

ARTICLES OF INCORPORATION

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OF

14 APR '83

CHADLINGTON HOUSE CONDOMINIUM ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned in order to establish a non-profit corporation pursuant to the Colorado Non-profit Corporation Act hereby certifies:

ARTICLE I.

Name

The name of the corporation shall be:

CHADLINGTON HOUSE CONDOMINIUM ASSOCIATION

ARTICLE II.

Duration

The corporation shall have perpetual existence.

ARTICLE III.

Purposes

The corporation is established not for profit and its objects and purposes are:

1. To govern the condominium property situate in the Town of Mt. Crested Butte, County of Gunnison, State of Colorado, which is termed Chadlington House, a Condominium Project.

2. To constitute the association to which reference is made in the Condominium Declaration for Chadlington House, a Condominium Project, and to perform all of the rights, duties and obligations and to exercise all of the powers as specified in said Condominium Declaration.

ARTICLE IV.

Powers

The corporation shall have and may exercise all powers conferred upon non-profit corporations organized and existing under the laws of the State of Colorado.

ARTICLE V.

Members

1. The owner of a condominium unit in Chadlington House, a Condominium Project, upon becoming such owner, shall be entitled and required to be a member of the corporation and shall remain a member of the corporation for the period of ownership of a condominium unit.

2. The terms and conditions of membership shall be as set forth in the Articles and Bylaws of this Corporation and the Condominium Declaration of Chadlington House, a Condominium Project.

3. There shall be one class of members. The corporation may issue a certificate evidencing membership therein.

ARTICLE VI.

Board of Managers

1. The affairs of the corporation shall be managed by a board of managers.

2. The board of managers shall consist of not less than three nor more than five members, the numbers of managers, their term of office and the manner of their election shall be as set forth in the bylaws of the corporation.

3. Three managers shall constitute the initial board of managers and their names and addresses are as follows:

Donald R. Walker

Suite 200, 12700 Preston Rd.
Dallas, Texas 75230

Harrison F. Russell

Post Office Box 179
Gunnison, Colorado 81230

Fred Cozby

306 Whiterock Avenue
Crested Butte, Colorado 81224

4. Summit Investment Co., a Texas general partnership, the Declarant, by the terms of the Amended Condominium Declaration for Chadlington House, a Condominium Project, has reserved the right to name the board of managers until 75% of the condominium units have been sold and conveyed by the Declarant or for a period of three years after the first sale and conveyance of a condominium unit, whichever occurs first in time.

ARTICLE VII.

Registered Office and Registered Agent

1. The address of the initial registered office of the corporation is:

120 North Taylor Street
Post Office Box 179
Gunnison, Colorado 81230

2. The name of its initial registered agent at such address is:

Harrison F. Russell

ARTICLE VIII.

Bylaws

The initial bylaws of the corporation shall be adopted by the board of managers. The power to alter, amend or repeal the bylaws or adopt new bylaws shall be vested in the board of managers.

ARTICLE IX.

Incorporators

The name and address of the incorporator is as follows:


Name

Address

Harrison F. Russell

120 North Taylor Street
Gunnison, Colorado 81230

Executed this 4th day of April, 1983.

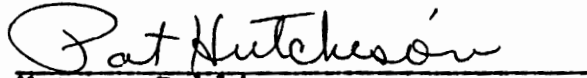

Harrison F. Russell

STATE OF COLORADO)
)
County of Gunnison) SS

The foregoing Articles of Incorporation were acknowledged before me this 4th day of April, 1983 by Harrison F. Russell.

Witness my hand and official seal.

My commission expires: *January 15, 1984*


Notary Public
Address of Notary Public:
Post Office Box 179
Gunnison, Colorado 81230

CHADLINGTON HOUSE,
a Condominium Project

This Amended Condominium Declaration is executed this 25TH day of FEBRUARY, 1983 at Gunnison, Gunnison County, Colorado by Summit Investment Co., a Texas general partnership, and constitutes an amendment in its entirety of the Condominium Declaration for Crystal Condominiums, dated April 23, 1979 and recorded May 23, 1979 in Book 533 at page 438, of the Gunnison County records. This amendment is executed pursuant to paragraph 21 of said Condominium Declaration for Crystal Condominiums recorded in Book 533 at page 438 of the Gunnison County records, all units within the condominium project now being owned by the Declarant and not having been conveyed to any other persons and being executed to change the name of Crystal Condominiums described in the Condominium Declaration recorded May 23, 1979 in Book 533 at page 438 of the records of Gunnison County, Colorado and the Condominium Map bearing Reception No. 339241 of the records of Gunnison County, Colorado, to Chadlington House, a condominium project, to bring the Condominium Declaration into compliance with the requirements of the Federal Home Loan Mortgage Corporation, and to induce certain lenders to make first mortgages pertaining to condominium units within the Chadlington House, a Condominium Project.

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1. STATEMENT OF INTENT AND PURPOSE:

1.1 Authority - This Condominium Declaration is executed to submit the real property as described in paragraph 2.14 to condominium ownership pursuant to Article 33, Title 38, Colorado Revised Statutes, 1973, as amended, and referred to as the "Condominium Ownership Act."

1.2 Intention - Declarant is the owner of the real property described in paragraph 2.14 and intends to provide for condominium ownership of said real property.

1.3 Purpose - To accomplish this purpose, Declarant executes this Condominium Declaration for Chadlington House, a Condominium Project, to define the character, duration, rights, duties, obligations and limitations of condominium ownership in the project.

1.4 Declaration - Declarant hereby declares that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the project and shall be binding upon and accrue to the Declarant, its successors and assigns and any person acquiring and holding an interest in the project, its grantees, successors, heirs, personal representatives, or assigns.

2. DEFINITIONS: The following definitions shall apply in this Condominium Declaration and the exhibits attached hereto unless the context shall expressly provide otherwise:

2.1 ASSOCIATION-means Chadlington House Condominium Association, a Colorado non-profit corporation, its successors and assigns, the Articles of Incorporation and the Bylaws of which govern the administration of the project.

2.2 BUILDING-means the buildings constructed on the real property.

2.3 COMMON ELEMENTS-means all of the project except the units.

2.4 COMMON EXPENSES-means and includes:

2.4.1 Expenses declared common expenses by provisions of this Condominium Declaration.

2.4.2 Expenses of administration, operation and management, maintenance, repair or replacement of the

2.4.3 All sums lawfully assessed against the common elements by the Board of Managers of the Association.

2.4.4 Expenses agreed upon as common expenses by the Association.

2.5 CONDOMINIUM MAP-means collectively the Condominium map of Crystal Condominiums filed May 23, 1979, and bearing Reception No. 339241, the records of Gunnison County, Colorado and the Amended Dedication thereof changing the name to Chadlington House, a condominium project, recorded March 4th, 1983 in Book 590 at page 439 of the records of Gunnison County, Colorado.

2.6 CONDOMINIUM UNIT-means a unit together with the undivided interest in the general common elements and the limited common elements appurtenant thereto.

2.7 DECLARANT-means Summit Investment Co., a Texas general partnership, its successors and assigns.

2.8 DECLARATION - CONDOMINIUM DECLARATION-means this Declaration, and any and all duly executed amendments, supplements or additions to this Declaration.

2.9 GENERAL COMMON ELEMENTS-means and includes all of the common elements except those portions thereof which constitute "Units" or "Limited Common Elements" and shall include:

2.9.1 The real property described in Exhibit "A" attached hereto.

2.9.2 The structural components of the buildings including the foundations, columns, girders, beams and supports of the buildings.

2.9.3 The exterior walls of the buildings, the main or bearing walls within the buildings and the main or bearing sub-flooring and roofs of the buildings.

2.9.4 All sidewalks, roads, driveways, yards, gardens and all automobile parking areas.

2.9.5 Any installations consisting of equipment and materials making up any central utility services.

2.9.6 In general, all apparatus and installations existing or provided for common use.

2.9.7 All other parts of the project, real property, and improvements necessary or convenient to its existence, maintenance and safety which are normal and reasonable in common use.

2.9.8 All property owned by the Association.

2.10 LIMITED COMMON ELEMENTS-means any common element designated and reserved for the exclusive use by the owner of a particular condominium unit or units, but less than all of the condominium units. By way of illustration, but not limitation, any balcony, terrace, porch, patio, stairs and storage area which is identified on the condominium map with the same designation by which a condominium unit is identified shall be a limited common element for the exclusive use of that condominium unit or units.

2.11 MORTGAGE-means any real estate mortgage, deed of trust, or security instrument by which a condominium unit is encumbered.

2.12 OWNER means a person, firm, corporation, partnership, association, or other entity, or any number of combinations thereof, owning a condominium unit.

2.13 PROJECT-means the real property and the building and all improvements and structures thereon, together with all rights, easements and appurtenances belonging thereto, submitted to condominium ownership by this Declaration and which may be subsequently submitted to condominium ownership under the terms of this Declaration or any Supplemental Declaration as is hereinafter provided.

2.14 REAL PROPERTY-means the real property situate in Gunnison County, Colorado as described in attached Exhibit "A" and incorporated herein by reference.

2.15 UNIT-means an individual air space unit, contained within the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows and doors of an air space unit as reflected on and described in the Condominium Map, together with all fixtures and improvements therein contained except for common utility facilities, the interior decorated or finished surfaces of such unit's interior walls, floors, ceilings, windows and doors, and the interior non-supporting or non-load bearing walls within the unit. The interior surfaces of a window or door means the points at which such surfaces are located when such windows or doors are closed.

The term does not include the undecorated or unfinished surfaces of the perimeter walls, floors or ceilings of a unit, any utility facilities running through the unit that serve more than one unit, any structural component of the building, or any other common element or part thereof located within the unit.

3. ESTABLISHMENT OF CONDOMINIUM OWNERSHIP: The project is hereby divided into twenty-two (22) condominium units as follows:

3.1 Twenty-two fee simple estates, each consisting of a separately designated unit, together with an undivided interest in the common elements appurtenant to such unit, and any limited common elements designated and reserved to such unit, as set forth on attached Exhibit "B", and incorporated herein by reference.

3.2 Subject to the limitations herein contained, any owner shall have the non-exclusive right to use and enjoy the general common elements and shall have the exclusive right to use and enjoy any limited common elements which may be designated on the condominium map for that owner's condominium unit.

4. INSEPARABILITY OF A CONDOMINIUM UNIT: Each unit and the undivided interest in the common elements, the easements appurtenant thereto and the exclusive use of the limited common elements designated for such unit shall together comprise one condominium unit which shall be inseparable and may be conveyed, leased, devised or encumbered only as a unit.

5. CONDOMINIUM MAP:

5.1 The condominium map shall be filed for record prior to the first conveyance of a condominium unit shown thereon.

Such map shall consist of and set forth the following:

5.1.1 The legal description of the real property and a survey thereof.

5.1.2 The linear measurements and locations, with reference to the exterior boundaries of the land, of the buildings and all other improvements built on said real property.

5.1.3 The floor and elevation plans of the buildings.

5.1.4 The appropriate designation and identification of all general common elements and limited common elements.

5.2 Declarant reserves the right to amend the condominium map from time to time, to conform the same according to the actual location of any of the improvements and to establish, relocate and vacate easements, access roads and parking areas. Declarant's right under this paragraph shall terminate upon the conveyance of all of the condominium units set forth on the condominium map to which reference is made, or within one year of the date of filing said condominium map.

5.3 As a part of the condominium map, there shall be filed for record a certificate of a registered land surveyor of the State of Colorado, certifying that the improvements as constructed conform substantially to the map, and that the map fully and accurately depicts the layout, measurements and location of all of the improvements on the real property; the condominium unit designations, the dimensions of such units and the elevations of the unfinished floors and ceilings.

5.4 In interpreting the condominium map or any part thereof, the existing physical boundaries of the units shall be conclusively presumed to be its boundaries.

6. DESCRIPTION OF CONDOMINIUM UNIT:

6.1 Every instrument affecting the title to any of the twenty-two condominium units under this declaration may describe said condominium units as follows, as applicable:

Unit _____, Building _____, Chadlington House, a condominium project, according to the Condominium Map bearing Reception No. 339241 of the records of Gunnison County, Colorado, and the Amended Dedication thereof and the Amended Condominium Declaration recorded March 4th, 1983 in Book 590 at page 440 of the records of Gunnison County, Colorado.

6.2 Such method of description shall be sufficient for all purposes to sell, convey, transfer, and encumber or otherwise affect the condominium unit and the undivided interest in the common elements appurtenant to the condominium unit and all

other appurtenant properties and property rights and incorporates all of the rights, duties, limitations and burdens incident to ownership of a condominium unit as described in this Declaration.

6.3 The reference to the Condominium Map and the Condominium Declaration in any instrument shall be deemed to include any supplements or amendments to the Condominium Map or the Condominium Declaration, whether or not specific reference is made thereto.

7. TITLE: A condominium unit may be held and owned by more than one owner as joint tenants or as tenants in common, or in any real property tenancy or estate recognized under the laws of the State of Colorado.

8. TERM OF OWNERSHIP: The separate estate of an owner of a condominium unit created by this Declaration shall continue until revoked in the manner contained in this Declaration or by operation of law.

9. NON-PARTITIONABILITY AND TRANSFER OF COMMON ELEMENTS: The common elements shall be owned in common by all of the owners of the units and shall remain undivided. By the acceptance of his deed or other instrument of conveyance or assignment, each owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the common elements. Each owner specifically agrees not to institute any action therefore. Furthermore, each owner agrees that this Section 9 may be pleaded as a bar to the maintenance of such an action. A violation of this provision shall entitle the Association to personally collect, jointly and severally, from the parties violating the same, the actual attorney fees, costs and other damages the Association incurs in connection therewith. Further, all owners, and the Association, covenant that, except as provided in Section 30, they shall neither by act nor omission, seek to abandon, subdivide, encumber, sell or transfer the common elements without first obtaining the written consent of 80% of the first mortgagees of the individual condominium units. Each such mortgagee shall have one vote for each mortgage owned by it. Any such action without the written consent of said mortgagees shall be null and void.

10. USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS: Each owner shall be entitled to exclusive ownership of his condominium unit. Each owner may use the general and limited common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners.

11. USE AND OCCUPANCY: The condominium units in the project shall be used and occupied solely for residential purposes by the owner, his family, guest, invitees and tenants. Such use and occupancy shall be subject to the provisions contained herein. This restriction as to residential use only, shall not apply to the Declarant, its agents, employees, invitees and assigns during the period of construction and sale of the condominium units. Specifically, and in addition thereto, the association may use any condominium unit which it owns or leases as a business office and/or a residence for any resident manager, or employee of the association.

12. EASEMENTS FOR ENCROACHMENTS: In the event that any portion of the common elements encroaches upon any unit or units, or in the event that any portion of a unit encroaches upon any other unit or units or upon any portion of the common elements, or in the event any encroachment shall occur in the future as a result of: (1) settling of a building; or (2) alteration or repair to the common elements; or (3) repair or restoration of a building(s) and/or a unit(s) after damage by fire or other casualty, or con-

demnation or eminent domain proceedings; a valid easement shall exist for the encroachment and for the maintenance of the same so long as the building(s) stands or encroachment exists. In the event that any one or more of the units or buildings or other improvements comprising part of the common elements are partially or totally destroyed and are subsequently rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements or on the units for purposes of marketability of title or other purposes. In the interpreting any and all provisions of the Declaration, subsequent deeds to and/or mortgages relating to condominium units, the actual location of a unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally, vertically or laterally from the location of such unit indicated on the condominium map.

13. RESERVATION FOR ACCESS-MAINTENANCE, REPAIR AND EMERGENCIES:

13.1 The owner of a unit shall have the irrevocable right, to be exercised by the Association, its officers, agents and employees, to have access to each unit and all common elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom, or at any hour for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the common elements or to another unit.

13.2 Damage to the interior or any part of a unit, except for owner installed or constructed improvements, resulting from the maintenance, repair, emergency repair or replacement of any of the common elements or as a result of emergency repairs within another unit at the direction of the Association, shall be a common expense of all of the owners; provided, however, that if such damage is caused by the negligence of the owner of the unit, his agents, employees, invitees or tenants then such owner shall be responsible and liable for all of such damage and the cost thereof shall be the owner's obligation and shall be immediately paid upon demand therefor.

13.3 All damaged improvements shall be restored substantially, to the extent reasonably practical, to the same condition in which they existed prior to such damage.

13.4 All maintenance, repairs and replacement of the common elements, whether located inside or outside of any unit (unless caused by the negligence, misuse or deliberate act of an owner, in which case such expense shall be charged to such owner), shall be the common expense of all of the owners.

14. SEPARATE ASSESSMENTS AND TAXATION - NOTICE TO ASSESSOR: The Declarant shall give written notice to the Assessor of the County of Gunnison, Colorado, of the creation of condominium ownership of this project, as provided by the Condominium Ownership Act of the State of Colorado, so that each condominium unit, together with its undivided interest in the common elements and limited common elements appurtenant thereto, shall be deemed a separate parcel and subject to separate assessment and taxation.

15. ASSESSMENTS AND TAXATION: Each condominium unit shall be separately assessed for all taxes and assessments of the State of Colorado, the County of Gunnison or any other political subdivision or district having authority to tax. For the purpose of such assessment, the valuation of the common elements shall be appor-

tioned among the condominium units in proportion to the undivided interest in the common elements appurtenant to such condominium units.

16. ASSOCIATION AS ATTORNEY-IN-FACT: This Declaration does hereby make mandatory and does constitute the irrevocable appointment of the Association as attorney-in-fact for the owner of every condominium unit for all purposes with respect to the project upon its damage, destruction or obsolescence.

17. AUTHORITY OF CHADLINGTON HOUSE CONDOMINIUM ASSOCIATION:

17.1 The title to any condominium unit is hereby declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or any prior owner shall constitute the appointment of the Association as the owner's attorney-in-fact for the purposes expressly set forth in this Declaration.

17.2 The Association, as attorney-in-fact, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other document with respect to the interest of the owner of a condominium unit for the purposes expressly set forth in this Declaration.

17.3 Each owner shall comply strictly with the provisions of this Declaration, any supplement or amendment hereto, the Articles of Incorporation and Bylaws of the Association and all decisions, resolutions, rules and regulations of the Association adopted in accordance with this Declaration and the Articles of Incorporation and Bylaws of the Association. Failure to comply with any of the same shall be grounds for an action to recover any amounts due, for damages or injunctive relief or both, together with reasonable attorneys' fees and costs, incurred in connection therewith, brought by the Association on behalf of the owners, or, in a proper case, by any aggrieved owner.

17.4 The Association shall have the duty of maintaining and repairing all of the common elements within the project. The cost of all such maintenance shall be a common expense of all of the owners. The Association shall not be required to obtain the prior approval of the owners to cause such maintenance or repairs to be accomplished, regardless of the cost thereof.

17.5 In addition to all other rights, duties privileges and liabilities of the Association, as provided by this Declaration and its Articles of Incorporation and amendments, the Association shall provide to the owners the following duties and services, all of which shall be paid as a part of the common expense assessments:

17.5.1 Maintenance, repair and restoration of the common elements, except only as otherwise provided.

17.5.2 Administration and management of the project.

17.5.3 The heating, lighting and other utility services for all common areas.

17.5.4 The obtaining and maintaining of all required insurance as hereafter provided.

17.5.5 The enforcement of all of the provisions of this Declaration and the Association's rules and regulations and the collection of all obligations and assessments owed to the Association by the owners.

17.5. To act as attorney-in-fact for the owners in accordance with this Declaration.

17.5.7 To perform all other acts required by this Declaration, or the Articles of Incorporation and Bylaws of the Association, or any amendments thereto.

17.5.8 In addition to the foregoing, the Association shall have the right to hire one or more persons including a managing agent to perform such services. No contract or agreement for the employment of a managing agent or professional manager for the project shall be for a term in excess of three years and any such agreement shall provide that the same may be terminated with or without cause and without payment of any termination fee on 90 days written notice.

17.6 The Bylaws of the Association, including any amendments thereto, shall comply with all statutory requirements of the State of Colorado in effect on the date of this Declaration or hereafter adopted.

18. ADMINISTRATION AND MANAGEMENT BY THE ASSOCIATION:

18.1 The administration and management of this project shall be governed by this Declaration and the Articles of Incorporation and the Bylaws of the Association. In the event of any conflict between or among the provisions of the Declaration (including all supplements thereto), the Articles of Incorporation or Bylaws of the Association, the following priorities shall govern such conflict:

18.1.1 The Declaration shall control over the Articles and Bylaws, and

18.1.2 The Articles shall control over the Bylaws.

18.2 The owner of a condominium unit, upon becoming such owner, shall be entitled and required to be a member of the Association and shall remain a member for the period of his ownership.

18.3 There shall be one membership in the Association for each condominium unit. Such membership shall be appurtenant to the condominium unit and shall be transferred automatically by a conveyance of the condominium unit to the new owner.

18.4 Each membership in the Association shall be entitled to cast a vote in accordance with the ownership interest of the general common elements appurtenant to that condominium unit as is provided in paragraph 3.1 of this Condominium Declaration.

18.5 No person other than an owner may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the condominium unit; provided however, that such membership may be assigned to the holder of a mortgage as further security for the loan secured by the lien of the mortgage holder upon the condominium unit.

18.6 The Association shall have the full power and authority to make all certifications required by the Federal Home Loan Mortgage Corporation regarding the extent of, and limitation upon, the rights, powers, and privileges of the Association hereunder.

19. OWNER'S MAINTENANCE RESPONSIBILITY OF UNIT:

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19.1 The owner of a condominium unit shall keep and maintain the interior of his unit, including, but without limitation, the interior walls, ceilings, floors, windows, glass and all permanent fixtures and appurtenances thereto in a good and proper state of repair and in a clean and attractive condition.

19.2 The owner shall not be deemed to own any utilities running through his unit which serve one or more other units except as tenants in common with the other owners. No utilities shall be altered, changed, relocated or disturbed without the prior written consent of the Association.

19.3 Such right to repair, alter and remodel shall carry the obligation to replace any finished materials removed with similar or other types or kinds of finishing materials.

19.4 All fixtures and equipment installed within the unit commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are referred to as "utilities") enter the unit shall be maintained and kept in repair by the owner thereof.

19.5 An owner shall neither perform nor permit any act or work that will impair the structural soundness or integrity of the building or impair any easement or utility.

20. REVOCAION OR AMENDMENT OF DECLARATION:

20.1 This Declaration shall not be revoked unless all of the owners and all of the holders of any recorded first mortgage covering or affecting any or all of the units consent to such revocation by an instrument(s) duly recorded in the records of Gunnison County, Colorado; except only as otherwise provided in paragraph 16 pertaining to the appointment of the Association as attorney-in-fact in the event of damage, destruction, obsolescence or condemnation of the project.

20.2 This Declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five (75%) or more of the general common elements, and the holders of any recorded first mortgages representing an aggregate of eighty (80%) of such first mortgages covering or affecting any or all units consent to such amendment by an instrument(s) duly recorded in the records of Gunnison County Colorado; provided, however, that the undivided interest in the general common elements appurtenant to each unit, as expressed in this Declaration, shall have a permanent character and shall not be altered without the consent of all of the owners and all of the holders of first mortgages, as above defined, as expressed in an amended Declaration duly recorded in Gunnison County, Colorado.

20.3 The consent(s) of any junior mortgage holders shall not be required under the provisions of this paragraph.

20.4 In determining the appropriate percentage approval of the holders of first mortgages, whenever such approval may be required for any action taken by the owners or the Association pursuant to this Declaration, each first mortgage shall have one vote for each first mortgage owned by it.

20.5 Notwithstanding the foregoing paragraphs, the Declarant hereby reserves and is hereby granted the right and power, until such time as all of the condominium units within

the project have been conveyed to third person purchasers, to record a special amendment to this Declaration:

20.5.1 To comply with any requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any successor thereto.

20.5.2 To induce any such agency or entity to make, purchase, sell, insure or guarantee first mortgages pertaining to any condominium unit in the project.

Such amendment shall only be effective upon compliance with the requirements of Section 20.2 hereof, and no such amendment made by the Declarant shall in any manner affect or impair the lien of a first mortgage upon a unit within the project or any warranty made by an owner or a holder of a first mortgage in order to induce any of the above named agencies or entities to make, purchase, insure, or guarantee the first mortgage on any owner's unit.

20.6 The provisions of paragraph 20.2 shall not be deemed to prohibit the right of the Declarant to supplement and enlarge the project and modify the undivided interest in the general common elements.

21. ASSESSMENT FOR COMMON EXPENSES BY THE ASSOCIATION:

21.1 The Declarant, for each condominium unit owned by it, and each owner of a condominium unit by the acceptance of a deed therefore shall be deemed to covenant and agree and shall be obligated to pay to the Association all assessments made by the Association for the purposes provided in this Declaration.

21.2 The assessments and expenses pertaining to the common elements and to the project as a whole shall be apportioned among all of the owners of condominium units, in accordance with their undivided interest in the general common elements as set forth in paragraph 3.1 hereof. The limited common elements shall be maintained as general common elements and the owners having use thereof shall not be subject to any separate charge or assessment therefor.

21.3 During the period of development of the project and until the sale of a condominium unit by the Declarant to a third person, the monthly assessments to be paid by the Declarant on such condominium units shall be based upon the actual cost and expense required to maintain that condominium unit's required share of the common expenses and shall not include any amounts necessary for contingencies, reserves or other funds not required for the cost of operating and maintaining the common elements on a day by day basis.

22. AMOUNT OF ASSESSMENTS FOR COMMON EXPENSES:

22.1 The annual assessments made for common expenses shall be based upon the advance estimate of the cash requirements by the Association to provide for the payment of all common expenses growing out of or connected with the maintenance and operation of the common elements, which sums may include, among other things, expenses of management, taxes and special assessments until the condominium units are separately assessed, premiums for all insurance which the Association is required or permitted to maintain, landscaping and care of grounds, common lighting and heating, repairs and renovations, trash collection, water system expenses, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the Articles of Incorporation and the Bylaws of

the Association any deficit remaining from a previous assessment, the creation of a reasonable contingency or other reserve or surplus fund and any other expenses and liabilities which may be incurred by the Association for the benefit of the owners..

22.2 The omission or failure of the Association to fix such assessment for any period shall not be deemed a waiver, modification or release of the owners from their obligation to pay the same.

22.3 In the event that the Association fails to pay any service charges imposed by a district providing services to it, each owner shall be personally responsible and liable for the required payments to such district, and the fact that the owner has already paid the Association therefore shall not exempt the owner from liability.

22.4 Each owner shall be obligated to pay all charges for any separately metered utilities servicing his condominium unit. In the event that any utility is master metered to the Association, then such utility service shall be a part of the common assessments as above provided.

22.5 The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of the common elements. The amount of such fund shall be determined by the Association and shall be funded through monthly payments of the common assessments and shall be held by the Association in a separate account, which may be an interest-bearing account, to be held in trust for the condominium unit owners for such purposes.

22.6 In addition to assessments for common expenses as above set forth, the Association may at any time and from time to time determine, levy and assess any special assessment for the purpose of paying, in whole or in part, the costs fees or expenses of any construction, reconstruction, repair, replacement or maintenance of the common elements or the project or any facilities located thereon. Such special assessment shall be assessed to each owner in accordance with his ownership interest in the common elements as set forth in attached Exhibit "B" and shall be due and payable in the manner set forth in the notice of such special assessment.

22.7 On the date of closing of the initial sale of each condominium unit within the project, pursuant to this Declaration there shall be paid to the Association by the unit purchaser a sum equal to two monthly assessments in accordance with the assessment schedule then in effect, which sum shall be deposited by the Association into the Association's separate reserve account as described in paragraph 22.5 hereof.

23. TIME OF PAYMENTS OF ASSESSMENTS FOR COMMON EXPENSES:

23.1 The assessments of the Association shall be computed and determined on a fiscal year basis.

23.2 Assessments shall be payable monthly in advance on or before the tenth day of each month by the owners of the units.

23.3 The Association shall give written notice to the owners of the units of the annual assessment, and shall deliver to each owner itemized quarterly statements.

23.4 If any such monthly payment is not paid within ten days after the date that it becomes due and payable, the Association may assess a "late charge" thereon in an amount