

Filed for record the 27th day of February, 1980, at 11:45 AM, by Joanne M. Reittner, Secretary, of THREE SEASONS ASSOCIATES, INC., a Colorado non-profit membership corporation, its successors and assigns. Declaration No. 348811

CONDOMINIUM DECLARATIONS

THREE SEASONS CONDOMINIUM

THIS DECLARATION, made this 19th day of February, 1980, by THREE SEASONS ASSOCIATES, A General Partnership, duly organized and existing under the Laws of the State of Colorado, hereinafter called "Declarant," for itself, its successors, grantees and assigns.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property located in the County of Gunnison, State of Colorado, which real property is described in Exhibit A attached hereto and hereinafter referred to as "the property;" and

WHEREAS, Declarant desires to establish a condominium project on the property pursuant to the provisions of the Condominium Ownership Act of the State of Colorado (Colorado Revised Statutes, 1973, 38-33-101 et seq and any amendment thereto).; and

WHEREAS, it is the desire and intention of Declarant to divide the project into condominiums and to sell and convey the same to various purchasers, subject only to the easements, covenants, terms, conditions and restrictions herein contained.

NOW, THEREFORE, Declarant hereby submits the above described property and improvements to condominium ownership and use and declares that the property, and any property or properties hereinafter annexed hereto, shall be held, sold and conveyed subject to the following covenants, conditions, easements and restrictions which are for the purpose of protecting the value and desirability of the property, and which shall run with the property and shall be a burden and a benefit to Declarant, its successors or assigns, and to any other person acquiring or owning an interest in the property, or improvements thereon, their grantees, successors, heirs, devisees, personal representatives and assigns.

ARTICLE I

The terms used herein shall have the meanings stated in the Condominium Act and as set forth below, unless the context shall expressly provide otherwise:

1.1 "Association" means THREE SEASONS CONDOMINIUM OWNERS ASSOCIATION, INC., a Colorado non-profit membership corporation, its successors and assigns. The Association shall act by and through its Board of Directors and its elected officers.

1.2 "Buildings" means any one of the separate structures constructed on the property pursuant to this Declaration, containing individual Units, which separate structures together with the other General Common Elements compromise a Condominium Project.

1.3 "Condominium Unit" means one Unit together with an undivided interest in the General Common Elements and the Limited Common Elements appurtenant to each Unit.

1.4 "Declaration" means this Condominium Declaration, by which the THREE SEASONS CONDOMINIUM PROJECT is established, together with any supplements or amendments hereto which shall have been recorded in the office of the Clerk and Recorder of Gunnison County, Colorado, pursuant to Section 38-33-105, Colorado Revised Statutes (1973), which defines the character, duration, rights, obligations and limitations of condominium ownership.

1.5 "Declarant" means THREE SEASONS ASSOCIATES, a General Partnership, its successors or assigns.

1.6 "Common Elements" means and includes all of the property described in Exhibit A, and all of the improvements thereto and thereon located, excepting all Units as the same are hereinafter defined. Common Elements shall consist of the General Common Elements and the Limited Common Elements.

A. "General Common Elements" means a part of the Common Elements and includes the real property described on Exhibit A; the foundations, columns, girders, beams, supports, main walls, chimneys, roofs, skylights, halls, corridors, lobbies, stairs, basements, yards, gardens, sidewalks, walkways, paths, grass, landscaping, parking areas and storage spaces; the premises for the lodging of custodians or persons in charge of the property, installations of central service such as power, lights, gas, hot and cold water, heating, refrigeration, incinerating, and tanks, pumps, motors, fans, compressors, ducts, sidewalks, pathways, roads and streets located within the condominium project, and all apparatus and installations existing for common use and all other parts of the property necessary and convenient to the existence of the Condominium Project, its maintenance and safety, or normally in common use including the air space above the property which is not within the respective Condominium Units, all of which shall be owned as tenants in common by the Owners of the separate Units, each owner of a Unit having an undivided interest in the General Common Elements. General Common Elements shall include all tangible physical properties of this project, except Limited Common Elements and the Units.

B. "Limited Common Elements" means those portions of the Common Elements which are either limited to and reserved for the exclusive use and enjoyment of the Owner of a Condominium Unit or limited to and reserved for the common use of more than one, but fewer than all, of the Condominium Unit Owners which shall include by way of illustration and not limitation, storage

areas, patios, steps, porches, sidewalks, and any other apparatus which are specifically designated as being appurtenant to a particular Unit.

1.7 "Property" means the real property described in Exhibit A attached hereto.

1.8 "Map" or "Condominium Map" means the engineering survey of the property depicting and locating thereon all of the improvements with respect to the boundaries of the land, the floor and elevation plans and any other drawings or diagrammatic plans depicting a part or all of the improvements on the land covered by the Map, Unit numbers identifying the Units and such other information as Declarant may include thereon, and which will be recorded in the books and records of the Clerk and Recorder of Gunnison County, Colorado. Either term shall include the original and all supplemental maps.

1.9 "Mortgage" means and refers to any mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of Gunnison County, Colorado, and by which a Condominium Unit or any part thereof is encumbered.

1.10 "First Mortgage" means and refers to the unpaid and outstanding purchase money Mortgage, or purchase money deed of trust, having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.11 "Mortgagee" means any person or other entity or any successor to the interest of such person or entity named as the mortgagee, trust beneficiary, or creditor under any recorded mortgage of any part of the property which is not also a mortgage of a Unit shall be subject to this Declaration, but as to that mortgage, the holder or beneficiary thereof shall not be a Mortgagee as that word is defined and used in this Declaration.

1.12 "Owner" means any person firm, corporation, partnership, association, contract sellers or other legal entity or any combination thereof, including Declarant, who owns the record fee simple interest in one or more Condominium Units, which is part of the property. The term "Owner" shall not refer to any Mortgagee as herein defined, or other person or entity having an ownership interest in the subject property merely as security for the performance of an obligation, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.13 "Owner's Proportionate Share" or "Proportionate Interest" means that percentage of the total which is equal to such Owner's percentage interest in the Common Elements, as set forth in Exhibit C.

1.4 "Project" or "Condominium Project" means all buildings and other improvements located on the Property and all rights, easements and appurtenances belonging thereto, and all of the undivided fee simple interest in the Property.

1.5 "Unit" means an individual air space which is contained within the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of any enclosed room or rooms occupying all or part of a floor or floors in a building of one or more floors to be used for residential, professional, or commercial purposes which building has access to a public street, as shown on the Condominium Map to be filed for record, together with all non-bearing walls, fixtures and improvements therein contained, and the inner decorated and/or finished surfaces of perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc., but not including any of the structural components for the building, if any, located within the Unit.

ARTICLE II

CONDOMINIUM MAP

2.1 Recording. The Map of the Property and improvements thereon shall be filed for record in the office of the Clerk and Recorder of Gunnison County, Colorado, prior to the conveyance of the first Condominium Unit.

2.2 Contents. Each such Map or supplement shall depict and show at least the following: Locations of buildings and improvements; the elevation plans and the location of Units within a building. It shall contain the certificate of the registered professional engineer or licensed architect or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the building, the Unit designations and the dimensions of the Units.

In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries.

ARTICLE III

NATURE OF OWNERSHIP

3.1 Division of Property into Condominium Units. The Project is hereby divided into 49 separate Condominium Units, 20 separate Condominium Commercial Units and 4 separate Condominium Commercial/Residential optional use Units, each consisting of a separate fee simple interest in a Unit and an appurtenant undivided interest as tenant in common in and to the General Common Elements as shown on the Condominium Map. The Limited Common Elements are hereby made appurtenant to specific Units as set forth on the Map.

3.2 Inseparability of a Condominium Unit. Each Unit, the undivided interest in the General Common Elements, and

the Limited Common Elements appurtenant thereto, shall be inseparable, and may be conveyed, leased, devised or encumbered only as a Condominium Unit.

3.3 Nonpartitionability of General Common Elements. The General Common Elements shall be owned in common by all of the Owners and shall remain undivided and no Owner, group of Owners or the Association shall bring any action for partition or division thereon, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Condominium Project. Nothing contained herein shall be construed as a limitation of the right of legal partition of a Condominium Unit between the Owners thereof, but such legal partition shall not affect any other Condominium Unit, nor shall any such partition sever any part of a Condominium Unit from such Condominium Unit as a whole.

3.4 Assessments and Taxation. Declarant shall give written notice to the Assessor of the County of Gunnison, Colorado, of the creation of condominium ownership of the project, as is provided by law, so that each Condominium Unit shall be deemed a separate parcel and subject to a separate assessment and taxation. The percentage of ownership interest in tax assessment, and liability, shall be the same as set forth in Exhibit B.

3.5 Ownership-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. Each such Owner shall have and be entitled to the exclusive ownership and possession of his Unit.

3.6 Use of Common Elements. Subject to the limitations contained in this Declaration, each Owner, his family members, guests and business invitees of Commercial Units, shall have the non-exclusive right to use and enjoy the General Common Elements for the purpose for which they are intended, subject to the rules and regulations of the Association, and shall have the exclusive right to use and enjoy the Limited Common Elements adjoining his Unit and designated for exclusive use by such Owner.

3.7 Ingress and Egress and Support. Each Owner, his family members, guests and licensees, shall have the right to vehicular and pedestrian ingress and egress over, upon, and across the General Common Elements necessary for access to his Unit, to his parking areas, to public streets, and to the Limited Common Elements designated for use in connection with his Unit, and shall have the right to the horizontal

and lateral support of his Unit. Such rights shall be appurtenant to and pass with the title to each Condominium.

3.8 Liens Against Common Elements. No additional liens, other than mechanics' liens, assessment liens or tax liens may be obtained against the General or Limited Common Elements then existing in which the Unit Owner has a percentage of ownership.

3.9 Charges for Use. With exception of his pro rata share of the annual assessment, no Unit Owner shall be required to pay any additional fees or charges in connection with his use of any of the recreational facilities which make up part of the General Common Elements.

3.10 Vehicular Parking Spaces. All of the vehicular parking areas shown on the Condominium Map shall be part of the Common Elements and as such, each Owner shall have a co-equal right to use said parking areas; provided, however, that the Association, through its Board of Directors, shall maintain control thereof and shall have the right to assign and to reassign to each Owner a specific parking space.

ARTICLE IV

DESCRIPTION, TRANSFER AND CONVEYANCE OF A CONDOMINIUM UNIT

4.1 Description. Every contract for the sale of a Condominium Unit, and every deed, lease, mortgage, trust deed, will or other instrument affecting title to, or interest in, a Condominium Unit, may legally describe that Condominium Unit by identifying its Unit and building number, followed by the words "THREE SEASONS CONDOMINIUMS," with the appropriate reference to the Map and to this Declaration, in the following manner:

Condominium Unit _____, Three Seasons Condominiums, according to the Condominium Map thereof filed for record in the records of the office of the Clerk and Recorder of Gunnison County, Colorado on the _____ day of _____, 1979, in Book _____, at Page _____, and as defined and described in the Condominium Declaration for Three Seasons Condominiums recorded on the _____ day of _____, 1979, in Book _____, Page _____, in said records.

4.2 Transfer. Every instrument affecting title to or interest in a Condominium Unit, that described such Condominium Unit in the manner set forth above, shall be good and sufficient for all

purposes to sell, convey, transfer, assign, encumber or otherwise affect not only the Unit, but also the undivided interest in the General Common Elements and the Limited Common Elements appurtenant thereto, together with all fixtures and improvements therein contained (unless any thereof shall be Common Elements), and incorporate all of the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration and Condominium Map.

4.3 Amendments. The reference to the Map and Declaration in any instrument shall be deemed to include any supplements or amendments to the Map or Declaration without specific reference(s) thereto.

ARTICLE V

EASEMENTS

5.1 Recorded Easements. The property, and all portions thereof, shall be subject to the easements as shown on any recorded plat affecting the property, or any portion thereof, and as shown on the Condominium Map.

5.2 Association Use. The Association, its officers, agents and employees shall have a non-exclusive easement to make such use of the General Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain on the Common Elements maintenance and storage facilities for use by the Association.

5.3 Maintenance, Repair and Replacement. If any Common Elements are located within a Unit, or are conveniently accessible only through a Unit, the Association or its agents, shall have the right to enter such Unit from time to time during such reasonable hours as may be necessary, for the maintenance, repair and replacement of any of the Common Elements located therein, or accessible therefrom, or at any time as may be necessary for making emergency repairs to prevent damage to the Common Elements or to another Unit or Units. Damage to any part of a Unit or Units, resulting from such maintenance, repair, emergency repair, or replacement, shall be a common expense of all of the owners, unless such damage is the result of a misuse or negligence of the Owner of the Unit, in which case such Owner shall be responsible and liable for all of such damage.

5.4 Encroachments. If any part of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event that the building

or a Condominium Unit is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the Common Elements due to such construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any building or Condominium Unit constructed on the property, by error in the Condominium Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the project or any part thereof. Such encroachments and easements shall not be considered or construed to be encumbrances either on the Limited or General Common Elements or on the Units.

5.5 Utilities. Easements are reserved through the property as may be required for utility services in order to adequately serve the Project. The Association shall have the right to grant additional utility easements through any portion of the Common Elements, and each owner hereby irrevocably appoints the Association as attorney-in-fact for such purpose.

5.6 Construction. Declarant shall have the right to ingress and egress over the Common Elements and the right to store materials thereon and to make such other reasonable use thereof as may be necessary to complete the Project, except that such use by the Declarant may not interfere with the Unit Owners' use and enjoyment of their Units and the common areas, nor with their rights of ingress and egress to their Units and the common areas from a Public way.

ARTICLE VI

MECHANICS' LIENS

6.1 Mechanics' Liens.

A. Labor performed, or services or materials furnished for the Project, if duly authorized by the Association, shall be deemed to be performed or furnished at the express consent of each Owner. Any Owner may remove his Condominium from a lien against two or more Condominiums, or against the Common Elements or a portion thereof, by payment to the holder of the lien of the fraction of the total sum secured by such lien, which is attributable to his Condominium.

B. In the event a lien arises from work or materials furnished for use and incorporated in any Unit with the consent of or at the request of the owner thereof or his agent or his contractor or subcontractor, and not requested by the

Association, such Owner shall indemnify, defend and hold harmless all other Owners and the Association from, and against, any liability or loss arising from the claim of any such lien. In no event shall the claim of any such individual lien be the basis for the filing of a lien against a Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements, except as to the undivided interest therein appurtenant to the Condominium Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished.

ARTICLE VII

USE RESTRICTIONS

7.1 Residential. The Owner of a Unit shall occupy and use his Unit as a single-family private dwelling for himself the members of his family, and his social guests for residential purposes only. No Unit shall be used for any business, manufacturing or commercial purpose whatsoever, unless designated as such on the Condominium Map; provided, however, if the appropriate zoning so allows and if proper written approval of the Association is obtained, an Owner may use a specifically designated portion of his Unit as a home business office, which approval may thereafter be with-drawn or terminated by the Association at any time.

7.2 New Construction. All buildings or structures erected upon the property shall be of new construction, and no buildings or structures shall be moved from other locations onto said property, and no subsequent buildings or structures, other than apartment home buildings, being single family Units joined together by a common exterior roof and foundation, shall be constructed. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any portion of said property at any time as a residence, either temporarily or permanently.

7.3 Common Elements. Common Elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Condominium Units. There shall be no obstruction of the General Common Elements, nor shall anything be kept or stored on any part of the General Common Elements without the prior written consent of the Association, except as specifically provided herein. The General Common Elements shall not be altered, constructed upon, or removed except upon the consent of the Association.

7.4 Prohibitions. Nothing shall be done or kept in any Unit, or in the Common Elements, or any part thereof,

which would result in the cancellation of any insurance on the project, or in any increase in the rate of any insurance on the project, without the prior written consent of the Association. No activities shall be permitted upon any portion of the project which will violate the provisions of any applicable statute, rule, ordinance, regulation permit, or other validly imposed requirement of any governmental body. No nuisance shall be allowed upon the property, nor shall any use or practice be allowed which is a source of annoyance to residents, or which interferes with the peaceful possession and proper use of the property by its residents. No damage to or waste of the Common Elements, or any part thereof, shall be committed by any Owner, or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against any loss resulting from any such damage or waste caused by him, the members of his family, guests or invitees.

7.5 Exceptions. Notwithstanding any provisions herein contained to the contrary, it shall be permissible for Declarant, or any contractor involved in the construction of said Condominium Units, or in the development of the project, to maintain during the period of construction and sale of said Units, upon such portion of the premises as are reasonably necessary, such facilities as may be reasonably required, convenient or incidental to the construction and sale of said Condominium Units, and to the development of the Project, including, but without limitation to, a business office, storage area, equipment, construction yards, signs, model units, and sales office, except that such use by the Declarant or his building contractor may not interfere with the Unit Owners' use and enjoyment of their homes and the common area, nor with their right of ingress and egress to their homes and the common area from a public way. If the Declarant or his building contractor use the common area as set forth above, the Declarant shall at his own expense, restore said common area to as good or better condition than he found it.

7.6 Animals. No animals, livestock, poultry, or bees of any kind shall be raised, bred or kept in any of said Units except that dogs, cats or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose, and not kept in such number or in such manner as to create a nuisance to other Owners. The Association may initiate such rules as it deems advisable for the control of domestic pets.

7.7 Restrictions. All clothes lines, equipment, garbage cans, service yards, wood piles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from the view of neighboring Condominium Units and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon.

7.8 Maintenance. Each Owner shall keep the interior of his Unit in a clean, sanitary and attractive condition and in a good state of repair, and shall keep the Limited Common Elements designated for use in connection with his Unit in a clean, sanitary and attractive condition.

7.9 Outside Structures. No exterior television or radio antennae of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property, other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna, without the prior written approval and authorization of the Association.

7.10 Structural Alterations. No Owner shall make any structural alterations to any Unit, or the Common Elements, nor do any act, nor allow any condition to exist which will adversely affect the other Units or their Owners; and no building, fence, wall or other structure shall be commenced erected or maintained upon the property, nor shall any exterior addition to, or change or alteration therein be made until the plans and specifications showing the nature, shape, height, material and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and typography by the Association, or by an architectural committee composed of three or more representatives appointed by the Association.

7.11 Commercial Vehicles. No commercial vehicles and no trucks shall be parked on any road within the Project except when temporarily engaged in transport to or from a Condominium Unit. For the purpose of this Section 7.11, a 3/4-ton or smaller vehicle commonly known as a pickup truck, shall not be deemed to be a commercial vehicle or truck.

7.12 Abandoned Vehicles. No abandoned vehicles shall be stored or parked upon any part of the Project. In the event that the Association shall determine that a vehicle is an abandoned vehicle, then a written notice describing the vehicle will be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or will be conspicuously placed upon the unused vehicle (if the owner thereof cannot be reasonably ascertained), and if the unused vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof. For the purpose of this Section, an "abandoned vehicle" is any automobile, truck, motorcycle, motor bike, boat, trailer, camper, motor home, housetrailer or other similar vehicle which has not been driven under its own propulsion, or has not been moved for a period of ten (10) days or longer.

7.13 Signs and Advertising. No signs, advertising, billboards, unsightly objects or nuisances shall be placed, erected or permitted to remain in or on any Condominium Unit, nor shall any Condominium Unit be used in any way or for any purpose which may endanger the health, safety or life of any person, or which may unreasonably disturb the other Owners. The foregoing provisions of this Section shall not apply to any reasonable signs, advertising or billboards erected by the Declarant in connection with its sale or rental of Condominium Units, or otherwise.

ARTICLE VIII

ASSOCIATION MEMBERSHIP

8.1 Membership. Every Owner shall be a member of the Association, and shall remain a Member until such time as his ownership ceases for any reason. When more than one person holds title to a Condominium Unit, all such persons shall be Members of the Association, but such multiple or joint ownership shall not increase the voting percentage appurtenant to such Unit. Membership in the Association shall not be transferred, except in connection with the transfer of a Condominium. However, the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium.

8.2 Voting Rights. The Association shall have one class of membership. Voting shall be based upon each Unit Owner's percentage ownership in the General Common Elements as set forth in Exhibit D hereto. When more than one person holds an interest in a Condominium Unit, they may appoint one of their co-Owners as proxy, to cast the vote for that Condominium Unit. The vote for such Condominium Unit shall be cast as the Owners thereof agree, but in no event shall they cast a vote in excess of their percent ownership in the Common Elements on any one question. If the Owners of such Condominium Unit cannot agree as to the manner in which their vote shall be cast when called upon to vote, then they will be treated as having abstained. Notwithstanding anything contained herein to the contrary, during the development and initial sales period, the Declarant shall be responsible for the administration of the Condominium, to include the appointment of the members of the Board of Directors of the Association, and the Association will not begin to function through its other Members until such time as the Declarant shall have conveyed to the respective purchasers at least seventy-five percent (75%) of the Units. During this period, each Owner shall retain all other rights and obligations of membership in the Association.

ARTICLE IX

ASSOCIATION FUNCTIONS

9.1 Management. The management and operation of the Project shall be by the Association which shall be organized

and shall fulfill its functions pursuant to this Declaration, the Articles of Incorporation, the By-Laws, and the Condominium Ownership Act of the State of Colorado.

9.2 Common Elements. The Association, subject to the rights of the Owners as set forth elsewhere in this Declaration, shall be responsible for the management, control, operation, maintenance and repair of the Common Elements and all improvements thereon, including the landscaping constituting part of the Common Elements. Notwithstanding the duty of the Association to maintain, clean, paint, landscape, repair and replace all, or part, of the common areas, the Association shall not be liable for injury or damage caused by any owner or other persons. The Association shall establish and maintain, out of the monthly installments of the Annual Assessments, an adequate reserve account for replacement of the Common Elements, along with a working capital fund for the initial months of operation equal to a minimum of two (2) months' estimated common area charges for each Unit.

9.3 Management Delegation of Duties. The Association may enter into a contract with any person or entity who might have a conflict of interest between such management contract and their other interests in Three Seasons Condominium Owners Association, Inc., for the purpose of managing the Project or performing any of the Association's obligations, including providing any services, labor, materials or supplies necessary for the maintenance, repair, replacement, alteration, rental of Condominium Units, or operation of the Project. Any management agreement entered into by the Association shall be in writing, shall be terminable without cause and without payment of a termination fee by the Association upon thirty (30) days written notice thereof, and shall not have a term in excess of one (1) year, which may be renewable by agreement of the parties or successive one (1) year periods. The Association may also obtain and pay for the legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. Compensation for such management and services shall be paid as a common expense of the Association out of the Annual Assessments and not in lieu thereof, or in addition thereto.

9.4 Promulgation of Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the common areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration.

9.5 Enforcement of Rules and Regulations. The Association shall have the power and authority and duty to enforce each and every one of the provisions of this Declaration and the rules and regulations, including the duty and power to commence and maintain an action to enjoin any breach or

threatened breach of any of the provisions hereof, and enforce any assessment lien and to pay all costs of any such action or other enforcement procedure. In connection herewith, the Association may suspend any owner's voting rights in the Association during any period during which such owner fails to comply with the duly adopted rules and regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

ARTICLE X

RECREATIONAL FACILITIES

10.1 Initial Facilities. A swimming pool and other recreational facilities are located upon the property as a part of the Common Elements. Said facilities shall be for the use of the Owners, which use shall be non-exclusive. Each Owner, by accepting a Deed to a Condominium Unit agrees to pay his proportionate share of the maintenance for the swimming pool and other recreational facilities and perform his proportionate share of all other obligations pertaining to the operation thereof.

ARTICLE XI

ASSESSMENTS

11.1 Agreement to Pay Assessments. The Declarant for each Unit owned by it within the property, and each other Owner of any Unit, by the acceptance of a Deed therefor, whether or not it shall be so expressed in said Deed, hereby covenants and agrees to pay to the Association annual and special assessments as established from time to time as provided in this Declaration. Such assessments, together with interest thereon shall be fixed, established and collected in the manner hereinafter provided.

11.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, enjoyment, health, safety and welfare of the Owners of the Units, and for the management, operation, cleaning, repair, care, maintenance, improvement and alteration of the Common Areas situated upon the Property.

11.3 Annual Assessments. The total of the annual assessments against all Condominium Units shall be based upon the estimated expenses connected with the management, control, operation, (including legal and accounting fees), maintenance and repair of the Common Elements including the recreational facilities. The Limited Common Elements shall be maintained as General Common Elements and Owners having exclusive use thereof shall not be subject to any special charges or assessments; provided, however, that nothing herein shall in any way affect an Owner's obligations

to maintain the Limited Common Elements appurtenant to that Owner's Condominium Unit as set forth in Article 13 of this Declaration.

A. The total annual assessments against all Condominium Units, including those owned by Declarant, shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year, which sum shall specifically include, but shall not be limited to (a) expenses of management; (b) taxes and special assessments (until the Condominium Units are separately assessed as provided in Article II hereof); (c) premiums for all insurance which the Association is required or permitted to maintain as provided in Article XIII hereof; (d) common lighting, heating and other utility charges, water charges, trash collection and sewer service charges; (e) landscaping and care of the grounds; (f) repairs and maintenance; (g) wages for Association employees; (h) legal and accounting fees; (i) Any deficit remaining from a previous assessment year; (j) the creation of reasonable contingency reserves, surpluses and sinking funds and (k) any other costs, expenses and fees, which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

B. Assessments for the estimated common expenses shall be payable in advance in regular monthly installments on the first day of each month. The Association shall cause to be prepared, delivered or mailed to each Owner, at least once each year, a payment statement setting forth the estimated common expense assessment.

C. The Board of Directors of the Association shall set the annual assessment under the formula set forth hereinabove.

11.4 Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of deferring, in whole or in part;

A. The cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto; or

B. The expense of any other contingencies or unbudgeted costs; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Elements owned by each. The Association,

after due notice and hearing, shall also have the authority to establish and fix a special assessment upon any Unit to secure the liability of the Owner of such Unit to the Association for any breach by such Owner of any of the provisions of this Declaration, which breach shall require an expenditure by the Association for repair or remedy. Special Assessments may be billed or collected on a monthly basis. The above-mentioned liability of any Owner is to be established as set forth in this Declaration.

11.5 Notice for Any Action Authorized Under Paragraph 11.4. Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 11.5 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Said notice shall specify the amount of the assessment and the date or dates of payment of the same. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Each annual or special assessment shall bear interest at the rate of six percent (6%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. All payments on account shall be first applied to interest and then to the assessment payment first due. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium for such assessment, but the date when payments shall be due in such a case shall be deferred to a date after such notice shall have been given.

11.6 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Unit on the first day of the month following the conveyance of the first Unit by Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Contributions for monthly assessments shall be prorated if the ownership of the Condominium Unit commences on a day other than the first day of a month. The Board of Directors of the Association shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors, and unless

otherwise provided, the Association, or its assigns, shall collect each month from the Owner of each Unit one-twelfth (1/12) of the annual assessment for such Unit. The Association shall upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid. Said certificate shall be conclusive evidence of the payment of any assessments therein stated to have been paid.

If the First Mortgagee on any Condominium Unit requires that the Owners thereof make monthly payments in escrow with the First Mortgagee for any assessment charges applicable to such Condominium Unit, then such Owners may make such monthly payments into such escrow reserves, rather than making payment of the same to the Association.

11.7 Liens for Assessments.

A. Thirty (30) days after any special or annual assessment shall be due and payable, if unpaid or otherwise unsatisfied, the same shall become delinquent, and together with interest thereon, at the rate of six percent (6%) per annum, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

B. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and, in case of multiple Owners of a Condominium Unit, each Owner shall be jointly and severally liable personally for each such assessment. The Owner's grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of a transfer, but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

The Association may bring an action at law against the Owner personally obligated to pay the delinquent installments. In addition to such action or as an alternative thereto, the Association may file with the Clerk and Recorder of Gunnison County a statement of lien with respect to the property, setting forth the name of the Owner, the legal description of the property, the name of the Association and the amount of delinquent assessments then owing, which statement shall be duly signed and acknowledged by an officer of the Association, and which shall be served upon the Owner of the property by mail to the address of the property or at such other address as the Association may have in its records for the Owner of the property. Such a claim of lien shall also secure all assessments which come due thereafter until the lien,

together with all costs, penalties and interest have been fully paid or otherwise satisfied. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the statement of lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado (such lien shall be in favor of the Association and shall be for the benefit of all other Unit Owners). The holder of the First Mortgage lien on a Unit who comes into possession of the Unit, by virtue of foreclosure of the mortgage, or by Deed or assignment in lieu of foreclosure or any purchaser at a foreclosure or judicial sale, will take this Unit free of any claims for unpaid assessments and charges against the Unit, which accrue prior to the time that such holder comes into possession of the Unit, except for claims for pro rata shall, if such assessment or charges result from a pro rata reallocation of such assessment or charges to all Project Units, including the mortgaged Unit. The lien of the assessments provided for herein shall be subordinate to the lien of any purchase money or home improvement loan, recorded First Mortgage (Deed of Trust), and to all other liens. However, the lien of such assessments shall be superior to any homestead exemption as now or hereafter may be provided by Colorado law and this clause constitutes a waiver of such homestead. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action the interest, costs, and reasonable attorney's fees with respect to the action. The Association acting on behalf of the Owners, shall have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common areas or abandonment of his Unit.

C. The Association shall report to any first lien holder of a Condominium Unit any default by the Unit Owner of said Unit of any of his obligations under this Declaration, the Articles of Incorporation or the Bylaws, including any unpaid assessments, not cured or paid within thirty (30) days after the same shall have become due; provided, however, that such first lien holder first shall have furnished to the Association written notice of its mortgage.

11.8 Assessment of Declarant. A Condominium Unit owned by the Declarant shall only be not assessed until such time as the Condominium Unit is completed, as evidenced by the issuance of a certificate of occupancy by the appropriate governmental authority and either; (a) conveyed by the Declarant to the first Owners thereof, or (b) leased by the Declarant for the first time. If the annual and special assessments levied by the Association, during the development

and initial sales period, shall not be sufficient in amount to allow the Association to reasonably maintain the Common Elements in good, clean, attractive, and sanitary condition, order and repair, then Declarant shall be responsible for the payment of such additional amount or amounts as may be necessary to so maintain the Common Elements; provided, however, that the foregoing shall not be interpreted to require Declarant to establish, or to pay over to the Association to establish reserves or reserve accounts for such maintenance of the Common Elements, in excess of the requirements of Article 9.2 hereof; and provided further, however, that the foregoing covenant of Declarant to be responsible for the payment of such additional amount or amounts shall automatically terminate, expire and become null and void at such time as Declarant shall have conveyed seventy-five percent (75%) of the Condominium Units to the first Owner. From and after that time, any Units owned by Declarant shall be assessed on the same basis as all other Units.

ARTICLE XII

MAINTENANCE AND REPAIR

12.1 Association's Responsibilities. The Association shall have the duty of maintaining and repairing all of the Common Elements; provided, however, that there shall be no additions, alterations or improvements of or to the General and Limited Common Elements requiring an expenditure in excess of FIVE THOUSAND AND NO/100 (\$5,000.00) DOLLARS in any one calendar year without prior approval of a majority of the Owners, except in the event of an emergency. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any General Common Element or common property. In addition to maintaining and repairing the Common Elements, the Association shall provide exterior maintenance upon each Unit which is subject to assessments hereunder as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, grass, walks and other exterior improvements, but not including the landscaping within the limited Common Areas, nor the lightbulbs, light fixtures, wiring, plumbing, vents, fixtures, ducts, screens and screendoors, glass surfaces, exterior door and window fixtures and other hardware which is for the exclusive use of one Unit. The Association shall engage and pay for all labor and materials as may be necessary for the work for which the Association is responsible. The Association and such persons as may be engaged by the Association for such purposes shall have the right to enter upon the exterior, and at reasonable times, the interior of any Unit, for the performance of such work. Any incidental damage caused to a Unit by such work, shall be promptly

repaired at the expense of the Association. In the event that the need for maintenance or repair is caused by the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of, the assessment to which such Unit is subject.

12.2 Owner's Responsibilities. For purposes of maintenance, repair, alteration and remodeling, Owner shall be deemed to own the interior nonsupporting walls, floors and ceilings, the materials, such as, but not limited to, plaster, gypsum dry wall, paneling, woodwork, wallpaper, paint, carpet, wall and floor tile and flooring, but not including the subflooring, making up the finished surfaces of the perimeter walls, ceiling and floors within the Unit, including all doors and windows. Maintenance, upkeep, and repairs of any screens and screen doors, exterior doors and window fixtures, including green house type windows, and other hardware shall be the sole responsibility of the individual Owners of the Unit appurtenant thereto, and not in any manner the responsibility of the Association. The Owner shall not be deemed to own lines, pipes, wire conduits or systems (which for brevity are herein and hereafter referred to as "utilities") running through his Unit which serve one or more other Units, except as a tenant in common with the other Owners. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Association. Such right to repair, alter and remodel is coupled with 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 repair the interior of his own Unit, including all fixtures, equipment, and appliances therein. All utilities installed within the Unit, commencing at a point where said utilities enter the Unit, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of any building or impede any easement or right-of-way. An Owner shall also keep the patio area, driveways and the landscaping appurtenant to his own Unit in a clean and sanitary condition. All other maintenance or repairs to any Limited Common Elements, except as caused or permitted by the Owner's negligence, misuse, or neglect thereof shall be a common expense of all of the Owners. It shall further be the responsibility of the Owner to promptly report to the Association any defect or need for repairs which would be the responsibility of the Association.

ARTICLE XIII

INSURANCE

13.1 Authority to Purchase. All insurance policies

upon the Condominium property (except title insurance and as hereinafter allowed) shall be purchased by the Association for the benefit of the Association and the Owners and their respective mortgagees as their interest may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the holders of First Mortgages on the Units or any of them, and if insurance companies will agree, shall provide that the insurer waives its right of subrogation as to any claims against Owners, the Association, and their respective servants, agents and guests. All such policies and endorsements thereon shall be deposited with the insurance trustee.

13.2 Owners. It shall be the responsibility of the Owners, and at their expense, to make arrangements in regard to title insurance on their Condominium Unit, for hazard insurance on their personal property and furnishings, and for public liability insurance covering their individual Unit, and, in addition, the Owner may obtain such other and additional insurance coverage on and in relation to his Condominium Unit as he, in his sole determination, shall conclude to as desirable; provided, however, that none of such insurance coverage obtained by an Owner shall affect any insurance coverage obtained by the Association, nor cause the diminution or termination thereof. Any such insurance obtained by the Owner shall waive the particular insurance company's right of subrogation against the Association and the other Owners.

13.3 Coverage.

A. Casualty. All buildings and improvements upon the land and all personal property included in the Common Elements shall be insured in an amount equal to One Hundred Percent (100%) of the replacement value thereof, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

1. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement.

2. Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to, vandalism and malicious mischief.

3. Such insurance shall specifically cover and include the bathroom and kitchen fixtures initially installed in all of the Units by the Declarant, but not including wall coverings, fixtures, furniture, furnishings, or other personal property supplied or installed by Unit Owners.

B. Public Liability. Public Liability and property damage in such amounts and in such forms as shall be required by the Board of Directors of the Association, and as required

by the mortgagee, including, but not limited to, hired automobile and non-owned automobile coverages, legal liability and off-premises employee coverages.

1. In no event shall the limits of such insurance be less than \$500,000 for bodily injury to any one person, per occurrence, and \$1,000,000 covering all claims for bodily injury arising out of any one occurrence and \$50,000 for property damage arising out of any one occurrence. However, such policy shall not cover the individual liability of a Unit Owner arising from occurrences within his own Unit.

C. Cross-Liability Endorsements. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Owners as a group to an Owner, and with the insurer's waiver of subrogation as to any claims against the Board of Directors, the officers, and the manager.

D. Workmen's Compensation. Workmen's Compensation, or similar insurance with respect to its employees in the amounts and forms sufficient to meet the requirements of law, shall be acquired by the Association.

E. Officers' and Directors' Personal Liability Insurance. To the extent obtainable, appropriate officers' and directors' personal liability insurance shall be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors in behalf of the Association.

F. Fidelity Insurance. The Association shall purchase, in an amount no less than One Hundred Fifty percent (150%) of the Association's estimated annual operating expenses and reserves, fidelity coverage against dishonesty of employees, destructory or disappearance of money or securities and forgery. Said policy shall cover any person or entity handling funds of the Unit Owners' Association, including, but not limited to, employees of the professional managers and name the Unit Owners' Association as an obligee, and shall also contain endorsements thereto covering any persons who serve the Association without compensation.

G. Other Insurance. The Association may obtain such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable, with respect to the Association's responsibilities and duties.

13.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged as a common expense, to be paid by monthly assessments levied by the Association. Such payments shall be held in a separate trust account of the Association and used solely for the payment of the premiums for insurance hereinafter provided for as such premiums become due.

13.5 Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interests may appear and shall provide that all proceeds covering property losses shall be paid to the Association in trust for the purposes set out herein.

13.6 Responsibilities of Insurance Trustee. The duty of the Association shall be to receive such proceeds as are paid and to hold them in trust for the benefit of the Owners and mortgagees as follows:

A. Common Elements. All insurance proceeds resulting from damage to the common areas shall be held in trust for the Owners and the first mortgagees as their interest may appear.

B. Units. Proceeds on account of damages to Units shall be held for the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Owner, which costs shall be determined by the Association. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Owners shall be held in trust for the mortgagee and the Owner as their interests may appear.

C. Disbursement of Proceeds. The Association, as Insurance Trustee, shall disburse the net proceeds of all insurance policies arising out of such casualty to the contractors engaged in the repair and reconstruction in appropriate progress payments.

ARTICLE XIV

CONDEMNATION

14.1 Consequences of Condemnation. In the event all or any part of the Project shall be taken or condemned by any authority having the power to eminent domain, each Owner, together with the institutional holder of any First Mortgage on a Unit, shall be entitled to timely written notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. Unless otherwise provided by law at the time of such taking, any award, compensation, or other proceeds therefrom, the sum of which is hereinafter referred to as the "Condemnation Award" shall be payable to the Association, to be disbursed as hereinafter provided.

14.2 Complete Taking. In the event that the entire Condominium Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the estate and interest of each Owner of a Condominium Unit hereto shall terminate. The Condemnation Award shall be apportioned among the Owners on the same basis of each Condominium Unit Owner's interest in the Common Elements; provided, however,

that if a standard difference from the value of the property as a whole is employed as a measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares, the same standards shall be employed to the extent it is relevant and applicable. 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, in the same manner as provided in Article XIII.

14.3 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold, or otherwise disposed of in lieu thereof, or in avoidance thereof, the Owner shall be entitled to a share of the Condemnation Award, to be determined by the following provisions. As soon as practical, the Association shall reasonably, and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds, and shall apportion the amounts so allocated among the Owners, as follows: (a) the total amount allocated to taking of, or injury to, the Common Elements shall be apportioned among Owners on the basis of each Owner's undivided interest in the Common Elements; (b) the total amount allocated to severance damages shall be apportioned to the Owners of those Condominium Units which were not taken or condemned; (c) the respective amounts allocated to the taking of, or injury to, a particular Condominium Unit, or to improvements an Owner has made within his own Condominium Unit, shall be apportioned to the Owner of that particular Condominium Unit involved; and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances. 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. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective First Mortgagees.

14.4 Common Elements. If the taking is confined to the common areas on which improvements shall have been constructed, and unless at least ninety percent (90%) of the total vote of the Association shall decide within one hundred twenty (120) days after such taking not to replace said improvement or any part thereof, on the remaining land included in the common areas and according to plans heretofore approved by the Association, then the Board of Directors shall arrange for such replacement and the Association shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds as set

forth in Article XIII. If at least ninety percent (90%) of the total vote of the Association shall decide within one hundred twenty (120) days after such taking not to replace such improvements, or if the taking is confined to the common areas in which no improvements shall have been constructed, then the Association shall disburse the proceeds of the award in the manner herein provided.

14.5 Reorganization. If the partial taking includes one or more Units, the Owners thereof shall automatically cease to be Members of the Association and their ownership interest in the Common Elements shall terminate and vest in the Owners of the remaining Condominium Units. Thereafter, all related matters, including, but without limitation, alteration of the percentages of undivided interest of the Owners in the common areas shall be handled pursuant to, and in accordance with, the consent of all Owners (or such lesser number of Owners as may then be prescribed by the act for the purpose of altering the percentage of undivided interest of the Owners in the common areas) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within one hundred twenty (120) days after a taking of at least seventy percent (70%) of the Units, then such taking shall be treated as provided for in Article XVI hereof, whereupon the development will be terminated in the manner therein prescribed, unless otherwise provided by law.

ARTICLE XV

DAMAGE OR DESTRUCTION

15.1 Association as Attorney-In-Fact. All of the Owners irrevocably constitute and appoint the Association as their attorney-in-fact for the purpose of dealing with the Project if it is damaged or destroyed. Acceptance by any grantee of a Deed from the Declarant or from any Owner shall constitute such appointment. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction and no consent or other action by any Owner shall be necessary in connection therewith.

15.2 Estimate of Damage. As soon as practical, after an event causing damage to or destruction of any part of the Project, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repairs and reconstruction of that part of the Project so damaged or destroyed. The Association shall also provide the institutional holder of any First Mortgage with timely written notice of any such damage or destruction.

15.3 Repair or Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction.

1. As soon as practicable after receiving cost estimates, the Association shall diligently pursue to complete the repair or reconstruction of that part of the Project damaged or destroyed. Repair and reconstruction of the improvements means restoring the Project to substantially the same condition in which it existed prior to being damaged, with each Unit in the Common Elements having substantially the same vertical and horizontal boundaries as before.

15.4 Decision Not To Rebuild. Unless the Owners representing an aggregate ownership interest of ninety percent (90%) or more of the Common Elements, and all mortgagees agree not to rebuild in accordance with the provision set forth hereinafter, the Project shall be rebuilt. If the Owners representing at least ninety percent (90%) of the total vote of the Association are in agreement not to rebuild, but one or more mortgagees shall refuse to agree not to rebuild, the Association shall have the option to purchase such mortgages by payment in full of the amount secured thereby, which payment shall be taken into account upon distributing the shares of the proceeds of sale. The Association shall obtain the funds for such purpose by special assessments.

1. If the Owners and mortgagees agree not to rebuild as provided herein, the Project shall be sold and the proceeds distributed in the same manner as provided in the event of the total condemnation of the Project.

ARTICLE XVI

OBSOLESCENCE

16.1 Adoption of Plan. All the Owners of the Condominium Units may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction thereof, which plan must have the unanimous approval of all First Mortgagees on all Condominium Units at the time of the adoption of such plan. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the office of the Clerk and Recorder of Gunnison County, Colorado.

16.2 Sale of Obsolete Units. All the Owners of the Condominium Units may agree that the Condominium Units are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of all the First Mortgagees on all Condominium Units at the time such agreement is made. In such instance, the Association shall forthwith

record in the office of the Clerk and Recorder of Gunnison County, Colorado, a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the 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 Condominium Map and the Articles of Incorporation and By-Laws of the Association. Unless otherwise agreed in writing by all the Owners and First Mortgagees, the sale proceeds (and any insurance proceeds under Article XIII) shall be apportioned among the Owners in proportion to each Owner's undivided interest in the Common Elements and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. 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 such accounts, without contribution from one account to another, as follows:

(a) for payment of real property ad valorem taxes, special assessment liens duly imposed by a governmental subdivision and customary expenses of sale; (b) for payment of the balance of the lien of any First Mortgage; (c) for payment of unpaid Association assessments, interest, costs, late charges, expenses, and attorney's fees; (d) for payment of junior mortgages in the order of and to the extent of their priority and (e) the balance remaining, if any, shall be paid to the Owner of the Condominium Unit.

ARTICLE XVII

ARCHITECTURAL CONTROL

17.1 Approval. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties nor shall any exterior addition to or change or alteration therein, be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XVIII

MANAGEMENT CONTRACTS

18.1 Termination. Each and every management contract made between the Condominium Owners Association and a manager, or managing agent during the period when the Declarant or other developer controls the Association may be terminated no later than thirty (30) days after the termination of control by the Declarant or other developer of the Condominium Owners Association by the Condominium Owners Association. In the event the contract is not so terminated, it shall become binding upon the Association for the duration of its term. The provisions of this paragraph shall be contained, verbatim, in each and every of such management contracts.

18.2 Self Management. After Declarant has conveyed control of the Association to the Unit Owners, pursuant to Article VIII hereof, the Association may agree to terminate professional management as provided in Paragraph 18.1 and assume self-management of the Project; provided, however, that such agreement has the unanimous approval of all the First Mortgagees on all Condominium Units in the Project.

ARTICLE XIX

AMENDMENT OF DECLARATION

19.1 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land. Except as otherwise provided herein, once control of the Association is transferred from Declarant to the Members, this Declaration may be amended by an instrument in writing, signed by the Owners representing an aggregate ownership interest of not less than seventy-five percent (75%) of the Common Elements, and of the First Mortgagees owning First Mortgages on not less than seventy-five percent (75%) of the mortgaged Condominium Units, which amendment shall be effective upon recordation in the office of the Clerk and Recorder of Gunnison County, Colorado. Provided, however, that until such time as seventy-five percent (75%) of the Condominiums in the Project have been sold to Owners other than Declarant, earlier, each Owner by accepting a Deed to a Condominium, appoints Declarant his attorney-in-fact for purposes of amending this Declaration; but provided further, that no amendment to this Declaration shall discriminate against any Owner nor against any Unit, or group of Units, unless the Condominium Unit Owner so affected shall consent; and no amendment shall change any Unit nor the share in the Common Elements appurtenant to it, nor increase the Owner's share of the common expenses, unless the record Owner of the Condominium Unit concerned and all record Owners of mortgages thereon shall join in the execution of the amendment. Neither shall an amendment of this Declaration make any change

in the section entitled "Insurance," nor in the section entitled "Reconstruction or Repair," nor shall any other material amendments to this Declaration be made, unless the record Owners of all first mortgages upon Units in the Condominium Project shall join in the execution of the amendment.

ARTICLE XX

GENERAL PROVISIONS

20.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Articles of Incorporation and the By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto. Failure by the Association or by any Owner to enforce any covenant or restriction therein contained, shall in no event be deemed a waiver of the right to do so thereafter.

20.2 Period of Condominium Ownership. The separate Condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner herein provided.

20.3 Severability. The provisions of this Declaration shall be deemed to be independent and severable and if any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word, or the application thereof, in any circumstances be invalidated by judgment or Court Order, such invalidity shall not affect the validity of the remainder of the Declaration, which other provisions shall remain in full force and effect.

20.4 Conflict. In the event there should be any conflict between the provisions of this Declaration and the Articles of Incorporation of the Association and any By-Laws or rules or regulations of the Association, the provisions of this Declaration shall be deemed controlling. In case of conflict between the Articles of Incorporation and the By-Laws, the Articles of Incorporation shall control.

20.5 Number and Gender. 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.

20.6 Captions. The captions to the Articles and Sections are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of the Declaration nor the intent of any provisions hereof.

EXHIBIT "A"

A tract of land located in the SW1/4, SE1/4, Section 23, Township 13 South, Range 86 West, Sixth Principal Meridian, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, more particularly described as follows:

BEGINNING at a point from whence the South Quarter Corner of said Section 23 bears S70°55'W a distance of 477.0 feet;
 THENCE a distance of 111.05 feet along the arc of a curve to the right having a radius of 1,075 feet and a chord which bears N11°45'E a distance of 111.0 feet;
 THENCE a distance of 130.07 feet along the arc of a curve to the left having a radius of 292 feet and a chord which bears N1°23'E a distance of 129.0 feet;
 THENCE a distance of 268.84 feet, more or less, along the arc of a curve to the right having a radius of 240.0 feet and a chord which bears N20°32'E a distance of 255.0 feet, more or less, to a point on the westerly right-of-way line of the Crested Butte-Gothic County Road;
 THENCE along said right-of-way S22°56'01"E a distance of 222.7 feet;
 THENCE continuing along said right-of-way S14°41'40"E a distance of 162.1 feet;
 THENCE continuing along said right-of-way S13°01'15"E a distance of 159.03 feet;
 THENCE N81°45'16"W a distance of 281.79 feet, more or less to THE POINT OF BEGINNING.

NOTE: Being the same property conveyed to the Declarant herein by Deeds recorded in the following:

Book 533 at Page 832
 Book 534 at Page 106
 Book 534 at Page 108
 Book 534 at Page 110

EXHIBIT "B"
PERCENTAGE OF OWNERSHIP INTEREST
IN TAX ASSESSMENT AND LIABILITY

FIRST FLOOR

<u>Unit Designation</u>	<u>Percentage</u>
C-1	2.160
C-2	.760
C-3	.760
C-4	.560
C-5	.630
C-6	.777
C-7	.805
C-8	.792
C-9	.844
C-10	.805
C-11	.777
C-12	.887
C-16	.279
C-17	.535
C/R-1 also designated as R-136	1.6618
C/R-2 also designated as R-138	1.6618
C/R-3 also designated as R-140	1.6618
C/R-4 also designated as R-142	1.6618
R-131	1.6618
R-133	1.6618
R-135	1.6618
R-137	1.6618
R-139	1.6618
R-141	1.6618
R-143	.9694

BASEMENT

C-13	.766
C-14	.612
C-15	.385
C-18	.242

SECOND FLOOR

<u>Unit Designation</u>	<u>Percentage</u>
C-19	.372
R-201	1.6618
R-202	1.6618
R-203	1.6618
R-204	1.6618
R-205	1.6618
R-206	1.6618
R-208	1.6618
R-231	2.285
R-232	1.6618
R-233	1.6618
R-234	1.6618
R-235	1.6618
R-236	1.6618
R-237	1.6618
R-238	1.6618
R-239	1.6618
R-240	1.6618
R-241	1.6618
R-242	1.6618
R-243	.9694
R-244	.9694

THIRD FLOOR

C-20	.392
R-301	1.6618
R-302	1.6618
R-303	1.6618
R-304	1.6618
R-305	1.6618
R-306	1.6618
R-308	1.6618
R-331	2.285
R-332	1.6618
R-333	1.6618
R-334	1.6618
R-335	1.6618
R-336	1.6618
R-337	1.6618
R-338	1.6618
R-339	1.6618
R-340	1.6618
R-341	1.6618
R-342	1.6618
R-343	.9694
R-344	.9694

EXHIBIT "C"
OWNERS' PERCENTAGE OF UNDIVIDED INTEREST IN
THE GENERAL COMMON ELEMENTS

FIRST FLOOR

<u>Unit Designation</u>	<u>Percentage</u>
C-1	2.160
C-2	.760
C-3	.760
C-4	.560
C-5	.630
C-6	.777
C-7	.805
C-8	.792
C-9	.844
C-10	.805
C-11	.777
C-12	.887
C-16	.279
C-17	.535
C/R-1 also designated as R-136	1.6618
C/R-2 also designated as R-138	1.6618
C/R-3 also designated as R-140	1.6618
C/R-4 also designated as R-142	1.6618
R-131	1.6618
R-133	1.6618
R-135	1.6618
R-137	1.6618
R-139	1.6618
R-141	1.6618
R-143	.9694

BASEMENT

C-13	.766
C-14	.612
C-15	.385
C-18	.242

SECOND FLOOR

<u>Unit Designation</u>	<u>Percentage</u>
C-19	.372
R-201	1.6618
R-202	1.6618
R-203	1.6618
R-204	1.6618
R-205	1.6618
R-206	1.6618
R-208	1.6618
R-231	2.285
R-232	1.6618
R-233	1.6618
R-234	1.6618
R-235	1.6618
R-236	1.6618
R-237	1.6618
R-238	1.6618
R-239	1.6618
R-240	1.6618
R-241	1.6618
R-242	1.6618
R-243	.9694
R-244	.9694

THIRD FLOOR

C-20	.392
R-301	1.6618
R-302	1.6618
R-303	1.6618
R-304	1.6618
R-305	1.6618
R-306	1.6618
R-308	1.6618
R-331	2.285
R-332	1.6618
R-333	1.6618
R-334	1.6618
R-335	1.6618
R-336	1.6618
R-337	1.6618
R-338	1.6618
R-339	1.6618
R-340	1.6618
R-341	1.6618
R-342	1.6618
R-343	.9694
R-344	.9694

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal on the day and year first above written.

THREE SEASONS ASSOCIATES,
A General Partnership

By: [Signature]
General Partner

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

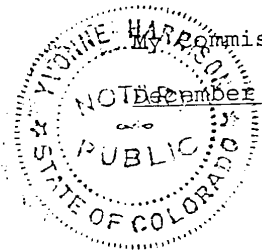
The foregoing instrument was acknowledged before me this 19th day of February, 1980, by JACK D. BLANTON, as General Partner of THREE SEASONS ASSOCIATES, a General Partnership.

WITNESS MY HAND AND OFFICIAL SEAL.

Thoune Harrison
Notary Public

My Commission Expires:

December 11, 1983



25th March A.D. 1980 at 3:55 P

Joanne M. Reitinger

348252

By Ruth Howard RECORDED

AMENDMENT TO CONDOMINIUM DECLARATIONS

THREE SEASONS CONDOMINIUM

THIS AMENDMENT TO CONDOMINIUM DECLARATIONS, THREE SEASONS CONDOMINIUM, made this 25th day of March, 1980, by THREE SEASONS ASSOCIATES, a Limited Partnership, duly organized and existing under the Laws of the State of Colorado, hereinafter called "Declarant," for itself, its successors, grantees and assigns,

W I T N E S S E T H:

WHEREAS, Declarant has previously established and recorded Condominium Declarations for the THREE SEASONS CONDOMINIUM pursuant to the provisions of the Condominium Ownership Act of the State of Colorado (Colorado Revised Statutes, 1973, 38-33-101 et seq and any amendment thereto), and

WHEREAS, Declarant has caused its original Condominium Declarations, dated the 19th day of February, 1980, to be recorded in Book 547 at Page 833 through 867, in the records of the Clerk and Recorder of Gunnison County, Colorado, on the 27th day of February, 1980, under Reception No. 348811, and

WHEREAS, Declarant desires to amend the initial Condominium Declarations pursuant to Article XIX, and

WHEREAS, for purposes of Article XIX, of the Condominium Declarations, less than seventy-five percent of the condominiums in the project have been sold, and

WHEREAS, the amendments contained herein are amendments pursuant to Article XIX, of the Condominium Declarations,

NOW, THEREFORE, Declarant amends the Condominium Declarations hereinabove referred to as follows:

All references to THREE SEASONS ASSOCIATES, a General Partnership, shall be amended to read THREE SEASONS ASSOCIATES, a Limited Partnership.

Section 1.6 of ARTICLE I is hereby amended to read as follows:

1.6. "Common Elements".

A. "General Common Elements" means a part of the Common Elements and includes the real property described on Exhibit A; the foundations, columns, girders, beams, supports, main walls, chimneys, roofs, skylights, halls, corridors, lobbies, stairs, basements, yards, gardens, sidewalks, walkways, paths, grass, landscaping, parking areas and storage spaces, installations of central services such as power, lights, gas, hot and cold water, heating, refrigerations, incinerating, and tanks, pumps, motors, fans, compressors, ducts, sidewalks, pathways, roads and streets located within the condominium project, and all apparatus and installations existing for common use and all other parts of the property necessary and convenient to the existence of the condominium project, its maintenance and safety, or

normally in common use including the air space above the property which is not within the respective Condominium Units, all of which shall be owned as tenants in common by the owners of the separate Units, each owner of a Unit having an undivided interest in the General Common Elements. General Common Elements shall include all tangible physical properties of this project, except Limited Common Elements and the Units.

Section 7.6 of ARTICLE VII is hereby amended to read as follows:

7.6 Animals. No animals, including household pets, livestock, poultry, or bees of any kind shall be raised, bred or kept in any of said Units, provided however, that the Association may initiate such rules as it deems advisable pertaining to household pets.

Sections 9.6 of ARTICLE IX is hereby added to the Declarations as follows:

9.6 Rental of Units.

A. Short Term Rental of Units. Short term rental of units may only be made by and through designated rental facilities provided by the Association under terms and conditions uniformly applicable to all owners.

B. Long Term Rental of Units. Owners of units may make arrangements for long term rental of their units either directly or through real estate brokers, provided however, that all such long term renters are registered with the Association prior to the commencement of the occupancy and agree to comply, and do comply with all rules and regulations governing the occupancy of units at the THREE SEASONS CONDOMINIUM and the utilization of the General Common Elements and Limited Common Elements. For purposes hereof, a long term rental is defined as a single term of occupancy pursuant to a written lease of not less than three months continuous duration. All lesser durations are to be deemed short term rentals which are governed by Section 9.6 A.

Sections 11.3, 11.5 and 11.7 of ARTICLE XI are hereby amended to read as follows:

11.3 Annual Assessments.

B. Assessments for the estimated common expenses shall be payable in advance in regular quarterly installments on the first day of each quarter. The Association shall cause to be prepared, delivered or mailed at least once each year, a payment statement setting forth the estimated common expense assessment.

11.5 Notice for Any Action Authorized Under Paragraph 11.4. Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 11.5 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Said

notice shall specify the amount of the assessment and the date or dates of payment of the same. At the first such meeting called, the presence of Members or of proxies entitle to cast sixty percent (60%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Each annual or special assessment shall bear interest at the rate of eighteen (18%) percent per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. All payments on account shall be first applied to interest and then to assessment payment first due. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium for such assessment, but the date when payments shall be due in such a case shall be deferred to a date after such notice shall be given.

11.7 Liens for Assessments.

A. Thirty (30) days after any special or annual assessment shall be due and payable, if unpaid or otherwise unsatisfied, the same shall become delinquent, and together with interest thereon, at the rate of eighteen percent (18%) per annum, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

Declarant ratifies and reaffirms the contents of the original Declarations referred to herein.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his and seal on the day and year first above written.

THREE SEASONS ASSOCIATES,
A Limited Partnership

By JACK D. BLANTON
General Partner

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The foregoing instrument was acknowledged by me this 25 day of MARCH, 1980, by JACK D. BLANTON, as General Partner of THREE SEASONS ASSOCIATES, A General Partnership.

WITNESS MY HAND AND OFFICIAL SEAL.

Frank P. Dickerson
Notary Public

My Commission expires:

4-7-81

339312

May

79

10:45

A. M. Joan M. Reitingen

By *Adrian Adams*

BOOK 533 PAGE 532

FILE
J.R.R.

STATE OF COLORADO

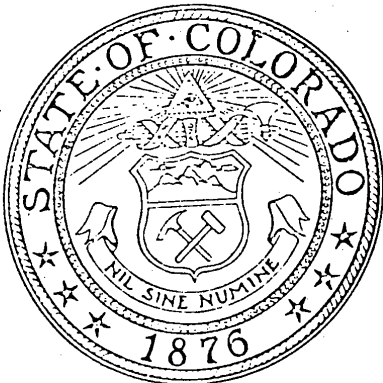


DEPARTMENT OF
STATE

CERTIFICATE

I, MARY ESTILL BUCHANAN, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF INCORPORATION TO THREE SEASONS CONDOMINIUM OWNER'S ASSOCIATION, INC., A NONPROFIT CORPORATION.



Mary Estill Buchanan
SECRETARY OF STATE

DATED: MAY 1, 1979

BOOK 533 PAGE 532

STATE OF COLORADO

FILE
J.R.R.



DEPARTMENT OF
STATE

CERTIFICATE

I, MARY ESTILL BUCHANAN, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF INCORPORATION TO THREE SEASONS CONDOMINIUM OWNER'S ASSOCIATION, INC., A NONPROFIT CORPORATION.



Mary Estill Buchanan
SECRETARY OF STATE

DATED: MAY 1, 1979



**SECOND AMENDMENT TO THE CONDOMINIUM DECLARATIONS FOR
THREE SEASONS CONDOMINIUM**

THIS SECOND AMENDMENT TO THE CONDOMINIUM DECLARATIONS FOR THREE SEASONS CONDOMINIUM shall be effective upon recordation and is made by **Three Seasons Condominium Owners' Association, Inc.**, a Colorado nonprofit corporation ("Association"). The Association hereby amends the Condominium Declarations for Three Seasons Condominium recorded on February 27, 1980 at Reception No. 348811 and the Amendment to Condominium Declarations Three Seasons Condominium recorded on March 25, 1980 in Book 548 at Page 789 in the office of the Gunnison County, Colorado Clerk and Recorder (collectively the "Declaration"), as follows:

1. **Article XIII of the Declaration is hereby amended by deleting Article XIII in its entirety and restating Article XIII as follows:**

ARTICLE XIII

INSURANCE

13.1 General. To the extent reasonably available, the Association and the Unit Owners shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described in this Article will not be maintained, the Executive Board shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners and first lien Security Interest holders at their respective last known addresses.

13.2 Property Insurance Coverage by Association.

A. The Association's property insurance shall cover:

1. 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;

2. All personal property owned by the Association; and

3. The Units, but not including the finished interior surfaces of the walls, floors, and ceilings of the Units or any personal property, fixtures, or equipment contained therein.

B. Personal property owned by the Association shall be insured for an amount equal to its actual cash value.

C. The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the community facilities and the actual cash value of the Association's personal property, and the cost of such appraisals shall be a Common Expense.

13.3 Property Insurance Coverage by Unit Owners. A Unit Owner's property insurance shall cover all items not covered by the Association's insurance policy, including but not limited to:



- A. The finished interior surfaces of the walls, floors, and ceilings of the Owner's Unit;
- B. Any and all personal property, fixtures and equipment within the Owner's Unit; and
- C. Damage to the Common Areas or other Units caused by the intentional or negligent act or omission of a Unit Owner or a Unit Owner's family, guests, tenants, invitees, or assigns; and
- D. Name the Association as an additional insured thereunder.

The Association has no liability for failure to maintain the insurance required of Unit Owners. Upon request, Unit Owners must furnish a copy of their insurance policies to the Association.

13.4 Liability Insurance.

A. *Association.* The Association's liability insurance, including medical payments insurance, shall be maintained in an amount determined by the Executive Board, but in no event shall it be less than \$1,000,000 per occurrence. This insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of, or in connection with, the use, ownership, or maintenance of the Common Elements and the activities of the Association.

B. *Unit Owners.* A Unit Owner's liability insurance, including medical payments insurance, may be maintained in an amount determined by the Unit Owner, but in no event shall it be less than \$300,000 per occurrence or such other amount determined by the Executive Board. This insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of, or in connection with, the Owner's use, ownership, or maintenance of his or her Unit and the Common Elements. The Association shall be named as an additional insured under a Unit Owner's liability insurance policy.

13.5 Directors' and Officers' Liability Insurance. The Executive Board may obtain and maintain directors' and officers' liability insurance covering the directors and officers of the Association. This insurance shall have policy limits as determined by the Executive Board.

13.6 Other Insurance. The Association may carry such other insurance that is not specifically addressed by this Declaration that the Executive Board considers appropriate to protect the Association.

13.7 Premiums. Insurance premiums for insurance carried, or to be carried, by the Association shall be a common expense, unless otherwise provided by this Declaration.

13.8 Owner's Right to Review Association Insurance Policies. The Association must make a copy of its insurance policies available for review by Owners to assess their personal insurance needs. Each Owner has the right to obtain additional insurance coverage at their own expense.

13.9 Source and Allocation of Proceeds. If insurance proceeds are not sufficient to defray the costs of reconstruction and repair (due to failure of the Association to maintain coverage as provided in this Declaration, or due to the insurance policy's deductible), the additional cost is a common expense. If, for any other reason, the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair, as determined by the Association, the additional costs shall



be assessed against the Owners of the Unit(s) damaged in proportion to the damage to the Units, or against all Owners in the case of insufficient funds to cover damage to the Common Elements. If there are surplus funds after repair and reconstruction is completed, those funds are common funds of the Association to be used as directed by the Association's Executive Board.

13.10 Claims and Adjustments by the Association. Any loss covered by an Association insurance policy is to be adjusted by the Association. The insurance proceeds for a loss are payable to the Association and not to any first lien holder. The Association must hold any insurance proceeds for the repair or restoration of the damaged property. The Association is not entitled to use insurance proceeds for other purposes unless there is a surplus after the damaged property has been completely repaired or restored.

13.11 Managing Agent's Insurance. The Association's managing agent, if any, must maintain insurance for the benefit of the Association, and must maintain and submit evidence of such coverage to the Association. Managing agent insurance must include professional liability or errors and omissions insurance, workers' compensation, unemployment and fidelity coverage (unless the Association otherwise provides fidelity coverage for its managing agent).

2. **Article XIX of the Declaration is hereby amended by deleting Article XIX in its entirety and restating Article XIX as follows:**

ARTICLE XIX

AMENDMENT OF DECLARATION

The covenants and restrictions of this Declaration shall run with and bind the land. The Declaration may be amended by an instrument in writing signed and acknowledged by the Association and which was voted upon or otherwise agreed to by Owners representing at least 67 percent (67%) of the aggregate ownership interest in the Common Elements. The procedure for amendment must follow the applicable provisions of § 38-33.3-217, Colorado Revised Statutes. No amendment to this Declaration shall discriminate against any Owner or against any Unit, or group of Units, unless the Condominium Unit Owner(s) so affected shall consent; and no amendment shall change any Unit or its share in the Common Elements appurtenant to it, or increase the share of an Owner's share in the common expenses, unless the record owner of the Condominium Unit concerned shall vote in favor and join in the execution of the amendment

[END OF AMENDMENTS – SIGNATURE PAGE FOLLOWS]

Signed this 8 day of 18, 2020.

**Three Seasons Condominium Owners' Association, Inc.,
a Colorado nonprofit corporation**

By: [Signature]
Jeff Steere, President

CERTIFICATION

I, Jeff Steere, serve as the President of Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation, and hereby certify that pursuant to § 38-33.3-217, C.R.S. and Article XIX of the Condominium Declarations for Three Seasons Condominium, the owners of Three Seasons Condominium Owners' Association, Inc. approved the foregoing Second Amendment to the Condominium Declarations of Three Seasons Condominium and such Second Amendment was properly voted on and adopted.

**Three Seasons Condominium Owners' Association, Inc.,
a Colorado nonprofit corporation**

By: [Signature]
Jeff Steere, President

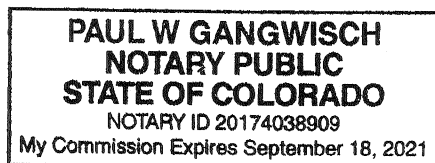
STATE OF Colorado Avapahoe PUG,
COUNTY OF Avapahoe) ss.

The foregoing SECOND AMENDMENT TO THE CONDOMINIUM DECLARATIONS FOR THREE SEASONS CONDOMINIUM and CERTIFICATION thereto was acknowledged and signed before me this 18th day of August, 2020, by Jeff Steere, as President of Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation.

My commission expires: Sept 18, 2021
WITNESS my hand and official seal.

(SEAL)

[Signature]
Notary Public



Gunnison County, CO
9/1/2020 11:15:47 AM
134

668946
Page 4 of 4
R 28.00 D 0.00





THIRD AMENDMENT TO THE CONDOMINIUM DECLARATIONS FOR THREE SEASONS CONDOMINIUMS

THIS THIRD AMENDMENT TO THE CONDOMINIUM DECLARATIONS FOR THREE SEASONS CONDOMINIUMS shall be effective upon recordation and is made by Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation ("Association"). The Association hereby amends the Condominium Declarations for Three Seasons Condominium recorded in the Gunnison County, Colorado real property records on February 27, 1980 at Reception No. 348811, the Amendment to Condominium Declarations Three Seasons Condominium recorded on March 25, 1980 in Book 548 at Page 789, and the Second Amendment to the Condominium Declarations for Three Seasons Condominium recorded on September 1, 2020 at Reception No. 668946 (collectively the "Declaration"), as follows:

1. Section 3.11 is hereby added to the Declaration as follows:

3.11 Deed Restriction Prohibition: A Unit may not be conveyed pursuant to, or made subject to, any of the following restrictions or requirements incorporated in a conveyance instrument, restrictive covenant, or easement, or by any other recorded instrument:

- A. A limit or prohibition on owner occupancy;
- B. A requirement that the owner or occupant be employed within a defined geographical area; and
- C. A requirement that the owner and/or occupant be employed by a specified employer;

This Section 3.11 shall not apply to Units that were subject to an above-described restriction as of the recording date of this Third Amendment.

2. Section 11.4.B of the Declaration is hereby deleted in its entirety and restated as follows:

B. Special assessments shall be assessed to Owners in proportion to each Owner's allocated interest (i.e. the Owner's percentage interest in the Common Elements as provided by Exhibit C to the Declaration). All covenants, rules, and laws applicable to the adoption of Association budgets shall also apply to the adoption of any special assessment by the Association.

3. Section 11.5 of the Declaration is hereby deleted in its entirety.

4. Section 11.7 of the Declaration is hereby deleted in its entirety and restated as follows:

11.7 Liens for Assessments. The Association's procedures for claiming liens for its delinquent assessments shall be as provided by applicable Colorado law and the Association's Collection Policy.



Except as amended hereby, the Declaration shall remain in full force and effect.

Signed this 7th day of February, 2022.

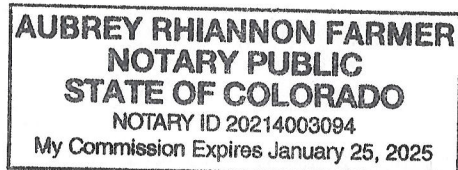
**Three Seasons Condominium Owners' Association, Inc.,
a Colorado nonprofit corporation**

By: [Signature]
Jeff Steere, President

STATE OF Colorado)
County of Arapahoe) ss.

The foregoing THIRD AMENDMENT TO THE CONDOMINIUM DECLARATIONS FOR THREE SEASONS CONDOMINIUM was acknowledged before me this 7th day of February, 2022, by Jeff Steere, as President of Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation.

WITNESS my hand and official seal.
(SEAL)



[Signature]
Notary Public



CERTIFICATION

I, Jeff Steere, serve as the President of Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation, and hereby certify that pursuant to § 38-33.3-217, C.R.S. and Article XIX of the Condominium Declarations for Three Seasons Condominium, the owners of Three Seasons Condominium Owners' Association, Inc. approved the foregoing Third Amendment to the Condominium Declarations of Three Seasons Condominium and such Third Amendment was properly voted on and adopted.

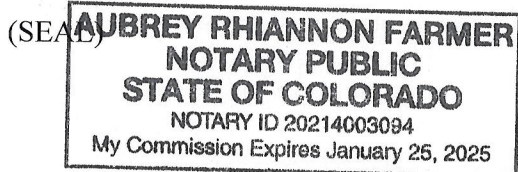
**Three Seasons Condominium Owners' Association, Inc.,
a Colorado nonprofit corporation**

By: [Signature]
Jeff Steere, President

STATE OF Colorado)
) ss.
County of Arapahoe)

The foregoing Certification was acknowledged before me this 7th day of February, 2022, by Jeff Steere, as President of Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation.

WITNESS my hand and official seal.



[Signature]
Notary Public