass to successors in title or interest unless assumed by them. Upon payment of a reasonable fee, and upon written request, any prospective grantee shall be entitled to a statement from the Managing Agent or Executive Board setting forth with respect to the subject Condominium Unit, the amount of the monthly payment on the unpaid Common Expenses, if any, with respect to the subject Condominium Unit, the amount of the monthly payment on the annual assessment, the date of that such monthly payment becomes due, the amount of any assessment reserve on deposit with the Association and any credit for advanced payments for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association in favor of all Persons who rely thereon in good faith.

ARTICLE VIII
DAMAGE, DESTRUCTION, OBSOLESCENCE OR CONDEMNATION

Section 8.1 Association as Attorney-in-Fact - Damage & Destruction - Obsolescence:
This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project upon its destruction, repair or obsolescence.

Title to any condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of the deed from the Declarant or from any owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association, in their names, place and stead for the purpose of dealing with the Condominium Project upon its destruction, repair or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each Unit and the Common Elements and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Except as is otherwise herein provided, the proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacement unless eighty percent (80%) of the Owners elect not to rebuild in accordance with the provisions set forth hereinafter.

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

- a. In the event of damage or destruction to the Condominium Project to the extent of not more than sixty-six and two-thirds percent (66 - 2/3%) of the total replacement cost thereof, not including land, due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s) shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvement(s).
- b. If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is to the extent of not more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost of the Condominium Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Owners of the Condominium Project and their Condominium Units. Such deficiency assessment shall be made pro rata

according to each Owner's interest in the Common Elements and shall be due and payable within thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds and such assessment. The assessment provided for herein shall be a debt of each owner and a lien on his Condominium Unit and may be enforced and collected as is provided hereinbefore. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay said deficiency assessment within the time provided, and the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association, as attorney-in-fact. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

- i. for payment of the balance of the lien of any first mortgage;
 - ii. for payment of taxes and special assessment liens in favor of any assessing entity;
 - iii. for payment of unpaid Common Expenses, including any deficiency assessment;
 - iv. for payment of junior Mortgagees and encumbrances in the order of and to the extent of their priority; and,
 - v. the balance remaining if any, shall be paid to the Owner.
- c. If the Condominium Project is destroyed or damaged, the Board shall adopt a plan for the repair and reconstruction of the Condominium Project, and all Owners shall be bound by the terms and provisions of such plan, unless the Owners representing an aggregate ownership interest of eighty percent of the Unit Owners, and all of the first mortgagees vote not to adopt such plan within one hundred (100) days after the damage or destruction. The Association shall have the right to use, in accordance with such plan, all proceeds of insurance for such destruction or damages, as well as the proceeds of a special assessment to be made against all of the Owners of the Condominium Project and their Condominium Units. Any assessment made in connection with such plan shall be made pro rata according to each Owner's percentage interest in the Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his Condominium Unit and may be enforced and collected as is provided herein above. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner

refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs (b) (i) through (v) of this section.

- d. If the Condominium Project is damaged or destroyed and if the Owners representing an aggregate ownership interest of eighty percent (80%) of the Units, and all of the first mortgagees vote not to adopt a plan for repair and reconstruction, then the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire remaining Condominium Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the Bylaws. The insurance settlement proceeds shall be collected by the association and such proceeds shall be divided by the Association according to each Owner's interest (as such interests appear on the policy or policies), and such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. If such policy or policies do not set forth the interests of the Owners, the insurance settlement proceeds shall be divided according to each Owner's interest in and to the Common Elements, as set forth on Exhibit 2 hereto. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the entire Condominium Project. Such apportionment shall be based upon each Owner's percentage interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from the account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) (i) through (v) of this section. The provisions contained in this subparagraph shall not hinder the protection given to a first Mortgagee under a mortgagee endorsement.
- e. The Owners representing an aggregate ownership interest of sixty seven percent (67%), or more, of the Units may agree that the Condominium Units are obsolete and adopt a plan for the renewal and reconstruction, which plan shall have the approval or consent of all of the first Mortgagees. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, then the expenses thereof shall be payable by all of the Owners as Common Expenses provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the adoption of such plan that his or its

Condominium Unit shall be purchased by the Association for the fair market value thereof. The Association shall then have fifteen (15) days within which to cancel such plan. If such plan is not canceled then the Condominium Unit shall be purchased by the Association according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty (30) days thereafter. If the parties are unable to agree, the date when either party notified the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned in the subparagraph shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an independent appraiser. If either party fails to make such a nomination, the appraiser nominated shall within five (5) days after default by the other party appoint and associate with him another independent appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of the default of one party, are unable to agree, they shall appoint another independent appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two independent appraisers and from the names of the four persons so nominated one shall be drawn by lot by any judge of any court of record in Colorado and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds as is provided in subparagraphs (b) (i) through (v) of this section.

- f. The Owners representing an aggregate ownership interest of sixty seven percent (67%), or more, of the Common Elements may agree that the Condominium Units are obsolete and that the same should be sold. Such plan (agreement) must have the unanimous approval or consent of every first Mortgagee. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire Condominium Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, the Articles and the Bylaws. The sales proceeds shall be apportioned between the Owner on the basis of each Owner's percentage interest in the Common Elements,

and such apportioned proceeds shall be paid into separate accounts, each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraphs (b) (i) through (v) of this section.

Section 8.2 Condemnation:

- a. Consequences of Condemnation. If at any time or times during the continuance of condominium ownership pursuant to this Declaration, all or any part of the Condominium Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this paragraph shall apply.
- b. Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association.
- c. Complete Taking. In the event the entire Condominium Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements.
- d. Partial Taking. In the event that less than the entire Condominium Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner. As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award among compensation, damages, and other proceeds, and shall apportion the amounts so allocated among the Owners as follows:
 - i. the total amount allocated to severance damages shall be apportioned to those Condominium Units which were so taken or condemned;
 - ii. the respective amounts allocated to the taking of, or injury to, a particular Unit and / or improvements an Owner had made within his own Unit shall be apportioned to the particular Condominium Unit involved, and
 - iii. the amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances.
- e. The total amount allocated to taking of, or injury to, the Common Elements shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements.

If an allocation of the Condemnation Award is already established in

negotiation, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Any distribution of the Condemnation Award made pursuant to this subparagraph shall be made by checks payable jointly to the Owners and their first Mortgagees.

- f. Distribution. The Association shall as soon as practicable, determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable, provided that in the event of a complete taking such distribution shall be made in the same manner as is provided in Section 8.1 of this Declaration.
- g. Mortgagee Notice. The Association shall give timely written notice to each first Mortgagee of the commencement of any condemnation or eminent domain proceedings and shall notify said first Mortgagee in the event of the taking of all or any part of the Common Elements.
- h. Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, and such Owner's interest in the Common Elements shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute said documents as are necessary to reflect such termination. Thereafter the Association shall reallocate the ownership and assessment later determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Condominium Units for amendment of this Declaration.

ARTICLE IX INSURANCE

Section 9.1 Authority to Purchase; Notice:

- a. Except as otherwise provided in Section 9.4 hereof, all insurance policies relating to the Property shall be purchased by the Executive Board. The Executive Board, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost. The Executive Board shall promptly furnish to each unit owner written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Association. Commencing not later than the time the first conveyance of a Unit to a person other than a Declarant, the Association shall maintain, to the extent reasonably available:

- i. Property insurance on the common elements for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies;
 - ii. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the common elements insuring the Board, the unit owners' association, the management agent, and their respective employees, agents, and all person acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as a Unit Owner and Board member. The Unit Owners shall be included as additional insureds but only for claims and liabilities arising in connection with ownership, existence, use, or management of the common elements. The insurance shall cover claims of one or more insured parties against other insured parties.
- b. Each such policy shall provide that:
- i. Each Unit Owner is an insured person under the policy with respect to liability arising out of such unit owner's interest in the common elements or membership in the association;
 - ii. The insurer waives its rights to subrogation under the policy against any unit owner or member of his household;
 - iii. No act or mission by any unit owner, unless acting within the scope of such Unit Owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy;
 - iv. If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
 - v. Such policy may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least sixty days prior written notice to the Executive Board, the managing agent, Owners and all Mortgagees.
- c. The coverage provided to the Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or be for the benefit of any general contractor engaged by the Declarant nor shall such coverage be deemed to protect the Declarant against liability for (or waive any rights with respect to) warranty claims.
- d. All policies of insurance shall be written by reputable companies licensed to do business in the State of Colorado.
- e. Deductibles. If, due to the act or neglect of an Owner or such Owner's Guests or family, loss or damage shall be caused to any person or property, including the Condominium Project or any Unit therein, such Owner shall be liable and

responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the Association and the carrier of the insurance has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner, after notice and hearing, as an assessment against such Owner, by legal proceedings or otherwise, and such amount (including reasonable attorneys' fees) shall be secured by a lien on the Condominium Unit of such Owner as provided hereinabove for the assessments or other charges.

- f. If any Unit Owner or employee of the Association controls or disburses funds of the Common Interest Community for the purpose of managing the Common Interest Community, the Association shall obtain, to the extent reasonably available, fidelity insurance. Coverage shall not be less in aggregate than one-half of the total annual condominium assessment for the year, as calculated from the current budget of the Association.
- g. Any person employed as an independent contractor by the Association for the purposes of managing the Common Interest Community must obtain and maintain fidelity insurance in an amount not less than \$50,000, unless the Association names such person as an insured employee in a contract of fidelity insurance, pursuant to paragraph 9.1(f) above.

Section 9.2 Physical Damage Insurance:

- a. The Executive Board shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), debris removal and water damage endorsements, insuring the entire property (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereof installed by the Declarant but not including furniture, wall coverings, improvements and additions, furnishings or other personal property supplied or installed by unit owners), together with all air-conditioning and heating equipment and other service machinery contained therein and covering the interest of the Association, the Executive Board and all unit owners and their Mortgagees, as their interest may appear, (subject, however, to the loss payment and adjustment provisions in favor of the insurance trustee), in an amount equal to one hundred percent of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Executive Board shall also obtain and maintain such coverage on all real and personal property owned by the Association.
- b. Such policy shall also provide:
 - i. A waiver of any right of the insurer to repair, rebuild or repair any

- damage or destruction, if a decision is made not to do so;
- ii. The following endorsements (or equivalent): (i) An endorsement with language to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents when such act or neglect is not within the control of the insured, or the unit owners collectively; nor by any failure of the insured, or the unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the unit owners collectively, have no control; (ii) "cost of demolition"; (iii) "contingent liability from operation of building laws or codes". (iv) "increased cost of construction"; (v) "condominium replacement cost"; and (vi) "agreed amount" or elimination of coinsurance clause; and
 - iii. That any "no other insurance" clause expressly exclude individual unit owners' policies from its operation so that the physical damage policy purchased by the Executive Board shall be deemed primary coverage and any individual unit owner's policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Executive Board hereunder provide for or be brought into contribution with insurance purchased by individual unit owners or their Mortgagees, unless otherwise required by law.
- c. A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premium, shall be delivered by the insurer to any Mortgagee or Owner requesting the same, at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Executive Board shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this section. All mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such unit.

Section 9.3 Other Insurance: The Executive Board shall obtain and maintain:

- a. Adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall:
 - i. name the Association as an obligee;

- ii. be written in an amount not less than one-half the total annual condominium assessments for the year or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greatest; and
 - iii. contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;
- b. If required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;
- c. Worker's Compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employers endorsement and an "all states" endorsement);
- d. Director's and Officer's Liability Insurance - The association shall maintain adequate liability coverage to protect against any negligent acts on the part of directors or officers of the Association.
- e. Bodily Injury and Property Damage - Bodily injury and property damage liability insurance in such limits as the Board or Managing Agent may from time to time determine, but not in an amount less than \$50,000 per injury, per person, per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Condominium Property. All liability insurance shall name the Association, the Board, the Managing Agent, the Declarant, first Mortgagees, the Owners and the officers of the Association as insureds thereunder. If there are boilers in operation on the Condominium Project, there must be in force boiler explosion insurance providing for not less than \$50,000.00 per accident per location.
- f. Miscellaneous - The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Condominium Project including plate or other glass insurance and any personal property of the Association located thereon.

Section 9.4 Other insurance to be Maintained by Owners: An insurance policy issued to the Association does not prevent a unit owner from obtaining insurance for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, personal liability insurance coverage within each condominium unit shall be the responsibility of the Owner thereof. If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

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

Section 9.5 General Requirements: All policies of insurance, to the extent obtainable, shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days' prior written notice to all of the Owners, first Mortgagees and the Association. If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all first Mortgagees at least thirty (30) days prior to expiration of the then current policies. All casualty insurance shall be carried in the blanket form naming the Association as the insured, as attorney-in-fact for all of the Owners and first Mortgagees, as their interests may appear, which policy or policies shall identify the interest of each Owner (Owner's name and Condominium Unit number designation) and first Mortgagee.

ARTICLE X TAXATION

Section 10.1 Separate Taxation: Each Condominium Unit shall be deemed to be a parcel and shall be subject to separate assessment for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building(s), the Property nor any use of the Common Elements shall be deemed to be a parcel. The lien for taxes assessed against any Condominium Unit shall be recorded against that Condominium Unit. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way effect the title to any other Condominium Unit. In the event that such taxes or assessments for any year are not separately levied against the Unit of each Owner, but rather are levied against the Property as a whole, then each Owner shall pay his proportionate share thereof in accordance with the Ownership interest in the Common Elements, and, in said event, such taxes or assessments shall be a Common Expense.

ARTICLE XI RESTRICTIONS

Section 11.1 General Plan: It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Property which shall be binding on and inure to the benefit of the Owners of the Property, all thereof in order to enhance the value, desirability and attractiveness of the Property and promote the sale thereof.

Section 11.2 Restrictions Imposed: The Declarant hereby declares that all of the Property shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated upon and subject to the following provisions, conditions, limitations, restrictions, agreements and covenants.

Section 11.3 Animals. No animals, livestock, reptiles or birds shall be kept on any part of the Condominium Project, except that two (2) domesticated dogs (each must weigh under thirty-five (35) pounds), two (2) cats, two (2) birds or fish may be kept in a Unit, subject to all governmental animal ordinances and laws and subject to rules and regulations promulgated by the Association or Board in regard thereto, provided that they are not kept for any commercial purposes. Notwithstanding the foregoing, the Association shall have, and is hereby given, the right and authority to determine in its sole discretion that dogs, cats or birds are being kept for commercial purposes or are being kept in such a manner as to be unreasonable or to create a nuisance to other Owners, or that an Owner is otherwise in violation of this Section 11.3, and to take such action or actions as it deems reasonably necessary to correct the same, including but not limited to removal of the animals from the Condominium Unit. An Owner is responsible for any damage caused by his animal(s) and shall be obligated to clean up after his animal(s) on the Condominium Project. Pets shall be under the Owner's control at all times and shall be leashed when in or on the Common Elements. No animals shall be allowed to remain tied or chained to any balconies, patios or other parts of the Condominium Project, and any such animal(s) so tied or chained may be removed by the Association or its agents.

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Section 11.4 Property to be Maintained: Each Unit at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Units so that same are visible from any neighboring Unit or street, except as necessary during the period of construction. No unsightliness or waste shall be permitted on or in any part of the Condominium Project. Without limiting the generality of the foregoing, no Owner shall keep or store any thing (except in designated storage areas) on or in any of the Common Elements; nor shall any Owner hang, erect, affix or place anything upon any of the Common Elements (except for decorative items within his Unit); and nothing shall be placed on or in windows or doors of Units, which would or might create an unsightly appearance.

Section 11.5 No Noxious, Offensive, Hazardous or Annoying Activities: No noxious or offensive activity shall be carried on upon any part of the Condominium Project nor shall anything be done or placed on or in any part of the Condominium Project which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No activity shall be conducted on any part of the Condominium Project and no improvements shall be made or constructed on any part of the Condominium Project which are or might be unsafe or hazardous to any Person or property. No sound shall be emitted on any part of the Condominium Project which is unreasonably loud or annoying. No odor shall be emitted on any part of the Condominium Project which is noxious or offensive to others. No light shall be emitted from any part of the Condominium Project which is unreasonably bright or

Condominium Project which is unreasonably loud or annoying. No odor shall be emitted on any part of the Condominium Project which is noxious or offensive to others. No light shall be emitted from any part of the Condominium Project which is unreasonably bright or causes unreasonable glare. Further, only gas or electric barbecue grills which comply with local fire codes and ordinances may be used on any deck, balcony or patio.

Section 11.6 Parking of Vehicles: Parking of any and all vehicles on the Condominium Project shall be subject to the rules and regulations of the Association, provided that the Owner(s) of each Condominium Unit shall have the right to the use, for at least one automobile, of at least one reserved, underground parking space(s).

Section 11.7 Restrictions on Parking and Storage: No part of the Condominium Project, including the public streets and private streets, drives, or parking areas, unless specifically designated by the Association therefor, shall be used as a parking, storage, display, or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, truck, recreational vehicle, self-contained motorized vehicle, except as a temporary expedience for loading, delivery, emergency, etc. except that this restriction shall not restrict trucks or other commercial vehicles within the Condominium Project which are necessary for the construction or maintenance of the Common Elements. No party shall have the right to use any underground parking space or storage space who is not either an Owner or a resident of a Condominium Unit, and no Owner shall rent, lease or otherwise permit the use of an underground parking space or storage space to or by any party who is not an Owner or a resident of a Condominium Unit.

Section 11.8 Repair: No activity by the Owner such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or services of any kind may be performed in parking areas. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle.

Section 11.9 Reservation of Special Declarant Rights: Declarant, its agents, employees and contractors hereby reserve the Special Declarant right to maintain during the period of any construction and/or sale of the Condominium Units in the Condominium Project, upon such portion of the Condominium Project as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required or incidental to the construction, sale or rental of Condominium Units, including without limitation, a business office, storage area, construction yards, signs, model units, sales office, construction office, rental office, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Condominium Units. In addition, Declarant, its agents, employees and contractors reserve the special Declarant right to ingress and egress over the Common Elements as in Declarant's discretion may be necessary with regard to the foregoing. Further, Declarant, its agents, employees and contractors reserve the special Declarant right to ingress and egress in and through all Units during the period of the construction and/or sale of the Condominium Units for the purpose of any required or desired refurbishment, construction, maintenance or repair

of such Units or the Building, or any part thereof. The Declarant, its agents, employees and contractors reserve the following other special Declarant rights: the right to appoint or remove any officer of the Association or any Director during the Declarant Control Period consistent with this Declaration and the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act and this Declaration and for access to all common element areas any purposes of remedial and/or corrective work and inspections pursuant to its contractual obligations to the Association.

Section 11.10 Limitation on Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by the Declarant, any Special Declarant Right may be exercised by the Declarant for the period of time specified by the Act.

Section 11.11 Restriction on Signs: No signs or advertising devices of any nature shall be erected or maintained on any part of the Condominium Project without the prior written consent of the Board. The Board shall permit the placing of at least one sign of reasonable size and dignified form to identify the Condominium Project and the Condominium Units therein and for the purposes of resale of Condominium Units. So long as any Condominium Unit owned by Declarant in the Condominium Project remains unsold, no Owner shall be permitted to place any sign on the Condominium Project or on his Unit or on any Building advertising his Condominium Unit for sale or lease.

Section 11.12 No Violation of Rules: No Owner and no Owner's Guests shall violate the rules and regulations adopted from time to time by the Association, whether relating to the use of Units, the use of general or limited Common Elements, or otherwise. The Board may impose a fine on any Owner for each violation of such rules and regulations by such Owner, his family, tenants or Guests. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Declaration shall be made by the Executive Board and shall be final.

Section 11.13 Exterior Appearance of Curtains in Unit. All curtains or blinds in each Condominium Unit shall be white or lined with white material so as to appear white from the Building exterior.

ARTICLE XII AMENDMENT OF DECLARATION

12.1 Amendment. Except for those matters governed by Sections 12.2, 12.3 and 13.1(b) hereof, the provisions of this Declaration may be amended, in whole or in part, at any time and from time to time, by an instrument (which instrument may be executed in identical counterparts) approved in writing by not less than fifty-one percent (51%) of the Owners.

12.2 Technical Amendment. Declarant hereby reserves and is granted the right and power to record technical amendments to this Declaration, the Articles of Incorporation and/or Bylaws of the Association, at any time prior to the conveyance of the last Condominium Unit in the Project by Declarant to the first Owner thereof (other than Declarant) or seven (7) years from the date this Declaration is recorded in the City and County of Denver, Colorado, whichever occurs first, for the purposes of correcting spelling, grammar, dates, typographical errors, or as may otherwise be necessary to clarify the meaning of any provisions of any of such documents.

12.3 Special Amendment. Declarant hereby reserves and is granted the right and power to record special amendments to this Declaration, the Articles of Incorporation and/or Bylaws of the Association, at any time prior to the conveyance of the last Condominium Unit in the Project by Declarant to the first Owner thereof (other than Declarant) or seven (7) years from the date this Declaration is recorded in the City and County of Denver, Colorado, whichever occurs first, in order to comply with any requirements of the Agencies or to induce any of the Agencies to make, purchase, sell, insure, or guarantee First Mortgages.

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

12.5 Secretary's Certificate. One method of satisfying the requirements of Section 12.4 hereof shall be the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Condominium Units, and that the requisite percentage of First Mortgagees, have given notarized written consent to the amendment. The Secretary must further certify that originals of such written consents by Owners and First Mortgagees, along with the recorded amendment, are in the corporate records of the Association and available for inspection.

ARTICLE XIII FIRST MORTGAGEES

13.1 Member and First Mortgagee Approval. Subject to Sections 12.2 and 12.3 hereof, but notwithstanding any other provisions of this Declaration to the contrary, the Association shall not:

- a. unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the Owners and sixty-seven percent (67%) of the First Mortgagees (based on one vote for each First Mortgage held):
 - i. seek to abandon or terminate the Project, whether by act or omission, except:
 - (1) for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty; or
 - (2) in the case of a taking by condemnation or eminent domain, in which event the provisions of Section 8.2 of this

- Declaration shall control; or
- (3) for amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association made as a result of destruction, damage or condemnation of the Property or improvements thereon;
- ii. change the pro rata interest or obligations of any individual Condominium Unit for the purpose of:
 - (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
 - (2) determining the pro rata share of ownership of each Condominium Unit in the Common Elements;
 - iii. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (excluding the granting of permits, licenses and easements for public utilities, roads or other purposes reasonably necessary or useful for the proper maintenance or operation of the Project);
 - iv. partition or subdivide any Condominium Unit; or
 - v. use hazard insurance proceeds for losses to any condominium property (whether to Condominium Units or Common Elements) for other than the repair, replacement or reconstruction of such condominium property in accordance with the procedures set forth in Section 8.1 hereof, except as may be provided by statute in the case of substantial loss to such Condominium Units and/or Common Elements.
- b. unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the Owners, and fifty-one percent (51%) of the First Mortgagees (based upon one vote for each First Mortgage owned), add or amend any material provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association which establish, provide for, govern or regulate any of the following, provided that such additions or amendments shall not be considered material if they are for the purpose of correcting technical errors or for clarification only:
- i. voting rights;
 - ii. increases in assessments that raise the previously assessed amount by more than 25%, assessments, assessment liens or the priority of such liens;
 - iii. reserves for maintenance, repair and replacement of those elements of the Common Elements which must be maintained, repaired or replaced on a periodic basis;
 - iv. responsibility for maintenance and repair, of any portion of the Project;
 - v. allocation of interests in the general or Limited Common Elements, or rights to their use;
 - vi. boundaries of any Condominium Unit;
 - vii. convertibility of Condominium Units into Common Elements or of Common Elements into Condominium Units;

- viii. expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;
- ix. insurance, including but not limited to fidelity bonds;
- x. leasing of Condominium Units;
- xi. imposition of any restriction on the right of any Owner to sell or transfer his Condominium Unit;
- xii. any decision by the Association to assume self-management of the Association, when professional management has previously been required by any First Mortgagee or any insurer or guarantor of a First Mortgage;
- xiii. any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, other than substantially in accordance with this Declaration, the Articles of Incorporation and Bylaws of the Association;
- xiv. any action to terminate the legal status of the Project after substantial destruction or condemnation; or
- xv. any provisions which are for the express benefit of First Mortgagees, or insurers or guarantors of First Mortgages.

13.2 Notice of Action. Upon written request therefor, a First Mortgagee, insurer or guarantor of a First Mortgage, shall be entitled to timely written notice of:

- a. any condemnation loss or casualty loss which affects a material portion of the Project or any Condominium Unit subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor of a First Mortgage;
- b. any delinquency in the payment of assessments or charges owed to the Association by the Owner of the Condominium Unit subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor, or any default by such Owner in any obligation under the Declaration, Articles of Incorporation or Bylaws of the Association and the Board of Directors of the Association has actual knowledge of such default, when such delinquency and/or default remains uncured for a period of sixty (60) days;
- c. any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- d. any proposed action which would require the consent of a specified percentage of First Mortgagees as provided in this Article XIII.

ARTICLE XIV MISCELLANEOUS

Section 14.1 Leasing of a Condominium Unit: The Owner of a Condominium Unit, including Declarant, shall have the right to lease his Condominium Unit under the following conditions:

- a. All leases shall be in writing;
- b. All leases shall provide that the terms of the lease and the lessee's occupancy

of the Condominium Unit shall be subject in all respects to the provisions of this Declaration and to the provisions of the Articles, bylaws and rules and regulations, and that any failure by the lessee to comply therewith shall be a default under the lease. Any Owner who leased his Condominium Unit shall, within ten (10) days after the execution of such lease, forward a copy of the same to the Board or the Managing Agent; and

- c. Except for a first Mortgagee in possession of a Condominium Unit following a default under its Mortgage or in connection with foreclosure proceedings or any deed or other arrangement in lieu of foreclosure proceedings by such first Mortgagee, no Owner may lease his Condominium Unit for transient or hotel purposes or for a term of less than 30 days.

Section 14.2 Duration of Declaration: All of the provisions contained in this Declaration shall continue and remain in full force and effect until condominium ownership of the Condominium Project and this Declaration are terminated, revoked, or amended as hereinafter provided.

Section 14.3 Effect of Provisions of Declaration: Each provision of this Declaration, and an agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration shall:

- a. be deemed incorporated in each deed or other instrument by which any right, title or interest in the Condominium Project or in any Condominium Unit is granted, devised or conveyed; whether or not set forth or referred to in such deed or instrument;
- b. by virtue of acceptance of any right, title or interest in the Condominium Project or in any Condominium Unit by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other non-aggrieved Owner;
- c. be deemed a real property covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Condominium Project and each Condominium Unit and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the Condominium Project and each Condominium Unit; and
- d. be deemed a covenant, obligation and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the Condominium Project and each Condominium Unit in favor of the Association.

Section 14.4 Protection of Encumbrancer: Subject to the provisions of Section 2.12, no violation or breach of or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of

any first Mortgage, or other lien on any Condominium Unit taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of Denver County such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair the title or interest of the holder of any such first Mortgage, or other lien or the title or interest acquired by any purchaser upon foreclosure of any such first Mortgage or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration; provided, however, that violation or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser and the coming into possession by such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

Section 14.5 Supplemental to Law: The provisions of this Declaration shall be in addition and supplemental to the Colorado Common Interest Ownership Act of the State of Colorado (C.R.S. 38-33.3-101 et. seq.) and to all other provisions of law. In the event that any provision of this Declaration shall conflict with any provision of the Act or any other applicable law, the provision of the Act or the particular law shall apply.

Section 14.6 Numbers and Genders: Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 14.7 Registration by Owner of Mailing Address: Each Owner shall register his mailing address with the Association and all monthly statements, routine notices, and any other notices or demands intended to be served upon an Owner shall be delivered or sent by regular mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Executive Board of the Association or the Association shall be sent by certified mail, postage prepaid, to Richard R. Landen, 55 Madison St., Suite 675, Denver, CO 80206, agent for Hillcrest Village Homeowners Association, Inc. until such address is changed by a notice of address change sent to all Owners at their addresses of record.

Section 14.8 Successors and Assigns: This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

Section 14.9 Severability: Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity of affordability of any other provision or any valid and enforceable part of a provision of this Declaration.

Section 14.10 Captions: The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

Section 14.11 No Waiver: Failure to enforce any provision of this Declaration shall not

operate as a waiver of any such provision or of any other provision of this Declaration.

Section 14.12 Conflict: In case of conflict between this Declaration and the Articles or the Bylaws, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 14.13 Enforcement: The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 12th day of August, 1999.

HOLLY STREET PARTNERS, LLC,
a Colorado Limited Liability Company

By: Richard R. Landon
Richard R. Landon, Manager

CITY AND COUNTY OF DENVER

)
)SS:

STATE OF COLORADO

)

The foregoing Declaration of Covenants Conditions and Restrictions of Hillcrest Village Condominiums was acknowledged to before me this 12th day of August, 1999 by Richard R. Landon as Manager of Holly Street Partners, LLC.

My Commission Expires: 12/17/99

Linda C. Argo
Notary Public



**EXHIBIT I
TO
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS OF
HILLCREST VILLAGE CONDOMINIUMS**

LEGAL DESCRIPTION

A PARCEL OF LAND SITUATED IN THE NE1/4 OF SECTION 7, T.4S. R.57W., OF THE 6TH P.M., CITY AND COUNTY OF DENVER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SW CORNER OF BLOCK 16, EASTERN CAPITOL HILL SUBDIVISION; THENCE N89°42'50"E ALONG THE SOUTHERLY LINE OF SAID BLOCK 16 AND THE NORTHERLY R.O.W. LINE OF 3RD AVENUE A DISTANCE OF 96.03 FEET; THENCE N00°17'10"W A DISTANCE OF 162.83 FEET; THENCE N89°42'50"E A DISTANCE OF 16.00 FEET; THENCE N00°17'10"W A DISTANCE OF 11.00 FEET; THENCE S89°42'50"W A DISTANCE OF 16.00 FEET; THENCE N00°17'10"W A DISTANCE OF 37.67 FEET; THENCE N89°42'50"E A DISTANCE OF 10.31 FEET; THENCE N60°18'52"E A DISTANCE OF 43.20 FEET TO A POINT LYING NON-TANGENT ON A CURVE ON THE WESTERLY R.O.W. LINE OF HOLLY STREET; THENCE ALONG A CURVE TO THE RIGHT WHOSE CHORD BEARS N13°31'51"W A DISTANCE OF 123.72 FEET AND ALONG SAID WESTERLY R.O.W. LINE, SAID CURVE HAVING A CENTRAL ANGLE OF 26°33'43", A RADIUS OF 269.28 FEET, AN ARC LENGTH OF 124.84 FEET TO A POINT LYING ON THE SOUTHERLY LINE OF BLOCK 36, MALONE & DUBOIS SUBDIVISION; THENCE S89°43'45"W A LONG THE SOUTHERLY LINE OF SAID BLOCK 36 A DISTANCE OF 210.36 FEET TO A POINT LYING 40.00 FEET EASTERLY OF THE SW CORNER OF SAID BLOCK 36. SAID POINT LYING ON THE EASTERLY R.O.W. LINE OF HUDSON STREET; THENCE ALONG SAID EASTERLY R.O.W. LINE THE FOLLOWING FOUR (4) COURSES:

1. THENCE S43°57'21"E A DISTANCE OF 36.74 FEET TO A POINT LYING ON THE NORTHERLY LINE OF BLOCK 15, EASTERN CAPITOL HILL SUBDIVISION;
2. THENCE N89°41'50"E ALONG THE NORTHERLY LINE OF SAID BLOCK 15 A DISTANCE OF 6.00 FEET TO THE NE CORNER OF SAID BLOCK 15;
3. THENCE S37°19'08"E ALONG THE WESTERLY LINE OF VACATED HUDSON STREET, AS DESCRIBED IN ORDINANCE NO. 84-1949, A DISTANCE OF 107.22 FEET TO THE SOUTHERLY CORNER OF SAID VACATED HUDSON STREET;
4. THENCE S00°00'00"E ALONG THE WEST LINE OF SAID BLOCK 16 A DISTANCE OF 241.03 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINS (42,871 SQUARE FEET) 0.9842 ACRES.

**EXHIBIT 2
TO
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS OF
HILLCREST VILLAGE CONDOMINIUMS**

<u>Condominium Unit Number</u>	<u>Percentage of Association Common Expenses and Undivided Interest in the Common Elements Allocable to the Condominium Unit</u>
------------------------------------	--

101	2.41%
102	2.41%
103	3.50%
104	3.50%
105	2.58%
106	2.58%
107	2.58%
108	2.58%
109	3.50%
110	3.50%
111	2.41%
112	2.41%
201	2.41%
202	2.41%
203	3.50%
204	3.50%
205	2.58%
206	2.58%
207	2.58%
208	2.58%
209	3.50%
210	3.50%
211	2.41%
212	2.41%
301	4.05%
302	4.05%
303	3.97%
304	3.97%
305	3.97%
306	3.97%
307	4.05%
308	4.05%

**EXHIBIT 3
TO
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS OF
HILLCREST VILLAGE CONDOMINIUMS**

EASEMENTS

1. Reservations as contained in Vacation Ordinance No. 84, Series of 1949.
2. Public Service Company easement recorded at Reception No. 9800041190.
3. Any easement or reservation depicted on the Map for Hillcrest Village Condominiums or any amendment thereto.
4. Parking Easement and Right-of-Way benefitting the Project in an Easement Agreement to be recorded.

Certificate of Completion

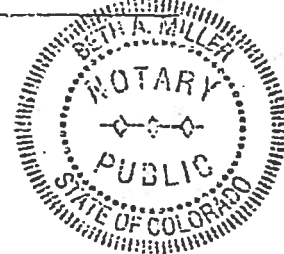
Dated: 8/12/99

County of Arapahoe)
) ss.
State of Colorado)

Witness my hand and seal.

Notary Public

My commission expires: 11-09-99



SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
HILLCREST VILLAGE CONDOMINIUM

THIS SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HILLCREST VILLAGE CONDOMINIUMS (the "Declaration") is made this 1st day of November 1999, by Holly Street Partners, LLC., a Colorado limited liability company (hereinafter called "Declarant").

WITNESSETH:

WHEREAS, Declarant caused the Declaration to be recorded on August 23, 1999 at Reception No. 9900147397 in the office of the Clerk and Recorder for the City and County of Denver, State of Colorado; and

WHEREAS, pursuant to Paragraph 12.2 of the Declaration, the Declarant is granted the right to record technical amendments to the Declaration.

NOW, THEREFORE, pursuant to and in compliance with Paragraph 12.2 of the Declaration, the Declarant hereby publishes and declares as follows:

Section 9.2(b)(ii) shall be replaced in its entirety with the following:

Section 9.2(b)(ii). The following endorsements (or equivalent): (i) An endorsement with language to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents when such act or neglect is not within the control of the insured, or the unit owners collectively; nor by any failure of the insured, or the unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the unit owners collectively, have no control; (ii) "condominium replacement cost"; and (iii) "agreed amount" or elimination of coinsurance clause. The Association may also, but shall not be required to, purchase the following endorsements (or equivalent): (i) "cost of demolition"; (ii) "contingent liability from operation of building laws or codes"; and/or (iii) "increased cost of construction".

Section 9.3(e) shall be replaced in its entirety with the following:

Section 9.3(e). Bodily injury and property damage liability insurance in such limits as the Board or Managing Agent may from time to time determine, but not in an amount less than \$50,000 per injury, per person, per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Condominium Property. All liability insurance shall name the Association, the Board, the Managing Agent, the Declarant, first Mortgagees, the Owners and the officers of the Association as insureds thereunder. If there are steam boilers in operation on the Condominium Project, there must be in force steam

boiler explosion insurance providing for not less than \$50,000.00 per accident per location.

IN WITNESS WHEREOF, the Declarant has executed this document as of this 1 day
of Nov, 1999.

HOLLY STREET PARTNERS, LLC,
a Colorado Limited Liability Company

By: Richard R. Landon
Richard R. Landon, Manager

CITY AND COUNTY OF DENVER)

SS.)

STATE OF COLORADO)

The foregoing Amendment to Declaration of Covenants Conditions and Restrictions of Hillcrest
Village Condominiums was acknowledged to before me this 1 day of November,
1999 by Richard R. Landon as Manager of Holly Street Partners, LLC.

My Commission Expires: 12/17/99

Linda C. Argo
Notary Public



Artis Recording, 833000 Tol
Fremont Pl 83300, P.C.
700 17th Street Suite 1600
Denver, Colorado 80202

**LIMITED AMENDMENT
TO
DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS
OF
HILLCREST VILLAGE CONDOMINIUMS**

THIS LIMITED AMENDMENT TO THE DECLARATION is made on the date hereinafter set forth by Hillcrest Village Homeowners Association Inc., a Colorado nonprofit corporation.

RECITALS:

A. On August 23, 1999, Holly Street Partners, LLC, submitted the real property described on Exhibit I of the Declaration of Covenants Conditions and Restrictions of Hillcrest Village Condominiums recorded in the real property records of Denver County, Colorado at Reception No. 9900147397 ("Declaration") to its covenants, conditions and restrictions;

B. The Owners within the Hillcrest Village Homeowners Association, Inc., Project desire to amend the Declaration; and

C. Pursuant to the requirements set forth in Article XIII, Section 13.1(b) of the Declaration, written consent has been obtained from at least sixty-seven percent (67%) of the Owners and fifty-one percent (51%) of the First Mortgagees to this Declaration, or alternatively, a court order in the District Court for Denver County, Colorado pursuant to C.R.S. §38-33.3-217(7), has been entered approving this Declaration.

NOW, THEREFORE:

1. Article XIV Section 14.1 of the Declaration is deleted in its entirety and replaced by the following:

Section 14.1 Leasing and Occupancy. Any Owner shall have the right to lease or allow occupancy of a Condominium Unit upon such terms and conditions as the Owner may deem advisable, subject to the restrictions of this Declaration, subject to restrictions of record and subject to the following:

- a. Lease terms, occupancies, and rentals of less than one (1) year are prohibited without prior written permission from the Executive Board;
- b. Any lease or rental agreement shall be in writing and shall provide that the lease or rental agreement is subject to the terms of this Declaration, the Bylaws of the Association, the Articles of Incorporation and the Rules and Regulations of the Association;
- c. All tenants shall be identified on the written lease or rental agreement;
- d. Owners are required to provide tenants with copies of the current Declaration, Articles of Incorporation, Bylaws and any Rules and Regulations of the Association. A copy of the lease or rental agreement shall be provided to the Association, in care of any managing agent or officer of the Association, upon request;

- e. All occupancy, lease and rental agreements for Units shall state that the failure of the tenant, lessee, renter or their guests to comply with the terms of the Declaration or Bylaws of the Association, Articles of Incorporation or the Rules and Regulations of the Association shall constitute a default of the occupancy, lease or rental agreement and of this Declaration and such default shall be enforceable by either the Association or the landlord, or by both of them;
 - f. Leases and rentals shall be for or of the entire Unit;
 - g. Due to health and safety concerns and the design of the water and sewer systems, occupancy of Units is specifically restricted to two (2) persons per bedroom; and
 - h. The Association shall have the authority to adopt Rules and Regulations regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in the Declaration and as allowed by law.
2. This amendment is limited to the deletion and replacement of Article XIV, Section 14.1. All other covenants, restrictions, and conditions contained in the Declaration remain in full force and effect unless otherwise amended by a separate amendment.
 3. All challenges to the validity of this amendment must be made within one (1) year after the date of recording of this document. The covenants and restrictions of the Declaration shall run with and bind the property in perpetuity.

The undersigned, being the President of the Hillcrest Village Homeowners Association, Inc., hereby certifies that the Association has obtained the written consent for this Limited Amendment to the Declaration from at least sixty-seven percent (67%) of the Owners and fifty-one percent (51%) of the First Mortgagees, as evidenced by written consents filed with the records of the Association, or alternatively, a court order in the District Court for Denver County, Colorado pursuant to C.R.S. §38-33.3-217(7), has been entered approving this Declaration, a copy of which is attached.

HILLCREST VILLAGE HOMEOWNERS ASSOCIATION, INC.

By: _____

President

STATE OF COLORADO)

)

ss.

COUNTY OF DENVER)

The foregoing Amendment to the Declaration was acknowledged before me by LEONARD SILVERMAN, as President of the Hillcrest Village Homeowners Association, Inc., a Colorado nonprofit corporation, on this 2nd day of MARCH, 2006.

Notary Public

My commission expires: FEBRUARY 13, 2010

