

*525**
***Condominium
Association***

Effective January 1, 2013

**Resolutions adopted by the Board
on October 22, 2013 and November 19, 2013**

•Policy & Procedures for Collection of Unpaid Assessments

•Reserve Study Policy

•Alternative Dispute Resolution (ADR)

**Please incorporate this Resolution into the Rules & Regulations
for Four Mile Village Recreational Association
(Keep in a safe place for future reference)**

**Wehner Property Management Co.
280 S. Madison Street
Denver, CO 80209
Frederick W. Ingraham, Property Manager
(303) 320-8517**

**RESOLUTION
OF
525* CONDOMINIUM ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID
ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

JANUARY 1, 2014

RESOLUTION: The Association hereby adopts the following policy:

It is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of each month. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 20 days of the due date shall incur late fees as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged

any costs incurred by the Association in giving notice of such acceleration.

2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.

3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$20.00 late charge for each Owner who fails to timely pay his/her monthly installment of the annual assessment within 20 days of the due date. This late charge shall be a "common expense" for each delinquent Owner.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's

future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 20 days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

7. Payment Plan. Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and whose account is not currently with the Association's attorney or a collection agency for collection action on January 1, 2014, may enter into a payment plan with the Association, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each owner prior to the Association referring any account to an attorney or collection agency for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively

"Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

10. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 20 days delinquent, the Management Company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Management Company shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. . The Association's notice, at a minimum shall include the following:

(i) The total amount due to the Association along with an accounting of how the total amount was determined.

(ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

(iii) A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

(iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Management Company shall turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	First day of the month due
Past Due Date (date payment is late if not received on or before that date)	One day after due date
First Notice (notice that late charges and interest have accrued)	Any time after 20 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 60 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 90 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of

unpaid assessments currently levied against such Owner's property for a \$100.00 fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

14. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

16. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the

payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.

17. Rental Interception. To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

18. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

19. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

20. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall

discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

21. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

22. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

23. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

24. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

25. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.


26. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

27. Amendment. This Policy may be amended from time to time by the Board of Directors.

IN WITNESS, the undersigned certifies that this Resolution was adopted by the Board of Directors of the Association on

NOVEMBER 19, 2013.

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

By: 
Its: President Neil Simpson
10/22/13

**RESOLUTION
OF THE
525* CONDOMINIUM ASSOCIATION, INC
REGARDING RESERVE STUDY POLICY**

SUBJECT: Adoption of a policy related to when the Association will have a reserve study prepared, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis.

PURPOSES: To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

OCTOBER 22, 20 *13*

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association has conducted a baseline reserve study, which includes both a physical analysis and a financial analysis as follows:

A. The physical analysis includes:

- (1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
- (2) A condition assessment of each component on the component inventory by on-site inspection.
- (3) Estimates of the remaining useful life and replacement costs of each component.

B. The financial analysis includes:

- (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.

- (2) A future funding plan to meet the requirements of the reserve study.

2. Update of the Reserve Study.

A. The Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by a reserve study specialist at least every five (5) years to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. In determining whether an update to the reserve study is needed more often than every five (5) years, the Association shall consider the following:

- (1) Whether the Association added or replaced any significant common elements.
- (2) Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.
- (3) Whether local inflation for materials and labor has substantially increased.
- (4) Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.
- (5) Whether reserve income and expenses have occurred as planned.
- (6) Whether there have been any new technological changes or improved product development that might result in a component change.

B. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

- (1) Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).
- (2) Increased deterioration in any components beyond normal wear and tear.
- (3) Economic changes that affect the replacement cost of any component.

(4) Whether routine maintenance of the components has been kept up with.

3. Funding of the Reserve Study. The financial obligations set forth in the reserve study will be funded through regular assessments levied by the Association. Reserves shall be funded at a level such that the reserve fund shall at all times maintain a positive balance.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on OCTOBER 22, 2013 and in witness thereof, the undersigned has subscribed his/her name.

525* CONDOMINIUM ASSOCIATION, INC.

By: _____

President

Neil Simpson
10/22/13

**RESOLUTION
OF THE
525*CONDOMINIUM ASSOCIATION, INC
REGARDING ALTERNATIVE DISPUTE RESOLUTION (ADR)**

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

PURPOSE: To adopt a standard procedure to be followed for alternative dispute resolution.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

OCTOBER 22, 2013

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

1. General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution ("ADR") is a procedure for settling a dispute by means other than litigation, such as binding arbitration, non-binding arbitration, or mediation.
2. General Policy. In the event of any dispute between the Association and an Owner, except for those Exempted Claims defined, the Association and the Owner shall agree to resolve the dispute using the procedures set forth below prior to filing suit in any court or initiating proceedings before any administrative tribunal.
3. Exempt Claims. The following claims shall be exempt from the provisions of this Policy:
 - (a) Any action by the Association against an Owner to collect assessments or other sums due to the Association, including foreclosure proceeding; and
 - (b) Any action by the Association to enforce any provisions of the Association's Declaration, Bylaws, or rules and regulations; and
 - (c) Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations.
4. Procedure for All Other Claims. All Claims other than Exempt Claims shall be resolved using the following procedures in lieu of litigation:
 - (a) The Association or any Owner having a claim ("Claimant") against an Owner or the Association, respectively ("Respondent"), other than an Exempt Claim, shall notify each Respondent in writing of the Claim ("Notice"), stating (i) the nature of the Claim, including the date, time, location, persons involved, and Respondent's

role in the Claim, (ii) the basis of the Claim (i.e. the provisions of this Declaration, the Bylaws, the Articles, Rules or Regulations or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.

(c) Mediation.

(i) If the parties do not resolve the Claim through negotiation within 20 days of the date of the Notice (or within such other period as may be agreed upon by the parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation by an independent mediation service agreed upon by the parties.

(ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.

(iii) If the parties do not settle the Claim within 45 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the parties met, that the parties are at an impasse, and the date that mediation was terminated.

(iv) Within 10 days of the Termination of Mediation, the parties shall again attempt to resolve the matter informally through negotiation.

(d) Arbitration.

(i) If the parties do not resolve the Claim through negotiation, as provided for above, within 20 days of the Termination of Mediation, the Claimant shall then have 15 additional days to submit the Claim to binding arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim. However, nothing herein shall release or discharge Respondent from any liability to anyone not a party to the proceedings.


(ii) This Policy is an agreement of the Association and Owners to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Colorado. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

5. Costs. If the Claims are resolved through negotiation and/or mediation as provided above, each party shall bear all of its own costs incurred in resolving the Claim, and each party shall bear its own attorney fees unless the parties otherwise agree. If the Claims are not resolved through negotiation or mediation as provided above and the Claims go to arbitration, the prevailing party shall receive as a part of its award from the opposing party all of its costs, including attorney fees, costs for other representatives in resolving such Claim, and any expenses incurred as a result of the dispute resolution procedures of this Policy. *arbitration nms*
6. Failure to Comply with Settlement. If the parties resolve any Claim through negotiation, mediation, or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this Policy. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from the non-complying party all costs incurred in enforcing such agreement or Award, including without limitation, attorney fees and costs.
7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.
9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
10. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the 525* Condominium Association, Inc, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on OCTOBER 22, 2013 and in witness thereof, the undersigned has subscribed his/her name.

525* CONDOMINIUM ASSOCIATION, INC.

By: , President
Neil Simpson
10/22/13



525*
Condominium
Association

Rules & Regulations and Resolutions
Updated and Revised
September 2011 and thereafter
Adopted March 20, 2012

Important
Information

**(Please read them carefully and keep for future
reference)**

Property Management Company:
Wehner Property Management
280 S. Madison Street
Denver, CO 80209
(303) 320-8517

Frederick W. Ingraham, Property Manager (rick@russwehner.com)
Veronica Krejci, Asst. Property Manager (veronica@russwehner.com)



RULES AND REGULATIONS

FOR

525 * CONDOMINIUMS

UPDATED AND REVISED SEPTEMBER 2011

THESE RULES AND REGULATIONS ARE TO BE GIVEN TO ALL OWNERS AND RENTERS OF 525 JACKSON. PLEASE READ THEM CAREFULLY AND KEEP FOR FUTURE REFERENCE. ALL OWNERS AND RENTERS ARE ON NOTICE OF THE PROVISIONS SET FORTH HEREIN.

**525* CONDOMINIUM
ASSOCIATION**

RULES AND REGULATIONS

As provided by the Declaration for 525 * CONDOMINIUM ASSOCIATION, INC., a Colorado nonprofit corporation, ("Association") has adopted the following rules and regulations to govern the use and enjoyment of 525* CONDOMINIUMS. Every Owner, guest, members of the Owner's family, servants, employees, invitees, lessees and licensees shall adhere strictly to these rules and regulations. The Board desires to ensure the highest possible standard of living experience within the development. In order to accomplish that objective the Board must have the cooperation of all persons subject to these rules and regulations.

1. **Use and Restrictions.** The development shall be used for residential purposes. The common sidewalks, stairways, drives, common areas and other access areas shall not be obstructed or used for any other purposes than for entering or leaving the units, and shall not be used for the storage or placement of furniture or any other articles, including but not limited to, plants, boxes, shopping carts, etc. The premises shall not be used for any purpose other than that for which they were constructed. No trash, rubbish sweepings or other substances shall be thrown or strewn about. Occupants shall not use or permit to be used or brought into the building or onto the premises any flammable oils or fluids, or other explosives or articles deemed hazardous to life, limb, or property.

2. **Damages.** Any damage to the property of others, including the Common Elements, resulting from misuse of such facilities of any nature or character whatever shall be paid for by the Owner of the Unit causing such damage. Owners will be assessed a fee (currently \$50), to be added to their Condominium Fees, for each new set of renters moving into their Unit to cover the cost of increased wear and tear on the Common Elements. Additional and/or excessive damages will be charged in addition to the \$50 dollar move in/move out fee, should the Board so rule.

3. **Parking Area Regulations.** No vehicle belonging to any Owner or to a member of his family or guest, subtenant, or employee of an Owner shall be parked in a manner as to impede or prevent ready access to other parking spaces of the development. The Owners, and others using the premises, will obey any parking regulations posted at the parking areas and any other traffic regulations made by the Association in the future for the safety, comfort, and convenience of the Owners and others using the premises. As of 1994, two-hour parking limits have been enacted for Jackson Street. Parking permits for renters wishing to park on Jackson Street should be requested through the City and County Parking Authority.

A. No cars may be parked along the rear wall of the building under the windows; deliveries and passenger pick-up will be permitted only if vehicles remain attended.

B. The blowing of a vehicle horn around the premises, except for safety reasons, is not permitted.

C. The Association reserves the right to remove any vehicles parked in an unauthorized place or manner at the expense of the respective Owners.

4. **Lease Requirements** . The Association has determined that steps be taken to increase and preserve the owner occupancy ratio in the building. Units purchased for investment purposes directly impacts the financial value of each Owner in the building, because governmental (FHA, VA) and/or quasi-governmental (Fannie Mae and Freddie Mac) lending entities will not fund loans with a high renter occupancy. The restriction on leasing is reasonable and necessary to maintain the financial quality of the community. In order to preserve the owner occupancy level required by governmental and quasi-governmental lending/acquisition guidelines, the Association sets forth the following criteria:

A. As of the filing date of the Amended Declarations, all current Owners may lease one unit unless and until these Rules and Regulations are modified. Every lease shall be subject to the terms of the Amended Declarations, the Articles of Incorporation and the by-laws of the Association, and these Rules and Regulations. Current Owner's right to lease one unit shall not be restricted unless the owner occupancy level falls below a level acceptable to non-governmental and governmental lenders, or the owner occupancy level falls below a level of 51%.

B. Owners who purchase a unit after the filing date of the Amended Declarations might not be permitted to lease the one unit they own; their ability to do so shall be determined by the procedure set forth below. Owners who purchase a second unit after the filing date of the Amended Declarations shall not be permitted to lease that unit.

(i) All Owners shall notify the Board of Managers in writing through the Property Manager of their request (the "Request") to lease a unit within a reasonable time before their intent to do so, but in any event no later than **one month prior** to the date the Owner wishes to commence the lease. Owners shall submit Requests to lease at the earliest possible time to avoid undue expense or hardship to all parties. The Request to lease shall state the length of the proposed lease and any reasons for wishing to lease at that time (i.e., the Owner intends to sell the unit within a year, the unit is in probate, etc.). The Board of Managers shall have the obligation to answer any written request by a unit owner accompanied by such information concerning the proposed rental and the terms of the proposed lease **within ten (10) days after receipt of such request by the Property Manager**. In the event the Board is not able to convene and make a decision within this time frame, the Board shall provide notice to the Owner forthwith, setting forth good cause for the delay. The Board shall provide the Owner with a date certain by which time the Board must provide an answer to the Owner. The date shall be in no case more than twenty-five (25) days from the date of receipt of the request. Failure to do so within the stipulated time shall constitute a consent to lease for a minimum of six months by the Board. If the Owner fails to provide adequate notice of the Request prior to the date the Owner wishes to commence the lease, then the aforesaid deadline pertaining to the Board does not apply, and the Board and Owner shall agree on a reasonable time frame which, due to the delay of the Owner, need not be within the Board's restrictions set forth above.

(ii) It shall be the Owner's responsibility to advise the Property Manager in writing as a part of his or her Request of the phone number, fax, email and/or street address where the Owner may be located. The Board will contact the Owner based on the information provided. For notice to be deemed sufficient, the Board need only send communications to the last known address or contact the last known phone number which were provided by the Owner to the Property Manager. If the Board makes best efforts to contact the Owner but is unable to do so, the request by the Owner shall be deemed denied.

(iii) The Board shall take into consideration in reviewing the request to lease:

- is submitted:
- (a) The current owner occupancy level on the date the Request
 - (b) The length of time the Request seeks to lease (in accordance with the governing documents);
 - (c) The specific reason for the lease, if any;
 - (d) The intent of the Owner (or a family member) to live in the building at a later date;
 - (e) The involvement of the Owner in the maintenance and management of the building;
 - (f) Any other factors which the Board should consider which would outweigh the need to increase owner occupancy.

5. **Insurance.** Nothing shall be done within the development which might result in an increase in the premiums on insurance obtained for any portion of the development or which might cause cancellation of such insurance.

6. **Violation of the Law.** Nothing shall be done within the development which would be in violation of any statute, rule, ordinance, regulation, permit, or validly imposed requirement of any government body.

7. **Pets.**

A. Except as approved by the Board, no animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised bred, kept or boarded in or on the units or the premises. The Board shall consider applications for a bona fide household pet, so long as such pet is not kept for any commercial purpose. If the Board approves a pet, the Owner shall ensure that:

(i) the pet does not run free on the premises and is generally confined to the unit and, when not, shall be under the control of the Owner or renter (i.e., carried or kept on a leash); and

(ii) the pet does not create noise or otherwise constitute a nuisance to any other Owner or renter of a unit, as determined by the Board in its sole and absolute discretion; if the Board determines that any pet has become a nuisance, such pet must be removed from the premises and an Owner's failure to remove such pet shall be subject to fines for each day which the Owner fails to abide by the Board's decision.

B. Neither Owner nor renters residing in 525 Jackson may keep a dog in the building. However, upon **pre-approval from the Board**, a dog visitation right may be granted to Owners for a short term (1 week or less). If the Board receives any complaints regarding the visiting dog, such pet must be removed from the premises and an Owner's failure to remove such pet shall be subject to fines for each day which the Owner fails to abide by the Board's decision.

C. The right of the Owner or renter to keep an approved pet or to house a visiting dog shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pet.

D. The Board may take all necessary action against an Owner for failure to abide by this and other applicable provisions of the controlling documents, including all of the remedies set forth in the controlling documents.

8. **Window Coverings.** All residents on the premises shall utilize light-colored window coverings that are in keeping with the aesthetics of the building as determined by the Board. If the window coverings are not in conformance with the appearance of the building, the Board shall notify the Owner of the unit in writing that the window coverings must be changed, and the Owner shall have thirty days in which to replace them. The Owner's failure to do so will constitute a breach of the covenants set forth in the controlling documents, and the Board shall have all remedies set forth in the controlling documents for breach of a covenants.

9. **Carpets.** Noise and disturbances heard between the units have been an ongoing problem for the building. The prior Declarations and Rules and Regulations required that every unit except those located above the storage facility be carpeted with wall-to-wall carpeting. Over the years, new Owners preferred to expose the hardwood floors, but this decision resulted in additional noise and tension between neighbors. As a means to balance the homeowners' aesthetic interests in hardwood floors with other Owners' rights to quiet enjoyment of the premises, the Board will strictly implement the following provisions regarding carpets:

A. Each unit located on the second or third floor of the premises shall be carpeted so as to reduce the amount of noise transmitted to the floor below with the exception of Units 205 and 206 (located over the storage room). Carpeting shall be required to cover the entire floor area where residents are active, except for the kitchen, bathroom and closet areas.

B. If other residents complain about the noise level in a unit, the Board may require the resident to provide additional floor coverings at the resident's own expense. The failure of the resident to fully comply with this provision will constitute a breach of the covenants set forth in the governing documents, and will give rise to all of the Board's remedies set forth therein. Full compliance will be measured by the level of satisfaction of residents in the adjoining units.

10. **Trash and Unsightly Uses.** The Association has provided garbage containers located in the designated areas to the rear of the building. All garbage shall be placed in sealed plastic bags and disposed of in the garbage containers provided.

11. **Antennas.** Without the prior written approval of the Association no exterior television or other antenna of any sort shall be placed, allowed, or maintained upon any portion of the General Common Elements.

12. **Keys and Locks.** Each Owner shall at all times provide the Association or Property Manager with a set of all keys to his or her Condominium Unit, including those for any new or changed locks. Any Owner failing to abide by the provisions of this paragraph shall, in the event of an emergency or otherwise, be liable for damage resulting directly or indirectly from the failure by the Association to obtain entrance to that Owner's Unit. In addition, if an Owner fails to provide keys as directed herein, the Association shall not be liable for any damage suffered to a Condominium Unit in the event the Association deems it necessary in its sole discretion to enter a Condominium Unit by force.

13. **Maintenance of the Common Elements.** Any person subject to these rules who observes a condition within the Common Elements which requires Association maintenance should report that condition to the Property Manager during office hours. Any condition which requires emergency attention should be reported immediately.

A. Unsightly spills or accidents in the hallways, laundry, stairwells, or around the grounds of the building are the responsibility of the Unit Resident or Owner causing the problem. Brooms or vacuums, etc., may sometimes be obtained from the Property Manager, but if the renter notices a condition of this nature, the renter should take measures to clean up the area. Renters are advised especially to watch for any laundry soap spills or cat litter trailings, and clean them up if the renter caused the spill.

14. **Noise and Nuisances.** All persons subject to these rules and regulations shall respect the peace of their neighbors. In no event shall any such person play musical instruments, shout, or operate audio equipment which may be heard outside that person's unit between the hours of 11 p.m. and 8 a.m. It is also required that any contracted labor on units cease at 10 p.m.

A. Persons moving furniture, and/or belongings into or out of a unit must cease such activities between the hours of 11 p.m. and 8 a.m.

B. Between the hours of 11 p.m. and 8 a.m. residents are requested to open the front vestry door for guests and not use the entry buzzer, which may be heard outside the unit. The identity of the person generally should be checked at all times prior to admitting a person into the building.

C. Hours for use of the laundry room are between 7 a.m. and 10 p.m.

D. Voices should generally be kept down while in the stairwells, as loud talk disturbs residents in adjacent Units. We also request that doors in the hallways or to the outside of the building, which often slam shut -- or sometimes do not close properly -- be held until closed completely and as noiselessly as possible. Main building entrance and exit doors shall be firmly closed to assure safety to all residents. Please give special attention to this matter.

E. Please do not leave laundry in washers/dryers for an extended period of time, causing inconvenience to other residents.

15. **Personal property.** Any personal property which is left in any Common Element may be presumed abandoned at will and be disposed of after thirty (30) days by the Association at no liability to the Association.

16. **Safety Measures.** It is the responsibility of every Owner and Resident to maintain a safe and secure environment in and around the development. This shall include, but not be limited to, the following:

A. Entry doors are to be kept locked except when moving objects in or out of the building. **THE PROPERTY MANAGER MUST BE NOTIFIED IN ADVANCE OF ALL SUCH ACTIVITIES.** Doors should be locked again promptly when finished.

B. Solicitors are NOT to be permitted entry to the building.

C. Residents of the first-floor Units particularly should keep blinds drawn after sundown and limit window openings so as to prevent easy access from outside the building.

D. The laundry room should be kept locked at all times.

E. One or more smoke alarms should be installed in each Condominium Unit by the Owners and should be kept in good working order as required by city ordinance. Residents hearing such alarms ringing should investigate the cause and immediately notify other residents and the Fire Department if actual fire is suspected. Fire extinguishers are located in the stairwells, if needed, but the first priority is to vacate the building if passageways are smoky or flames are visible. See Attachment 1, Smoke Detector Regulations, incorporated herein by this reference.

F. Suspicious activities in or near the development should be immediately reported to the Property Manager and/or Denver Police.

G. If Owners or Renters install a security alarm system in any unit, the Property Manager is to be notified and advised about the normal management of such systems should it be triggered when the resident is not home.

17. **Window Air Conditioners.** Any air conditioners must be window-installed and will be permitted only in windows on the west or the north sides of the development, but NOT in the east or south-facing windows towards the streets.

18. **Signage.** Only one sign will be allowed on the property for the purpose of advertising a unit for sale. The sign is to read "Condominium for Sale. Contact Your Broker." The sign is to be professionally painted, either black or brown lettering on white background, and may be two-sided. Only one sign will be permitted on the property for the purpose of advertising a unit for rent. The sign is to read, "Condominium for Rent," and Phone number of

Property Management Company. Wehner Property Management will receive and forward all inquiries to the Owner of the unit for rent. No other signs will be permitted on the property.

19. **Smoking in Common Areas.** Smoking in the common areas is prohibited. Residents may smoke within their respective units; however, if the smoke is unduly bothersome to neighbors, residents may be requested to make some accommodation. Disposing of cigarette butts or other debris on the grounds of the building shall constitute a violation of the governing documents and fines may be imposed against the unit causing the problem.

20. **Additional Rules.** As provided by the Declaration, the Board may add to or change these rules and regulations from time to time as necessary for the safety, care, cleanliness and maintenance of the condominium development.

ATTACHMENT 1

Unit # Smoke Detector Requirements

104, 108 204, 208 304, 308	These are 2-bedroom units. Only one smoke detector is needed. It should be placed in the hallway between the two bedrooms.
101, 102 201, 202 301, 302	These are interior units with 2-bedrooms and a hallway. These units require 2 smoke detectors which should be placed in the hall outside each bedroom.
103, 109 203, 209 303, 309	These are 2-bedroom corner units. These units require 2 smoke detectors which should be placed in the hallway between the two bedrooms.
107, 205 206, 207 305, 306, 307	These are 1-bedroom units which require 1 smoke detector. The detector should be placed in the hallway near the bedroom.

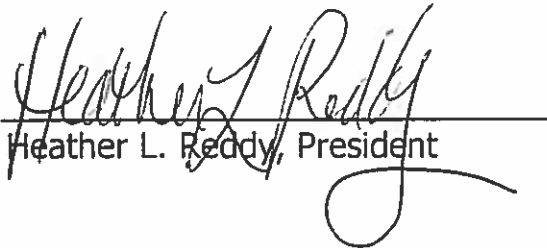
President's
Certification:

The undersigned, being the President of the Association, certifies that the foregoing Rules and Regulations Updated and Revised September 2011 were adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on March 20, 2012 and in witness thereof, the undersigned has subscribed his/her name. In addition, the following listed Resolutions originally adopted by the Board on August 30, 2006, shall remain in full force and effect and are hereby made a part of the foregoing Rules and Regulations by reference herein:

- Resolution Regarding Procedures for Adoption of Policies, Procedures, Rules, Regulations, or Guidelines
- Resolution Regarding Policy and Procedures for Collection of Unpaid Assessments
- Resolution Regarding Board Member Conflicts of Interest
- Resolution Regarding Policies and Procedures for Covenant and Rule Enforcement
- Resolution Regarding Policy and Procedure for Inspection and Copying of Association Records
- Resolution Regarding Investment of Reserve Policy
- Resolution Adopting Procedures for the Conduct of Meetings

525* Condominium Association, Inc.

By:


Heather L. Reddy, President

Attested:

By:


Neil Simpson, Secretary

**RESOLUTION
OF 525 CONDOMINIUM ASSOCIATION, INC.
REGARDING POLICIES AND PROCEDURES FOR COVENANT AND RULE
ENFORCEMENT**

SUBJECT: Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

PURPOSE: To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association, and Colorado law.

**EFFECTIVE
DATE:**

8/30/06

RESOLUTION: The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. Complaints. (a) Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association. (b) Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

4. Initial Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 15 days from the date of the letter to come into compliance.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 15 days of the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 10 days of the date on the second violation letter.

6. Continued Violation After Second Letter. If the alleged Violator does not come into compliance within 15 days of the second letter, this will be considered a third violation for which a fine may be imposed following notice and opportunity for a hearing. A third letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 10 days of the date on the third letter.

7. Continued Violation After Third Letter. If the alleged Violator does not come into compliance within 15 days of the third letter, this will be considered a fourth violation for which a fine may be imposed following notice and opportunity for a hearing. A fourth letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 10 days of the date on the fourth letter.

8. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date.

9. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, not to exceed 10 days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

10. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 10 days of any letter, or fails to appear at any hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

11. Notification of Decision. The decision of the Board, committee or other person, shall be in writing and provided to the Violator and Complainant within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.

12. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation Warning letter

Second violation
(of same covenant or rule) \$50.00

Third violation
(of same covenant or rule) \$75.00

Forth and subsequent
violations
(of same covenant or rule) \$75.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing four or more violations in a twelve month period (whether such violations are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

14. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

15. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

16. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

17. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

18. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S
CERTIFICATION:**

The undersigned, being the President of the Association, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on August 30, 2006 and in witness thereof, the undersigned has subscribed his/her name.

525 CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: _____

President

**RESOLUTION
OF THE 525 CONDOMINIUM ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR INSPECTION AND COPYING OF
ASSOCIATION RECORDS**

- SUBJECT:** Adoption of a procedure for the inspection and copying of Association records by Owners and retention of Association permanent records.
- PURPOSE:** To adopt a policy regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.
- AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** 8/30/06
- RESOLUTION:** The Association hereby adopts the following Policy and Procedures:
1. The Association shall permanently retain the following records as required by Colorado law:
 - Minutes of all Board and Owner meetings;
 - All actions taken by the Board or unit Owners by written ballot in lieu of a meeting;
 - All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association; and
 - All waivers of the notice requirements for unit owner meetings, Board member meetings, or committee meetings.
 2. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:
 - (a) The inspection and/or copying of the records of the Association shall be at the Owner's expense;

- (b) The inspection and/or copying of the records of the Association shall be conducted during the regular business hours of 9:00 a.m. to 4:00 p.m. at 280 S. Madison Street, Denver, CO 80209;
- (c) The Owner shall give the Association's managing agent a written demand, stating the purpose for which the inspection and/or copying is sought, at least five business days before the date on which the Owner wishes to inspect and/or copy such records; and
- (d) The Owner shall complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of the Agreement is attached to this Policy. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

3. Proper Purpose/Limitation. Association records shall not be used by any Owner for:

- (a) Any purpose unrelated to an Owner's interest as an Owner;
- (b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (c) Any commercial purpose;
- (d) For the purpose of giving, selling, or distributing such Association records to any person; or
- (e) Any improper purpose as determined in the sole discretion of the Board.

4. Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

- (a) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;
- (b) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
- (c) Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of

birth, personal bank account information, and driver's license numbers.

5. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, which have been determined to be \$.10 per page for copies and \$25.00 per hour for the cost to search, retrieve, and copy the record(s) requested. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.
6. Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.
7. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.
8. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.
9. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
10. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
11. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

12. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on August 30, 2006 and in witness thereof, the undersigned has subscribed his/her name.

525 CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By:

Heather L Reddy
President

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS
OF 525 CONDOMINIUM ASSOCIATION, INC.**

I have requested to inspect and/or obtain copies of the following records of the 525 Condominium Association, Inc. (be as specific as possible): _____

The records shall be used for the following purpose(s) only: _____

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

(A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;

(B) used for any commercial purpose;

(C) sold to, otherwise distributed to, or purchased by any person;

(D) any other purpose prohibited by law; or

(E) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

Homeowner

Homeowner

Address

Date: _____

Date: _____

**RESOLUTION
OF 525 CONDOMINIUM ASSOCIATION, INC.
REGARDING INVESTMENT OF RESERVE POLICY**

SUBJECT: Adoption of an Investment Policy for reserves of the Association.

PURPOSES: To adopt a policy for the investment of reserve funds.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

8/30/06

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies:
 - (a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
 - (b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
 - (c) Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
 - (d) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
 - (e) Return. Funds should be invested to seek a reasonable rate of return.

4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.
5. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a ladder investment approach.
6. Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
8. Reserve Study. In order to determine funding of the Reserve Fund, the Board of Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").
9. Review of Reserve Study. The Board of Directors shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.
10. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
11. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
12. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
13. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on August 30, 2006 and in witness thereof, the undersigned has subscribed his/her name.

525 CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By:


President

**RESOLUTION
OF 525 CONDOMINIUM ASSOCIATION, INC.
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

SUBJECT: Adoption of a policy and procedures for conducting Owner and Board meetings.

PURPOSE: To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: 8/30/06

RESOLUTION: The Association hereby adopts the following procedures regarding the conduct of meetings:

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Notice.**

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted on the bulletin board by the backdoor and on the glass at the front door at least 20 days prior to each such meeting, or as may otherwise be required by Colorado law.

(b) **Conduct.**

(1) All Owner meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association or designee shall chair all Owner meetings.
- (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
- (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.

- (D) Anyone wishing to speak must first be recognized by the Chair.
- (E) Only one person may speak at a time.
- (F) Each person who speaks shall first state his or her name and Unit address.
- (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
- (J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
- (K) All actions and/or decisions will require a first and second motion.
- (L) Once a vote has been taken, there will be no further discussion regarding that topic.
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the association.
- (N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
- (O) The Chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

- (1) Election of Board members shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a

secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(2) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

(3) Written ballots shall be counted by a neutral third party (which excludes the Association's Manager and legal counsel) or by an Owner(s), who is not a candidate, selected randomly from a pool of two or more unit Owners. The Chair shall specify the procedure for randomly selecting the Owner(s). Such procedure shall ensure that the Owner(s) selected is done so without being chosen by the Chair, Board of Directors or candidates.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(d) **Proxies.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

(1) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (A) Validity of the signature
- (B) Signatory's authority to sign for the unit Owner
- (C) Authority of the unit Owner to vote
- (D) Conflicting proxies
- (E) Expiration of the proxy

2. **Board Meetings.** Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Conduct.**

(1) All Board meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association, or designee, shall chair all Board meetings.
- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address.
- (C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the

Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in.

- (D) Anyone desiring to speak shall first be recognized by the Chair.
- (E) Only one person may speak at a time.
- (F) Each person speaking shall first state his or her name and Unit address.
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- (K) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.
- (L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) **Owner Input.** After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

- (1) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure

for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(2) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

3. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

5. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

6. Amendment. This Policy may be amended at any time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on August 30, 2006 and in witness thereof, the undersigned has subscribed his/her name.

525 CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By:


President

**RESOLUTION
OF 525 CONDOMINIUM ASSOCIATION, INC.
REGARDING PROCEDURES FOR ADOPTION OF POLICIES, PROCEDURES,
RULES, REGULATIONS, OR GUIDELINES**

SUBJECT: Adoption of a procedure to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter "Policy" or "Policies") regarding the operation of the Association.

PURPOSE: To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

8/30/06

RESOLUTION: The Association hereby adopts the following procedures to be followed in adopting Policies of the Association:

1. Scope. The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

2. Drafting Procedure. The Board shall consider the following in drafting the Policy:

- (a) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;
- (b) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- (c) the immediate and long-term impact and implications of the Policy.

3. Notice and Comment. The adoption of every Policy shall be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wished to comment

on the proposed Policy shall be afforded such opportunity in compliance with Colorado law.

4. Emergency. The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

5. Adoption Procedure. After the period for Owner comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

6. Policy Book. The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a Policy Book. The Board of Directors may further categorize Policies, Procedures, Rules and Regulations, Resolutions and Guidelines but shall not be required to do so.

7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

10. Amendment. This Procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION:

The undersigned, being the President of the Association, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on August 30, 2006 and in witness thereof, the undersigned has subscribed his/her name.

525 CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By:

Heather L. Raley
President

**RESOLUTION
OF 525 CONDOMINIUM ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES
REGARDING BOARD MEMBER CONFLICTS OF INTEREST**

SUBJECT: Adoption of a policy and procedure regarding Director conflicts of interest and a code of ethics.

PURPOSE: To adopt a policy and procedure to be followed when a Director has a conflict of interest to ensure proper disclosure of the conflict and voting procedures and to adopt a code of ethics for Directors.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

8/30/06

RESOLUTION: The Association hereby adopts the following policy and procedure regarding Director conflicts of interest and code of ethics:

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.
2. Definition. A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); (iv) an entity in which a Director is a director or officer or has a financial interest.
3. Disclosure of Conflict. Any conflict of interest on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director shall not be present during or vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from

voting, the composition of the quorum and record who voted for and against.

4. Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

(a) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.

(b) No contributions will be made to any political parties or political candidates by the Association.

(c) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.

(d) No Director shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.

(e) No Director shall receive any compensation from the Association for acting as a volunteer.

(f) No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.

(g) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.

(h) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

(i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

(j) Any Director convicted of a felony shall voluntarily resign from his/her position.

(k) No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.

(l) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

5. Failure to Disclose Conflict. Any contract entered into in violation of this policy shall be void and unenforceable. In such event, the Board, at the next meeting of the Board, shall vote again on the contract, decision or other action taken in violation of this Policy.

6. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

7. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

8. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

9. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S
CERTIFICATION:**

The undersigned, being the President of the Association, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on August 30, 2006 and in witness thereof, the undersigned has subscribed his/her name.

525 CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: _____

President