

FIRST AMENDED CONDOMINIUM DECLARATION

FOR

MOUNTAIN EDGE CONDOMINIUMS

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FOR

MOUNTAIN EDGE CONDOMINIUMS

RECITALS:

WHEREAS, ASPEN ACCOMMODATIONS, INC., a Colorado corporation acting as Declarant established a condominium project, known as the Mountain Edge Condominiums, pursuant to the Condominium Ownership Act of the State of Colorado, by filing for record in Gunnison County, Colorado beginning at Book 570, Page 566, on 13 July 1981, a Condominium Declaration ("the original Declaration"); and,

WHEREAS, the original Declaration provides at Page 7, paragraph 18, that the original Declaration may be AMENDED by agreement of the owners representing an aggregate ownership interest of seventy-five percent (75%) or more, of the general common elements; and,

WHEREAS, the original Declaration provides at Page 7, paragraph 18, that the original Declaration may be AMENDED without the consent of the holders of security interests in the condominiums when the amendment does not affect their rights; and,

WHEREAS, the owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the general common elements have hereunder set their hands and seals on the dates set forth; and,

WHEREAS, this AMENDMENT does not affect the rights of any holder of a security interest herein; and,

WHEREAS, the sole purpose of this AMENDMENT, is to enable the owners of condominium units in the Mountain Edge Condominiums to time-share their respective units, pursuant to Title 33 Article 38 of the 1973 Colorado Revised Statutes, as amended, subject to the recorded written approval of the holders of a security interest in each respective unit;

NOW, THEREFORE, it is agreed that the original Condominium Declaration is AMENDED and for simplicity and clarity this FIRST AMENDED DECLARATION supersedes and replaces the ORIGINAL DECLARATION.

DECLARATION:

1. DEFINITIONS. Unless the context shall expressly provide otherwise, the following definitions shall apply:

1.1 UNIT means an individual air space unit which is bounded by the unfinished interior surfaces of its perimeter walls, windows, doors, ceilings and bearing walls of such unit in the building as shown on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained but not including any of the structural components of the building, or common elements, if any, in such unit.

1.2 CONDOMINIUM UNIT means the fee simple interest and title in and to a unit, together with the undivided percentage interest in the general and limited common elements appurtenant to such unit.

1.3 TIME-SHARE CONDOMINIUM UNIT means a condominium unit committed to ownership by owners as tenants in common wherein each tenancy in common consists of an undivided percentage interest in the condominium unit and an appurtenant exclusive right to use, possess and occupy the same for a stated time interval, and being a "time-span estate" as defined in Section 38-33-110, C.R.S. 1973, as amended. A condominium unit shall become a time-share condominium unit upon the recording of the first conveyance of a time-share ownership interest in that condominium unit. After sale a condominium unit will continue to be a time-share condominium unit until all of the ownership interests therein are owned by the same owner.

The term "time-share condominium unit" is to identify the terms and conditions of the ownership thereof and shall not change nor alter the legal description of said unit as set forth on the Condominium Map or any other legal document.

1.4 TIME-SHARE CONDOMINIUM UNIT OWNER means a party having an ownership interest in a time-share condominium unit.

1.5 OWNERSHIP INTEREST means the separate fee simple ownership of a time-share condominium unit owner, consisting of a "time-span estate" as defined above, as a tenant in common in the time-share condominium unit. Such ownership shall be in the percentage as set forth on attached Exhibit "C" with the appurtenant exclusive right of use and occupancy for the time interval therein set forth.

1.6 TIME INTERVAL means a one week period for exclusive use and occupancy in a time-share condominium unit. Time intervals shall be consecutively numbered with time interval number one (1) to commence at 12:00 o'clock noon (local time) on the first Saturday in each year and to terminate at 12:00 o'clock noon (local time) on the succeeding Saturday. Additional time intervals up to and including time interval number 51 are computed in a like manner. Time interval number 52 contains the seven (7) days, commencing at 12:00 o'clock noon (local time) at the end of time interval number 51, together with the excess days not otherwise assigned to 12:00 o'clock noon (local time) of the Saturday commencing time interval number 1 of the succeeding year.

1.7 COMMON TIME INTERVALS means time intervals 18 and 46 as set forth on attached exhibit "C". Such common time intervals to be owned as a tenancy in common by the time-share condominium unit owners based upon their percentage of ownership in that time-share condominium unit.

1.8 COMMON FURNISHINGS means the personal property in a time-share condominium unit, including all furniture, tableware, cooking utensils, decorative items, wall furnishings and bedding as contained in the time-share condominium unit at the initial conveyance, and thereafter, from time to time augmented and changed by the time-share agent.

1.9 GENERAL COMMON ELEMENTS means and includes the land described in Exhibit "A" hereto, the structural components of the building, including but not limited to roofs, floors other than the interior surfaces thereof (and crawl spaces between the floors), foundation, pipes, ducts, flues, chutes, conduits, wires, and other utility installations to the outlets, bearing walls, perimeter walls, columns and girders, to the interior surfaces thereof, regardless of location; the balconies, walkways and parking areas, which are now or hereafter contained within the condominium project; all installation of power, lights, gas hot and cold water existing for common uses, and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance, and safety which are normally and reasonably in common use, including the air above such land, 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 percentage interest in such general common elements as is provided hereinafter.

1.10 LIMITED COMMON ELEMENTS means those parts of the general common elements which are either limited to or reserved for the exclusive use of the owners of one or more, but less than all, of the condominium units. "Common Elements" includes General Common Elements and Limited Common Elements.

1.11 CONDOMINIUM PROJECT means all of the land and improvements initially and subsequently within the purview of the Declaration.

1.12 COMMON EXPENSES means and includes expenses for maintenance, repair, operation, management and administration; expenses declared common expenses by the provisions of this declaration and under the Bylaws of Mountain Edge Condominium Association, and all sums lawfully assessed against the common elements by the Board of Managers of the Association.

1.13 ASSOCIATION OF UNIT OWNERS or ASSOCIATION means the Mountain Edge Condominium Association, Inc., a non-profit Colorado corporation, its successors and assigns, the Articles of Incorporation and Bylaws of which shall govern the administration of this condominium property, the members of which shall be all of the owners of the condominium units.

1.14 BUILDING means the building improvements containing units as shown on the Map or amendments and supplements thereto.

1.15 MAP or SUPPLEMENTAL MAP means and includes the engineering survey of the land locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land.

1.16 MORTGAGE means any mortgage, deed of trust, or other security instrument by which a Condominium Unit or any part thereof is encumbered.

1.17 MORTGAGEE means any person named as the Mortgagee or the beneficiary under any mortgage or deed of trust under which the interest of any Owner is encumbered.

1.18 OWNER means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, owning one or more Condominium Units; the term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2. CONDOMINIUM MAP. Prior to the first conveyance of a Condominium Unit, Declarants shall cause to be filed for record a Map. The Map may be filed for record in whole or in parts or sections, from time to time. Each section of the Map filed subsequent to the first or initially filed Map shall be termed a Supplement to such Map and the numerical sequence of such supplements shall be shown thereon. Each such Map shall depict and show at least the following:

2.1 The legal description of the land and survey thereof, the location of the building(s); the floor and elevation plans; the location of the units within the building, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements of a unit located within a building; and the building and unit designations.

2.2 The Map shall contain the certificate of a registered Colorado land surveyor or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the building, the units, the unit designations, the dimensions of the units, the elevations of the unfinished floors and ceilings, the building number or symbol, and that such Map was prepared subsequent to substantial completion of the improvements. Each Supplemental Map and/or any amendment shall set forth a like certificate when appropriate. In interpreting the Map the existing physical boundaries of each separate unit shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the constructed improvements, and to establish, vacate and relocate easements, access road easements and on-site parking areas.

2.3 Residential unit A-E-102 as hereby dedicated as employee housing under the following conditions:

2.3.1 Such unit shall be dedicated and used solely for the purpose of housing a resident manager or employees whose services are utilized in the operation and management of Mountain Edge Condominiums of Mt. Crested Butte and to the extent that such unit is not utilized by such employees, to any other persons employed within the Town of Mt. Crested Butte, Colorado.

2.3.2 Such unit is dedicated solely for the purpose of such resident manager or employee housing, so long as the same is (1) needed to house employees of the Mountain Edge Condominium project as determined by the association and (2) is required to be kept and maintained as employee housing by any ordinance of the Town of Mt.

Crested Butte, including Ordinance 10, Series 1979.

2.3.3 The Association shall keep and maintain the unit for such resident manager or employee housing as above required and upon the same no longer being required or needed for such purpose may utilize, sell or dispose of such unit in the same manner and method as any other property owned by the Association.

3. ESTABLISHMENT OF CONDOMINIUM OWNERSHIP AND TIME-SHARE CONDOMINIUM OWNERSHIP
The project is hereby divided into condominium units as follows:

3.1 Fee simple estates consisting of a separately designated condominium unit, together with an undivided interest in the common elements appurtenant to each unit, and any limited common elements designated and reserved to such unit, as set forth on attached Exhibit "B", and incorporated herein by this reference. Each unit shall be identified on the Map by number and building as shown on Exhibit "B".

3.2 A condominium unit shall become a time-share condominium unit upon compliance with the provisions pertaining to a time-share condominium unit and shall thereafter consist of an ownership interest therein as provided in this First Amended Condominium Declaration.

3.3 Subject to the limitations herein contained, any owner shall, during the period of permitted occupancy, have the non-exclusive right to use and enjoy the general common elements and shall have the exclusive right to use and enjoy and limited common elements which may be designated for the condominium unit or time-share condominium unit of such owner.

3.4 The undivided interest in the general common elements is subject to the right of the Declarant to enlarge, modify and supplement the project.

4. LIMITED COMMON ELEMENTS. A portion of the general common elements is reserved for the exclusive use of the individual owners of the respective units, and such areas are referred to as "limited common elements". The limited common elements so reserved shall be identified on the Map. Any balcony or balconies which are accessible only from within, associated only with and which adjoin a single unit shall, without further reference thereto, be limited common elements used in connection with such unit to the exclusion of the use thereof by the other owners of the general common elements, except by invitation. All of the owners of the condominium units in this condominium project shall have a non-exclusive right in common with all of the others to use of sidewalk, pathways, roads and streets located within the entire project, if any. No reference thereto, whether such common elements are exclusive or non-exclusive need be made in any deed, instrument of conveyance, or other instrument, and reference is made to the provision of paragraph 6 of this First Amended Declaration.

5. INSEPARABILITY OF A CONDOMINIUM UNIT.

5.1 Each condominium unit and the undivided fractional interest in the general and limited common elements and the easements appurtenant thereto shall together comprise one condominium unit which shall be inseparable and may be conveyed, leased, devised or encumbered only as a unit, except as otherwise provided herein.

5.2 Each ownership interest in a time-share condominium unit and the undivided fractional interest in the general and limited common elements and the easements and the time interval use, possession and occupancy appurtenant thereto shall together comprise an ownership interest in a time-share condominium unit which shall be inseparable and may be conveyed, leased, devised or encumbered only as such.

6. METHOD OF DESCRIPTION.

6.1 Every contract for the sale of a condominium unit, deed of conveyance, and every other instrument affecting title to a condominium unit shall describe that condominium unit by the unit number and building designation shown on the Condominium Map appearing in the records of the County Clerk and Recorder of Gunnison County, Colorado in the following manner:

Condominium Unit _____, Mountain Edge Condominiums according to the Condominium Map appearing in the records of the County Clerk and Recorder of Gunnison County, Colorado, in Book _____, Page _____.

Such description will be construed to describe the unit, together with the appurtenant undivided interest in the common elements, and to incorporate all the rights incident to ownership as described in this First Amended Condominium Declaration and its amendments.

6.2 Every instrument affecting the title of an ownership interest in a time-share condominium unit shall describe that ownership interest as follows:

Time Interval No. _____, Condominium Unit _____, Mountain Edge Condominiums, according to the Condominium Map appearing in the records of the County Clerk and Recorder of Gunnison County, Colorado, in Book _____, at Page _____.

6.3 Such method of description shall be sufficient for all purposes to sell, convey, transfer, and encumber or otherwise affect the condominium unit or ownership interest in a time-share 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 or ownership interest in a time-share condominium unit as described in this First Amended Condominium Declaration and its amendments.

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

7. SEPARATE ASSESSMENTS AND TAXATION - NOTICE TO ASSESSOR. 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 as follows:

7.1 Each condominium unit, together with its undivided fractional interest in the common elements appurtenant thereto shall be deemed a separate parcel and subject to separate assessment and taxation.

7.2 Each ownership interest in a time-share condominium unit and its undivided fractional interest in the common elements and the time interval appurtenant thereto shall be deemed a separate parcel and subject to separate assessment and taxation.

8. OWNERSHIP - TITLE.

8.1 A condominium unit or ownership interest in a time-share 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 relationship recognized under the laws of the State of Colorado.

8.2 The separate estate of an owner in and to a condominium unit or a time-share condominium unit as herein created shall continue until revoked in the manner contained in this First Amended Declaration or by operation of law.

9. NON-PARTITIONABILITY OF GENERAL COMMON ELEMENTS. The general common elements including limited common elements shall be owned in common by all of the owners of the units and shall remain undivided, and no owner shall bring any action for partition or division of such common elements.

10. THE USE OF GENERAL AND LIMITED COMMON ELEMENTS. Each owner shall be entitled to exclusive ownership and possession of his 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, subject to such reasonable rules and regulations as may, from time to time, be established and enforced pursuant to the Bylaws of the Association.

10.1 Nothing shall be done or kept in any unit or in the common areas and facilities or limited common areas and facilities which will increase the rate of insurance on said common or limited common areas and facilities without the prior written consent of the Board of Managers. No owner shall permit anything to be done or kept in his unit or in the common or limited common areas or facilities which will result in the cancellation of insurance of any unit or any part of the common or limited common areas or facilities or which would be in violation of any law. No waste will be committed of the common or limited common areas and facilities.

10.2 No sign or flag of any kind shall be displayed to the public view or from any unit from the common or limited common areas and facilities without the prior consent of the Board of Managers, provided, however, that the provision shall not apply to signs placed by the Managing Agent and necessary to the operation of the condominium facility.

10.3 No animals, livestock, or poultry of any kind shall be raised, bred or kept in any unit or in the common areas and facilities, except that dogs, cats or other household pets may be kept in the units, if permitted by the rules and regulations adopted by the Board of Managers and Managing Agent.

10.4 No noxious or offensive activity shall be carried on in any unit, in the common or limited common areas and facilities of the common or limited elements, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

10.5 Nothing shall be altered or constructed in or removed from the general or limited elements, except upon the written consent of the Board of Managers.

10.6 There shall be no violation of rules for the use of the general or limited common elements adopted by the Board of Managers and furnished in writing to the owners, and the Board of Managers is authorized to adopt such rules so long as they are reasonable.

11. USE AND OCCUPANCY. All condominium units shall be used and occupied solely for lodging and residential purposes by the owner, by the owner's family or the owner's guests and tenants. Leasing and renting of the units for residential purposes shall not be considered a violation of this covenant.

12. EASEMENTS FOR ENCROACHMENTS. If any portion of the Common Elements now or hereafter encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of a Unit now or hereafter encroaches upon the Common Elements or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or the Units.

13. TERMINATION OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION. Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Owner thereof or his agent or his contractor or subcontractor shall be a basis for filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any Owner or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in or otherwise attributable to the Owner's Unit at such Owner's request.

14. ADMINISTRATION AND MANAGEMENT - MANAGING AGENT.

14.1 The administration and management of this project shall be governed by the Articles of Incorporation and the Bylaws of the Association, herein referred to as the "Association".

14.2 The owner of a condominium unit; and the owner of an ownership interest in a time-share 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.

14.3 There shall be one membership in the Association for each condominium unit and each ownership interest in a time-share condominium unit. That membership shall be appurtenant to the condominium unit or the ownership interest in the time-share condominium unit and shall be transferred automatically by a conveyance of the condominium unit or that ownership interest in a time-share condominium unit to the new owner.

14.4 Each membership in the Association shall be entitled to cast a vote in accordance with the percentage ownership of the general common elements appurtenant to that Condominium unit or ownership interest in a time-share condominium unit as is provided in exhibit "B" or "C" to this First Amended Decalaration.

14.5 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; or the ownership interest in a time-share condominium unit.

14.6 The Association shall be governed by a Board of Managers as provided in the Bylaws of the Association.

14.7 The Board of Managers may delegate by written agreement any of its duties, powers and function to any person or firm to act as Managing Agent at an agreed compensation.

15. RESERVATION FOR ACCESS - MAINTENANCE, REPAIR AND EMERGENCIES. The Declarant, any entity to whom it assigns this right, and persons either of them may select, shall have the right of ingress and egress over, upon and across the general common and limited common elements and the right to store materials thereon and make such other use thereof as may be reasonably necessary incident to renovation, sale and operation of the Condominium Project as a condominium facility. The owners shall have the irrevocable right, to be exercised by the Managing Agent, or Board of Managers of the Association, to have access to each unit from time to time during reasonable hours under the particular circumstances as may be necessary for maintenance, repair, or replacement of any of the general or limited common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to such common elements or to another unit or units. Damage to the interior or any part of a unit or units resulting from the maintenance, repair, emergency repair or replacement of any of the general or limited common elements or as a result of emergency repairs to general or limited common elements, within another unit at the instance of the Association shall be a common expense of all of the other owners; provided, however, that if such damage is the result of the misuse or negligence of a unit owner, then such owner shall be responsible and liable for all such damage. All damaged improvements shall be restored to substantially the same condition of such improvements prior to damage. All maintenance, repairs and replacements as to the general or limited common elements, whether located inside or outside of units (unless necessitated by the negligence or misuse of a unit owner, in which case such expense shall be charged to such unit owner) shall be the common expense of all of the owners.

16. OWNERS' MAINTENANCE RESPONSIBILITY OF UNIT.

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

16.2 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.

16.3 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.

16.4 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.

16.5 An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or utility.

16.6 This paragraph shall not apply to those units designated as time-share condominium units and the maintenance responsibility therefor shall be as set forth in paragraphs 33 thru 49 hereof.

17. COMPLIANCE WITH PROVISIONS OF DECLARATION, BYLAWS OF THE ASSOCIATION.

Each owner shall comply strictly with the provisions of this First Amended Declaration, the Articles of Incorporation and Bylaws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages, or for injunctive relief or both, and for reimbursement of all costs and attorneys' fees incurred in connection therewith, which action may be maintained by the Managing Agent or Board of Managers in the name of the Association on behalf of the owners or, in a proper case by an aggrieved owner.

18. REVOCATION OR AMENDMENT TO DECLARATION. This First Amended Declaration shall not be revoked unless all of the owners and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all of the condominium units unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five percent (75%) or more, of the general common elements, and provided such amendment affects the rights of the holders of security interests in the condominiums, the mortgagees of all recorded first and second mortgages and beneficiaries of all first and second deeds of trust covering or affecting any or all condominium units, consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the percentage of the undivided interest in the common elements shall have a permanent character and shall not be altered without the consent of all of the unit owners expressed in any amended Declaration duly recorded.

19. ADDITIONS, ALTERATIONS, AND IMPROVEMENTS OF GENERAL AND LIMITED COMMON ELEMENTS.

There shall be no additions, alterations or improvements by the Board of Managers or the Managing Agent of or to the general and limited common elements requiring an expenditure in excess of Five Hundred Dollars (\$500.00) in any one calendar year without prior approval of the owners holding a majority of the interests in the general common elements, in writing, or as reflected in the minutes of a regular or special meeting of the owners. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any general or limited common element. An individual unit owner shall do no alterations, additions, or improvements to the general common elements or the limited common elements without the approval in writing of the owners holding a majority of the interests in the general common elements or as reflected in the minutes of a regular or special meeting of the owners.

20. ASSESSMENT FOR COMMON EXPENSE.

20.1 All owners shall be obligated to pay the assessments, either estimated or actual, imposed by the Board of Managers of the Association to meet the common expenses. The assessments shall be made according to each owner's percentage interest in the general common elements as is set

forth in Exhibit "B" or "C". Except as is provided in paragraph 16, 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 for the repair or maintenance thereof. Assessments for the estimated common expenses shall be made at least semi-annually and shall be due immediately upon receipt. The Managing Agent or Board of Managers shall prepare and deliver or mail to each owner a statement for the estimated or actual common expenses. In the event the ownership of a condominium unit by grant from the Declarant commences on a day other than the first of the month, the assessment for that month shall be prorated.

The assessments made for common expenses shall be the sum which the Managing Agent, or if there is no Managing Agent, then the Board of Managers of the Association shall from time to time determine is necessary to be paid by all of the condominium unit owners to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, replacements, additions, alterations, and improvements of and to the common elements, which may include, but shall not be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all of the common elements and condominium units (including all fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors and ceilings, doors, windows and other elements or materials comprising a part of the units) casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; sewer charges; legal and accounting fees; expenses and liabilities incurred by the Managing Agent by reason of this First Amended Declaration and the Bylaws of the Association; for any default arising or any deficit remaining from a previous period; the creation of a reasonable contingency reserve, working capital, and sinking funds as well as other costs and expenses relating to the common elements. The omission or failure of the Managing Agent or Board of Managers to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

20.2 Each owner shall be obligated to pay all charges for any separately metered utilities servicing his condominium unit or ownership interest in a time-share condominium unit. In the event that any utility is master metered to the Association, then such utility service shall be part of the common assessments as above provided and in accordance with the rules and regulations of the Crested Butte Water and Sanitation District.

21. INSURANCE.

21.1 The Managing Agent, or if there is no Managing Agent, then the Board of Managers shall obtain and maintain at all times insurance of the type and kind provided hereinabove and provide for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium buildings, fixtures, equipment and personal property, similar in construction, design and use issued by responsible insurance companies authorized to do business in the State of Colorado, covering the buildings and improvements on the land and all personal property included in the common elements in an amount equal to the maximum insurable replacement value thereof. The insurance shall be carried in blanket policy form naming the Association the insured, as attorney-in-fact (for all of the condominium owners) which policy or policies shall identify the interest of each condominium unit owner (owner's name, unit number), and which policy or policies shall provide a standard noncontributory mortgagee clause in favor of each first or second mortgagee or deed of trust beneficiary, and provide that the policy cannot be cancelled or substantially modified until after ten (10) days' prior written notice is first given to each owner and each first or second mortgagee or beneficiary as defined hereunder. To the extent any insurance is to be maintained in amounts calculated by reference to replacement value, the Board of Managers shall designate a general

contractor licensed to do business in the State of Colorado to estimate such replacement value each three (3) years beginning with the three-year period ending three (3) years from the date of the recording the original Declaration.

21.2 Insurance coverage of the furnishings and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual unit shall be the responsibility of the owner thereof.

21.3 The Managing Agent, or if there is no Managing Agent, then the Board of Managers, shall obtain and maintain, to the extent obtainable, public liability insurance in such limits as may from time to time be determined, covering each unit owner, persons renting from the owner, and their invitees and business guests, each member of the Board of Managers, the Managing Agent and the resident manager. Such public liability coverage shall also cover cross liability claims of one insured against another and shall contain waivers of subrogation to the extent reasonably practicable. Each owner may obtain additional insurance at his own expense for his own benefit provided that all such policies shall contain waivers of subrogation to the extent practicable, and provided further, that the liability of the carriers issuing insurance shall not be affected or diminished by reason of any such insurance carried by any unit owner.

22. OWNER'S PERSONAL OBLIGATION FOR PAYMENT OF ASSESSMENTS. The amount of the common expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. Both the Board of Managers and Managing Agent shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid more than fifteen (15) days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of eighteen percent (18%) per annum on the amount of the assessment from due date thereof, together with all expenses including attorneys' fees incurred, together with such late charges as provided by the Bylaws of the Association. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

23. ASSESSMENT LIEN AND FORECLOSURE. All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the unit and liens in favor of a first or second mortgagee or beneficiaries of a first or second deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance. To evidence such lien, the Board of Managers or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one of the Board of Managers or by one of the officers of the Association or by the Managing Agent and shall be recorded in the office of the clerk and recorder of Gunnison County, Colorado. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage or deed of trust on real property subsequent to the recording of a notice of claim thereof. In any such proceeding the owner shall be required to pay the Association the monthly assessment for the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid on the condominium unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any encumbrancer holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such unit, and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance. Upon request of a mortgagee or deed of trust beneficiary, the Association shall report to such mortgagee or beneficiary of a condominium unit any unpaid assessments remaining unpaid for longer than twenty-five (25) days after the same are due; provided, however, that a mortgagee or beneficiary

shall have furnished to the Managing Agent or the Board of Managers notice of such encumbrance.

24. LIABILITY FOR COMMON EXPENSE UPON TRANSFER OF CONDOMINIUM UNIT IS JOINT.

Upon payment to the Managing Agent, or if there is no Managing Agent, then to the Association of a reasonable fee not to exceed Twenty-Five Dollars (\$25.00), and upon the written request of any owner or any mortgagee, deed of trust beneficiary, or prospective mortgagee or beneficiary, of a condominium unit, the Association by its Managing Agent, or if there is no Managing Agent, then by the financial officer of the Association, shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which became due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement. The grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the unpaid common assessments up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Twenty-Five Dollars (\$25.00), as is hereinabove provided, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent, or if there is no Managing Agent, then from the Association, setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment, the date that such assessment becomes due, and credits for any advance payments of common assessments, for prepaid items such as insurance premiums, which statements shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten (10) days of such request, then such requesting grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments against the subject unit up to the date such request was made.

25. MORTGAGING A CONDOMINIUM UNIT - PRIORITY. An owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage or deed of trust beneficiary shall be one which has first and paramount priority under applicable law. The owner of a condominium unit may create junior mortgages, liens, or encumbrances on the following conditions:

25.1 That any such junior mortgages or liens shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, liens for common expenses (except as otherwise provided herein), and other obligations created by this First Amended Declaration, the Articles of Incorporation and the Bylaws for the Association.

25.2 That the mortgagee or lien holder under any junior encumbrance shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises obtained by the Association to the extent of such restoration (except as otherwise provided herein). Such release shall be furnished forthwith by a junior encumbrancer upon written request of one or more of the members of the Board of Managers of the Association.

25.3 In addition to any other rights provided in this condominium declaration any first mortgage holder, who shall make a request in writing to the Association, shall have the following additional rights:

25.3.1 To be furnished a copy of the annual financial statement and audit of the Association. Such statement to be furnished at the time the same is furnished to the owners.

25.3.2 To be given written notice by the Association of any meeting of the Association called for the purpose of considering any amendment, revocation or change this First Amended Declaration or Articles of Incorporation of the Association. Such notice shall

state the nature of any such change being proposed.

25.3.3 To be given written notice of any default by an owner of a unit encumbered by the first mortgagee in the performance of any duty or obligation required hereunder, if the same is not cured within thirty (30) days.

25.3.4 Upon reasonable notice to examine the books and records of the association during normal business hours.

25.3.4 As to any time-share condominium unit, to be furnished a copy of the financial statement pertaining to said unit by the time-share agent and to be given written notice by the time-share agent as to any matter calling for the affirmative vote or consent of any time-share condominium unit owner and to be given written notice of any default by a time-share condominium unit owner in the performance of any duty or obligation required hereunder if the same is not cured within thirty (30) days.

26. ASSOCIATION AS ATTORNEY-IN-FACT. This First Amended Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the improvements to the condominium project upon their condemnation, damage, destruction, or obsolescence. Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the owners irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any improvements within the condominium project upon their condemnation or damage, destruction, or obsolescence, all as is hereinafter provided. As attorney-in-fact, the Association by its President and Secretary or Assistant Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, or replacements unless the owners of a majority of the units and all first or second mortgagees or first or second deed of trust beneficiaries agree not to rebuild in accordance with the provisions set forth hereinafter.

26.1 In the event of a damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to cause the repair and restoration of the improvements.

26.2 If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is determined to be not more than sixty percent (60%) of all of the improvements in the condominium project, not including land (but including landscaping, roads, and including utilities to the extent their replacement is not the responsibility of a utility company), such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment if the insurance proceeds are insufficient, to be made against all of the owners and their condominium units. Such assessment shall be a common expense and made pro rata according to each owner's percentage interest in the general common elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right, and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in paragraphs 22 and 23. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such deficiency, within the time provided, and if not so paid, the

Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. The delinquent owner shall be required to pay the Association the costs and expenses for filing the notices, interest on the amount of the assessment at the rate of eighteen percent (18%) per annum and all reasonable attorneys' fees and costs incident to a sale. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

26.2.1 For payment of taxes and special assessments whether or not recorded as liens as of the date of sale and customary expense of sale;

26.2.2 For payment of the balance of the lien of any first mortgage or deed of trust and then for the balance of any second mortgage or deed of trust;

26.2.3 For payment of unpaid common expenses (other than special assessment) and all costs, expenses, and fees incurred by the Association;

26.2.4 For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

26.2.5 The balance, if any, shall be paid to the unit owner.

26.3 If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements, and if such damage is determined to be more than sixty percent (60%) of all of the improvements in the condominium project, including landscaping, roads, and utilities when replacement is not the responsibility of a utility company, but not including land, and if the owners representing an aggregate ownership interest of fifty-one percent (51%) or more, of the general common elements, do not voluntarily, within one hundred (100) days thereafter make provisions for reconstruction, which plan must have the unanimous approval or consent of every first and second mortgagee and first or second deed of trust beneficiary, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the entire premises, including the damaged part and the undamaged part, shall be sold by the Association, as attorney-in-fact, for all of the owners, free and clear of the other provisions contained in this Declaration, the Condominium Map and the Bylaws; provided, however, assessments for common elements shall not be abated for the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each owner's percentage interest in the general common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the condominium units. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit designation and the name of the owner. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each condominium unit owner's percentage interest in the general common elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purpose and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

Any amount accruing to the Association by virtue of such payments shall, after satisfaction of any obligation of the Association, be paid into the account of the other unit owners not making such payment apportioned based upon the unpaid owner's percentage interest in the general common elements.

26.4 If within the time provided in paragraph 26.3 above, the owners representing an aggregate ownership interest of fifty-one percent (51%) or more of the general common elements adopt a plan for reconstruction, which plan has the unanimous approval of all first and second mortgagees and first and second deed of trust beneficiaries, then all of the owners shall be bound by the terms and other provisions of such plan. Any special assessment made in connection with such plan shall be a common expense and made pro rata according to each owner's percentage interest in the general

common elements and shall be due and payable as provided by the terms of such plan, but not sooner than sixty (60) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt for each owner and a lien on his condominium unit and may be enforced and collected as is provided for herein in paragraphs 22 and 23. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of a delinquent owner shall be sold by the Association. The delinquent owner shall be required to pay the Association the costs and expenses for filing the notices, interest at the rate of eighteen percent (18%) per annum on the amount of the assessment and all costs and reasonable attorneys' fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.5 The owners representing an aggregate ownership interest of eighty percent (80%) or more of the general common elements may agree that the general common elements are obsolete and adopt a plan for their renewal and reconstruction which plan has the unanimous approval of all first and second mortgagees and first and second deed of trust beneficiaries of record at the time of the adoption of such plan. If a plan for renewal and reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the owners as common expenses; provided, however, that an owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the date of adopting such plan that such unit shall be purchased by the Association for the fair market value thereof. The Association shall then have thirty (30) days (thereafter) within which to cancel such plan. If such plan is not cancelled, the condominium unit of the requesting owner shall be purchased according to the following procedures. If such owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty (30) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two (2) appraisers, and from the names of the four (4) appraisers so nominated, one (1) shall be drawn by lot by the appraiser appointed by the owner in the presence of the other appraiser, and the person whose name was so drawn shall be the umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then the decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse the proceeds for the same purposes and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph, except as modified herein.

26.6 The owners representing an aggregate ownership interest of eighty percent (80%) or more of the general common elements, with the

unanimous consent of all first and second mortgagees and first and second deed of trust beneficiaries, may agree that the condominium units are obsolete and the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire premises shall be sold by the Association, as attorney-in-fact, for all of the owners, free and clear of the provisions contained in this Declaration, the Map and Bylaws. The sales proceeds shall be apportioned between the owners on the basis of each owner's percentage interest in the general common elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one (1) condominium unit and each such account shall be in the name of the Association and shall be further identified by the condominium unit designation and the name of the owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.7 If at any time that this First Amended Declaration is in effect, any portion of the Condominium Project shall be taken for any public or quasipublic use by any lawful power or authority by the exercise of the right of condemnation or eminent domain, then the following provisions shall apply with respect to any proceeds arising out of such condemnation or eminent domain and to the sale of remaining portions of the Condominium Project:

26.7.1 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the attorney-in-fact.

26.7.2 Complete Taking. In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership pursuant thereto shall terminate. The Condominium Award shall be apportioned among the owners on the basis of each owner's fractional interest in the General Common Elements, provided that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principal set forth in the last preceding paragraph, the attorney-in-fact 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 provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.7.3 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable, the attorney-in-fact 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 the owners on the basis of each owner's fractional interest in the Common Elements, (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an owner has made within his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other taking or injuries shall be apportioned as the attorney-in-fact determines to be equitable in 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 attorney-in-fact shall employ such allocation to the extent it is relevant and applicable. Distribution of

apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.7.4 Reorganization. In the event a partial taking results in the taking of a complete Unit, the owner thereof shall automatically cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this First Amended Declaration according to the same principles employed in this First Amended Declaration at its inception and shall submit for reallocation to the owners of remaining Units for amendment of this First Amended Declaration as provided in Paragraph 18.

27. OTHER ASSOCIATION FUNCTIONS. The Association may undertake any activity, function or service for the benefit or to further the interests of all, some or any Owners on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of firewood, the providing of maid and cleaning service for individual Condominium Units, and the providing of check-in, mail and telephone answering service. If such functions or services include furnishing or providing services for the care and maintenance of Condominium Units or the renting or leasing of Condominium Units on behalf of Owners, no Owner shall be required to utilize the Association for such services and all costs and expenses of the Association in connection with such services shall be charged solely to the Owners who utilize such services.

28. EXPANSION OF PROJECT.

28.1 Right to Construct Addition(s). Declarant shall have the right from time to time within the time period hereinafter provided, to construct additions on the real property adjacent to the real property described on Exhibit A attached hereto and to create additional Condominium Units, each Condominium Unit consisting of an Individual Space in such Addition together with an appurtenant undivided interest in Common Elements of the Project, including Common Elements existing prior to construction of any such Addition(s). The acceptance by an Owner of an interest in a Condominium Unit shall constitute the consent of that Owner to expansion of the Project as herein provided and no Owner shall do anything which might hinder or prevent such expansion.

28.2 Construction Limitations. Construction of any Addition(s) shall be commenced prior to ten years from the date of the original Declaration. Construction of the Addition(s) shall be commenced at a time of year so that it may be completed by the end of that year and shall be diligently pursued so that the Addition(s) is, in fact, substantially completed by the end of that year, except as delayed for reasons beyond the control of Declarant. During construction, unsightliness, dust and noise shall be kept at as low a level as reasonably possible. The Addition(s) shall be constructed so as to do as little destruction and damage as is reasonably possible to existing trees and other growth and, after construction of the Addition(s), the surface area not occupied by improvements shall be restored, as near as reasonably possible, to its present state. No existing Individual Space shall be affected by the construction.

28.3 Construction Easements. For purposes of construction of the Addition, Declarant and Declarant's designees shall have easements over, across and through the Real Property, except that occupied by the existing Building, for purposes of construction of the Addition, utilities, and other improvements necessary or desirable in connection therewith.

28.4 Supplemental Condominium Declaration and Map. Upon completion of the Addition, Declarant shall execute and record a Supplemental Condominium Declaration and a Supplemental Condominium Map. The Supplemental Condominium Declaration shall state that an Addition containing Individual Space has been constructed on the Expansion Site and that the same shall become subject to this First Amended Declaration. The Supplemental Condominium Map shall depict the Addition and the Individual Spaces, shall specify a Condominium Unit number for each such Individual Space and shall properly locate the Addition and the Individual Spaces as required by law.

Upon the recording of a Supplemental Condominium Declaration and Supplemental Condominium Map, the Addition Site, the additional building and the improvements thereon shall become part of the Project and additional Condominium Units in the Project shall be deemed created (owned at that time by Declarant) each consisting of a separate fee simple estate in a particular Individual Space in the Addition together with an appurtenant undivided fee simple interest in the Common Elements of the Project including the Common Elements existing prior to the construction of such Addition. Upon the recording of a Supplemental Condominium Declaration and Supplemental Condominium Map any additional Condominium Units shall be subject to condominium ownership just as presently existing Condominium Units with all the incidents pertaining thereto as specified in this First Amended Declaration.

28.5 Percentage Interests, Assessments if Expansion. In the Supplemental Condominium Declaration, percentage interests in the Common Elements shall be assigned to Condominium Units in the Addition on the basis of square feet of floor area within the perimeter boundaries of the Individual Space of the Condominium Unit, in the same proportion as the percentage interests of the original Condominium Units as set forth on Exhibit B hereto. Upon the recording of the Supplemental Condominium Declaration and Supplemental Condominium Map, (a) each Owner in the Project, whether owning a Condominium Unit originally in the Project or a Condominium Unit added to the Project by expansion, shall own an appurtenant undivided interest in the Common Elements, as a tenant in common, with all other Owners and the appurtenant undivided interest shall include an appurtenant undivided interest in Common Elements originally part of the Project and in Common Elements added to the Project by expansion; (b) voting shall be based upon the percentage of the undivided interest of each unit owner in the General Common Elements, as shown on the Supplemental Condominium Declaration; and (c) with respect to assessments thereafter becoming payable, assessments shall be made according to each owner's percentage interest in the General Common Elements as shown on the Supplemental Condominium Declaration.

28.6 Effect of Expansion. The recording of a Supplemental Condominium Declaration and Supplemental Condominium Map with respect to the Addition shall operate automatically to grant, transfer and convey to each Owner of a Condominium Unit in the Project as it existed prior to such expansion of the Project, and to each Owner of a Condominium Unit added to the Project, an undivided interest in the new Common Elements added to the Project, and in the old Common Elements previously existing in the Project as specified in Paragraph 28.5, and to vest in any mortgagee, lessee or other holder of an interest in a Condominium Unit, the same interest in the Condominium Unit with its revised undivided interest in Common Elements as such mortgagee, lessee or other holder had in Common Elements of the Project prior to expansion. Upon the recording of such a Supplemental Condominium Declaration and Supplemental Condominium Map, all definitions in this First Amended Declaration shall automatically be expanded to encompass and refer to the Project as expanded. Thus, for example, "Building" shall mean the building initially constructed on the Real Property plus the Addition covered by such Supplemental Condominium Declaration and Supplemental Condominium Map and any references to Declaration herein shall mean this First Amended Declaration and any Supplemental Condominium Declaration and any references to the Condominium Map shall mean the Condominium Map and any Supplemental Condominium Map. All instruments thereafter executed referring to a Condominium Unit, describing the Condominium Unit in the form set forth in Paragraph 6 or otherwise, shall be deemed to refer to the Condominium Unit with all appurtenant rights and interests including the revised undivided interest in Common Elements which became appurtenant to that Condominium Unit on expansion of the Project.

28.7 Failure to Expand Project. If the Project is not expanded within the time period specified above, Declarant or the Association may record a statement to evidence the fact. Recordation of such statement by Declarant or the Association shall be prima facie evidence of the facts stated therein.

29. PERSONAL PROPERTY FOR COMMON USE. The Association, as attorney-in-fact for all of the owners, may acquire and hold for the use and benefit of all of the condominium unit owners, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the condominium unit owners in the same proportion as their respective interests in the general common elements, and such interest therein shall not be transferable except with a transfer of a condominium unit. A transfer of a condominium unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each owner may use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of the other owners. The transfer of title to a condominium unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed condominium unit.

30. REGISTRATION BY OWNER OF MAILING ADDRESS.

30.1 Each owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an owner shall be sent by certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Association shall be sent by certified mail, postage prepaid, to the address of the Association as designated in the Articles of Incorporation and Bylaws of the Association.

30.2 Each time-share condominium unit owner shall further register his mailing address with the time-share agent.

30.3 A copy of any notice or demand served upon a time-share condominium unit owner by the Association or any other owner shall further be served upon the time-share agent.

30.4 All notices or demands intended to be served shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the owner or time-share unit owner at such registered mailing address.

30.5 Upon failure to register his mailing address, the Association shall be deemed to be the agent for the receipt of notices to such owners.

30.6 All notices or demands to be served on Mortgagees shall be sent by certified mail, return receipt requested, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association and the Managing Agent in writing. Unless the Mortgagee has furnished such address in writing the Mortgagee shall not be entitled to receive notices as provided in this First Amended Declaration.

30.7 Any notice referred to in this First Amended Declaration shall be deemed given when deposited in the United States mail in the form required hereunder. No notices of any kind shall be effective unless such notices conform to the requirements set forth herein.

31. PERIOD OF CONDOMINIUM OWNERSHIP. The separate condominium estates created by this First Amended Declaration and the Map shall continue until this First Amended Declaration is revoked or terminated in the manner provided in this First Amended Declaration.

32. CREATION AND REVOCATION OF TIME-SHARE CONDOMINIUM. All owners of any condominium may convert to a time-share condominium by filing in the records of the Gunnison County Clerk and Recorder an Intention to Convert to a Time-share Condominium at Mountain Edge Condominiums, substantially in the form provided in attached Exhibit "D" incorporated herein by this reference ("Intention to Convert"). In order for the Intention to Convert to be effective it must be properly executed by each and every owner and each and every holder of any recorded security interest in the condominium unit to be converted.

33. TIME-SHARE CONDOMINIUM - OWNERSHIP AND USE.

33.1 Each time-share condominium unit owner shall have the exclusive ownership and right to use, possess and occupy the time-share condominium unit during his time interval of ownership and the use, possession and enjoyment of the general common elements and limited common elements pertaining to said time-share condominium unit during his time interval.

33.2 Each time-share condominium unit owner shall have and exercise the non-exclusive right as a tenant in common with all other time-share condominium unit owners of that time-share condominium unit, acting through the time-share agent, to maintain, repair, restore and to do necessary upkeep as may be required for that time-share condominium unit.

33.3 Except only for emergency repairs or maintenance as determined by the time-share agent, the same shall be accomplished during the unit weeks for said time-share condominium unit set aside as common ownership of all of the time-share condominium unit owners as tenants in common, and the time from 10:00 a.m. to 2:00 p.m. of each Saturday according to attached Exhibit "C".

33.4 No time-share condominium unit owner shall exercise any other rights of ownership in respect to said time-share condominium unit and the common elements pertaining thereto except only his time interval of use and occupancy and such time interval weeks that he owns as a tenant in common with the other time-share condominium unit owners of that time-share condominium unit.

34. TIME-SHARE CONDOMINIUM UNIT - CONDITION OF PREMISES.

34.1 Each time-share condominium unit owner shall keep his unit and all common furnishings pertaining thereto in good condition and repair during his time interval use, possession and occupancy, except only normal wear and tear. He shall vacate the unit at the expiration of his time interval, remove all persons and their individual property therefrom excluding only the common furnishing and leave the same in good condition and repair. He shall further comply with all check in and check out procedures as determined by the time-share agent or by a majority of the time-share condominium unit owners of said unit.

34.2 If any owner fails to vacate a time-share unit at the termination of his time-share interval or uses a time-share interval owned by another owner the defaulting owner shall be subject to: immediate removal without notice; damages in an amount not less than two hundred percent (200%) of fair market value for said time-share interval plus any and all consequential damages including reasonable attorneys fees, substitute accommodations, court costs and related expenses.

34.3 If, in the opinion of the Managing Agent or the time-share agent, any owner, his guest or invitee shall be responsible for the time-share condominium unit being uninhabitable by the owner, his guest or invitee of the next time-share interval the owner of the time-share interval responsible for the uninhabitability shall be deemed to have failed to vacate the time-share unit and shall be responsible for damages as set forth in paragraph 34.2 above.

35. TIME-SHARE CONDOMINIUM UNIT - MANAGEMENT. A time-share agent shall be appointed by the time-share condominium unit owners of the time-share condominium units to manage the same and to be empowered to do all necessary maintenance, repair, acquisition, replacement and upkeep of the time-share condominium units, the common furnishing belonging thereto and the administration of the time-share condominium units with respect to the use and occupancy of the same and the payment of all fees, costs and expenses pertaining thereto. The following conditions shall specifically apply:

35.1 The time-share agent shall be appointed by a majority written vote of all the time-share condominium unit owners of the time-share condominium units committed to time-share condominium ownership as herein provided. Said time-share agent shall be a person or an organization having skill and ability in the management of condominium units. In the event that the time-share condominium unit owners of the time-share condominium units fail to so appoint a time-share agent then and in that event the managing agent of the Mountain Edge Condominium Association shall be the time-share agent and do and perform all of the rights, duties and obligations of the time-share agent as herein set forth.

35.2 The time-share agent is specifically authorized and directed by the time-share condominium unit owners of the time-share condominium units to do the following:

35.2.1 To have use and possession of the time-share condominium unit during those time intervals owned in common by the individual time-share condominium unit owners (weeks #18 and #46) to do necessary maintenance and service to the time-share condominium unit.

35.2.2 The time-share agent shall charge and collect a fee for acting as time-share agent for each time-share unit pursuant to a written management agreement with the time-share owners.

35.2.3 To repair, maintain, repaint, remodel, furnish,

refurnish and clean the unit or any part thereof and to establish a reserve account for all anticipated or projected costs for the acquisition and replacement of furniture, personal property and common furnishings, and to acquire and pay for materials and supplies, furniture, furnishings, labor or services which are necessary or proper for the maintenance and operation of the unit and such other items of expenses as are necessary for the protection, repair and upkeep for the time-share condominium unit. The time-share agent shall have the authority to make payments from said account for said purposes; provided, however, that the agent shall not make any expenditure in excess of the available reserve of the time-share condominium unit without the prior approval of a majority of the time-share condominium unit owners of that time-share condominium unit.

35.2.5 To pay all taxes and assessments of every nature and description, including condominium assessments and other costs and charges effecting or relating to the time-share condominium units under the following terms and conditions:

(a) If the taxes and assessments of any governmental body or authority are separately assessed as provided in paragraph 15 as to a time-share condominium unit, the amount of taxes and assessments pertaining to that ownership interest shall be assessed thereto.

(b) If the taxes and assessments of any governmental body or authority are not separately assessed as provided in paragraph 15 as to time-share condominium units then such taxes and assessments shall be prorated between all ownership interests of that time-share condominium unit in proportion to the period or periods of ownership.

35.2.6 To pay, discharge, contest, litigate, settle or compromise and at all times protect the time-share condominium units from any mechanic's liens.

35.2.7 To obtain necessary utility services for said time-share condominium units and to pay the costs thereof, including power, electrical, telephone, heat, television, garbage sewer, water and trash removal or any other utility charges pertaining to said unit.

35.2.8 To promulgate and enforce reasonable rules and regulations relating to the use and enjoyment of time-share condominium units by the time-share condominium unit owners thereof.

35.2.9 To secure legal and accounting services, and pay for the same, as may be necessary or proper in the performance of its duties hereunder.

35.2.10 To obtain, pay and provide for necessary insurance with a reputable insurance company licensed to transact business in the State of Colorado for:

(a) Fire and extended coverage insurance for all personal property, furniture and common furnishings located in an individual time-share condominium unit.

(b) Public liability insurance against liability for personal injury and property damage as against any occurrence for which a time-share condominium unit owner of a time-share condominium unit is or may be liable.

(c) Such other insurance as deemed necessary or desirable by the time-share agent or a majority of the time-share condominium unit owners of the time-share condominium units.

35.2.11 To do all things as may be necessary or appropriate to the ordinary and necessary operation and maintenance of the time-share condominium unit and to preserve and protect the time-share condominium unit in the event of an emergency.

35.2.12 To prepare the necessary budget as may be required to provide all services and to do all things required for the time-share condominium units and to collect, receive and disburse said assessments and funds for the uses herein set forth. Such assessments shall be billed to and paid by the time interval owners in the same manner as condominium assessments provided above and the time-share agent and the time-share condominium unit owners shall have, be granted and exercise all of the rights and remedies to enforce the collection of the same as is set forth above for collection of condominium assessments including recovery of reasonable costs and attorneys fees.

35.2.13 The time-share agent shall maintain a separate account for each time-share condominium unit and bill, collect, receive and

disburse funds pertaining to the time-share condominium unit through said separate account. There shall be no commingling of funds by the time-share agent between the various time-share condominium units under its jurisdiction.

35.2.14 The time-share condominium unit owners of the time intervals in their time-share condominium unit may, by a majority vote, advise and direct the time-share agent as to the rules and regulations to be adopted for their time-share condominium unit.

36. TIME-SHARE CONDOMINIUM UNIT - UNIT OWNER EXPENSES. Each time-share condominium unit owner shall be obligated for and shall pay as his individual expense the following:

36.1 All long distance telephone charges or any other telephone charges not provided for in the base rate to the time-share condominium unit.

36.2 All special services or charges incurred by the time-share condominium unit owner during his period of occupancy including all costs of moving out at the end of the period.

36.3 All costs to repair any damage to the time-share condominium unit or to repair or replace any common furnishings located therein on account of any loss or damage occurring during the owner's occupancy, ordinary wear and tear excepted.

36.4 All costs incurred due to the negligence of the time-share condominium unit owner, his family, guests, invitees, tenants or lessees or resulting from his breach or failure to comply with any of the provisions of the Amended Declaration.

37. TIME-SHARE CONDOMINIUM UNIT - TIME-SHARE OWNER'S COMMON EXPENSES. The time-share condominium unit owners of a time-share condominium unit shall be obligated for and shall pay in accordance with their ownership interests in the time-share condominium unit as set forth on attached exhibit "C" the following:

37.1 All insurance premiums and cost of insurance as provided in paragraph 21 above.

37.2 Base telephone charges.

37.3 All utility service charges.

37.4 All standard services provided to the time-share condominium unit as a unit.

37.5 All costs of ordinary, regular repair and maintenance of the time-share condominium unit and the acquisition, repair, replacement, maintenance and cleaning of the time-share condominium unit, and common furnishings.

37.6 All administrative expenses and costs incurred by the time-share agent in managing the time-share condominium unit as provided in this First Amended Condominium Declaration including the fees of the time-share agent.

37.7 All condominium association assessments as provided by this First Amended Condominium Declaration.

37.8 All taxes and assessments assessed against the time-share condominium unit; provided, however, that if the taxes and assessments by any governmental body or authority are separately assessed as to each ownership interest as provided in paragraph 7, then and in that event such taxes and assessments shall be apportioned between the time-share condominium unit owners in accordance with such separate assessments and taxation based upon the period or periods of ownership of each time-share condominium unit.

37.9 Such amounts as are determined to be necessary to establish proper reserve and operating accounts for the payment of the above and foregoing items.

38. TIME-SHARE CONDOMINIUM UNIT - TIME SHARE AGENT.

38.1 The time-share agent shall be appointed and shall exercise all

of the rights, duties and liabilities as provided in paragraph 35 of this Declaration.

38.2 The time-share agent may be removed from office and his rights hereunder terminated upon an affirmative written vote of a majority of the time-share condominium unit owners of all of the time-share condominium units.

38.3 During any period of time when there is no time-share agent, the managing agent for the Association shall exercise the rights, duties and liabilities of the time-share agent.

38.4 The time-share agent shall be entitled to reasonable compensation for its services, such amount to be determined by an affirmative written vote of a majority of the time-share condominium unit owners of all of the time-share condominium units, together with reimbursement for all reasonable and necessary administrative costs in the performance of its duties hereunder.

38.5 The time-share agent shall not be responsible for the acts or conduct of any of the time-share condominium unit owners or for the breach of any of the duties or obligations of any of said owners. The time-share agent shall not be liable to any time-share condominium unit owner, except only for bad faith or negligence in the performance of his duties, but shall hold the time-share condominium unit owners harmless from and against any and all claims, expenses, liabilities, demands, causes of actions, awards or judgments rendered against the time-share agent or the time-share condominium unit owners arising out of or in connection with the negligent or bad faith conduct the time-share agent, its officers, employees or agents.

38.6 The time-share agent shall at all times carry and keep in force a policy of public liability insurance in an amount determined by a majority vote of the time-share condominium unit owners of all of the time-share condominium units. Such insurance policies shall be written by a reputable insurance company licensed to do business in the State of Colorado and the originals of said policies shall be furnished to the Association for the time-share condominium unit owners.

38.7 The time-share agent shall at all times comply with the current licensing requirements of the State of Colorado.

39. TIME-SHARE CONDOMINIUM UNIT - MORTGAGE.

39.1 Each time-share condominium unit owner shall have the right from time to time to mortgage or encumber his ownership interest in the condominium unit by mortgage, subject to the provisions of this First Amended Declaration.

39.2 Such right to mortgage shall be in the manner and subject to the limitations of (to the extent applicable) paragraph 25 above.

40. TIME-SHARE CONDOMINIUM UNIT - REPAIR AND RESTORATION OF COMMON FURNISHINGS.

40.1 In the event of damage or destruction to the common furnishings, in a time-share condominium unit, due to fire or other disaster, the time-share agent shall cause such damage to be repaired and property replaced and shall apply all applicable insurance proceeds to the same. The time-share agent shall have full authority, right and power, as attorney-in-fact for the time-share condominium unit owner to apply said insurance proceeds and to cause the repair and restoration of the common furnishings.

40.2 If such damage or destruction is not covered by insurance or if the insurance proceeds are insufficient to repair the damage, the time-share agent shall assess each time-share condominium unit owner of the time-share condominium unit, in accordance with his percentage interest therein, the cost thereof.

40.3 Provided, however, that if such damage or loss is caused by the intentional or negligent act or omission of any time-share condominium unit owner, his family, guests, invitees or lessees, the cost of repair or

any deficiency remaining after the application of insurance proceeds shall be paid by such owner.

41. TIME-SHARE CONDOMINIUM UNIT - RESTRICTIONS. No time-share condominium unit owner, unless otherwise expressly provided by this First Amended Declaration or by the express written consent of the time-share agent, shall:

41.1 Make any structural alteration to the time-share condominium unit.

41.2 Place, erect or construct any permanent improvements or attach, affix or place any decorations or devices upon the walls, floors or ceilings of the time-share condominium unit.

41.3 Make or allow any repairs to the time-share condominium unit or to the common furnishings.

41.4 Take any action or do anything which would allow the attachment of any lien to the time-share condominium unit.

41.5 Create, permit or allow any nuisance in or pertaining to the time-share condominium unit.

41.6 Do any act which would increase the insurance rate upon the time-share condominium unit.

41.7 Paint, decorate, remodel or do anything to change the style, decor, decorations or furnishings of the time-share condominium unit.

41.8 Remove any common furnishings from the time-share condominium unit.

41.9 Take any action or do anything which would impair, impede, destroy or alter the use and enjoyment of the time-share condominium unit owner thereof.

42. TIME-SHARE CONDOMINIUM UNIT - ENFORCEMENT OF CONDITIONS.

42.1 In the event that any time-share condominium unit owner shall fail, neglect or refuse to comply with any of the terms and conditions of this First Amended Condominium Declaration or of the rules and regulations adopted by the time-share agent then the time-share agent or any other time-share condominium unit owner of that time-share condominium unit may bring an action to recover sums due and for damages or injunctive relief, or any combination thereof, and to specifically enforce the provisions of this First Amended Declaration. In any such proceedings the prevailing party shall be entitled to reasonable attorneys' fees and all costs incurred in the prosecution of the action.

43. TIME-SHARE CONDOMINIUM UNIT - LIEN FOR NON-PAYMENT OF TIME-SHARE CONDOMINIUM EXPENSES.

43.1 All sums assessed to any time-share condominium unit owner and not paid within thirty (30) days from the date of assessment, together with interest thereon as herein provided, shall constitute a lien on the ownership interest of the time-share condominium unit owner. Such lien shall be superior to all other liens and encumbrances on such ownership interest of said time-share condominium unit except only:

43.1.1 Taxes and assessment liens on the time-share condominium unit by any governmental authority.

43.1.2 All sums unpaid on a first mortgage of record, including all unpaid obligatory advances made pursuant to such mortgage.

43.1.3 Any lien pursuant to paragraph 22.

43.2 Such lien shall be evidenced, enforced and administered in the same manner as set forth in paragraph 22 above as to a lien for non-payment of common expenses.

44. TIME-SHARE CONDOMINIUM UNIT - NO LIEN ON COMMON FURNISHINGS. No time-share condominium unit owner shall permit, allow or execute a lien, encumbrance, charge or obligation against his interest in the common furnishings of the time-share condominium unit.

45. TIME-SHARE CONDOMINIUM UNIT - OBLIGATIONS FOR PAYMENT OF ASSESSMENTS. The amount of the time-share condominium unit expenses assessed against each time-share condominium unit owner shall be the personal and individual debt of the time-share condominium unit owner thereof at the time the assessment is made. Suit to recover a money judgment for such unpaid debts shall be maintainable by the Association or the time-share agent or any time-share condominium unit owner of that time-share condominium unit without foreclosing or waiving the lien securing the same. No time-share condominium unit owner may exempt himself from the liability for his contribution towards the time-share condominium unit expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his ownership interest in the time-share condominium unit.

46. TIME-SHARE CONDOMINIUM UNIT - STATEMENT OF ACCOUNT.

46.1 Upon payment of a reasonable fee, and upon the written request of any time-share condominium unit owner, or prospective time-share condominium unit owner, or holder of a mortgage or a trust deed beneficiary or prospective holder of an ownership interest in a time-share condominium unit, the time-share agent shall issue a written statement setting forth the amount of the unpaid time-share condominium unit common expenses, if any, with respect to the subject time-share condominium unit, the amount of the current monthly time-share assessments and the date that such assessments become due, including, but not limited to, insurance premiums, which statement shall be conclusive upon the time-share agent in favor of all persons who rely thereon in good faith. Unless such request for a statement shall be complied with within twenty days of such request, then such requesting party shall not be liable for, nor shall the unit be conveyed subject to a lien for any unpaid assessments against the subject time-share unit. The provisions contained in this paragraph shall not apply upon the initial transfer of the unit by the Declarant.

46.2 The grantee of an ownership interest in a time-share condominium unit shall be jointly and severally liable with the grantor for all unpaid time-share condominium unit assessments against the latter for his proportionate share of the time-share common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore.

47. TIME-SHARE CONDOMINIUM UNIT - AMENDMENT OF DECLARATION.

47.1 The paragraphs, terms and conditions of this First Amended Declaration pertaining to time-share condominium units, being paragraphs 32 through 49, both inclusive, together with all special references to time-share condominium units elsewhere contained in this First Amended Declaration may be amended by the time-share condominium unit owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the total ownership of the time-share condominium units, and all of the holders of any recorded first mortgage or beneficiary of any recorded first deed of trust covering or affecting any or all of the time-share condominium units unanimously consenting and agreeing to such amendment.

47.2 Any such amendment to this Declaration shall pertain solely to and be applicable only to the time-share condominium units, the ownership and the right, duties, obligations and liabilities pertaining thereto.

47.3 Any such amendment shall be by an instrument duly recorded in the records of Gunnison County, Colorado.

47.4 Provided, however, that no such amendment may alter, affect or change the right of any time-share condominium unit owner to his ownership interest and exclusive time interval in the time-share condominium unit and to use, own and enjoy the general common elements and limited common elements appurtenant thereto, without the unanimous consent of all of the time-share condominium unit owners of the time-share condominium units.

48. TIME-SHARE CONDOMINIUM UNIT - VOTING AND CONSENT.

48.1 Whenever the consent or affirmative vote or affirmative action of any time-share condominium unit owner is required the following shall apply:

48.1.1 Any such consent, affirmative vote or affirmative action by a

time-share condominium unit owner shall be evidenced by a written instrument executed by the time-share condominium unit owner with the signature thereon duly acknowledged.

48.1.2 Such consent, affirmative vote or affirmative action may be evidenced by a single document or instrument executed by the time-share condominium unit owners or by multiple documents, each document being executed by an individual time-share condominium unit owner.

48.2 If an ownership interest in a time-share condominium unit is owned by more than one owner, such documents shall be executed by all of the record owners.

49. TIME-SHARE AGENT AS ATTORNEY-IN-FACT.

49.1 The time-share condominium unit owners of the time-share condominium units hereby appoint and constitute the time-share agent as their attorney-in-fact to vote, represent and take all actions for them in regard to each time-share condominium unit under the provisions of paragraph 26.

49.2 In the event of any happening as provided in said paragraph 26 the Association shall give notice to the time-share agent as attorney-in-fact for the time-share condominium unit owners. The time-share agent shall promptly notify each time-share condominium unit owner of any such proposed action and request that each time-share condominium unit owner indicate in writing to the time-share agent his vote on said matter. The time-share agent shall thereupon vote on behalf of all of the time-share condominium units, its vote in such manner as may be directed by a majority of the time-share condominium unit owners or as directed by a majority of the votes received within the specified time if the same do not constitute a majority vote.

49.3 The time-share agent shall act as attorney-in-fact for the time-share condominium units and the individual time-share condominium unit owners thereof as to the repair and restoration of the project or in the event of the dissolution or sale of the project to administer the distribution of any and all proceeds thereof.

49.4 Any proceeds allocable to the time-share condominium units payable to the time-share condominium unit owners thereof as a result of a dissolution or termination of the project for any reason, any excess of insurance proceeds over the cost of the repair or restoration, or for any similar cost not required to repair or restore the time-share condominium unit or the common furnishing thereof or to compensate any one or more of the time-share condominium unit owners for loss or damage to their individual personal property, shall be distributed to the time-share condominium unit owners in proportion to their respective interest in the time-share condominium unit.

50. TIME-SHARE TRANSFER RESTRICTIONS AND WAIVER OF PARTITION. No time-share condominium unit interval owner or any other person or entity acquiring any right, title or interest in or to a time-share condominium unit shall seek or obtain, by operation of law or otherwise, a partition of any time-share condominium unit to any interval of less than one complete week interval as set forth in Exhibit "C" hereto. No owner shall have the right to convey or otherwise transfer his estate to a time-share condominium interval separately from his presently vested remainder as a tenant in common, and each owner shall by accepting a deed, covenant with the grantor of the deed and all other owners in the same time-share condominium unit, that no such separate conveyance or transfer of either estate or interest shall be valid or of any force or effect whatever.

51. MISCELLANEOUS.

51.1 The failure of the Board of Managers, the Association, the time-share agent or the Managing Agent to insist in any one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future, of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of Managers, the Association, the time-share agent or the Managing Agent of any assessment from an owner, with

knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Board of Managers, the Association, the time-share agent or the Managing Agent of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Managers, the Association, the time-share agent or the Managing Agent.

51.2 The Board of Managers shall not be liable for any failure of any service to be obtained and paid for by the Board of Managers hereunder, or for injury or damage to person or property unless caused by the gross negligence of the Board of Managers. The Board of Managers may limit the liability of the Managing Agent, the Association or the time-share agent to the instances of its gross negligence as well. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the common areas and facilities or from any action taken to comply with any law, ordinance or orders of a government authority or the rules and regulations and amendments thereto.

51.3 Each member of the Board of Managers shall be indemnified by the owners against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board of Managers, or any settlement thereof whether or not he is a member of the Board of Managers at the time such expenses are incurred, except in such cases wherein the member of the Board of Managers is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Managers approves such settlement as being for the best interests of the Association. Said Bylaws may also provide for the indemnification of the Managing Agent, the Association or the time-share agent.

51.4 Each owner shall comply strictly with the provisions of this First Amended Condominium Declaration, the Bylaws and the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with decisions adopted pursuant to said Declaration, Bylaws, Administrative Rules and Regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board of Managers or the Managing Agent on behalf of the Association of Owners, or in a proper case, by an aggrieved owner.

51.5 If any of the provisions of this First Amended Condominium Declaration or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of said Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

51.6 This First Amended Condominium Declaration and the Bylaws of Mountain Edge Condominiums shall be construed and controlled by and under the laws of the State of Colorado.

51.7 The provisions of this First Amended Condominium Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law. The provisions of this First Amended Condominium Declaration shall be liberally construed to effectuate its purpose.

51.8 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.

51.9 If any action is brought in a court of law by or against any party to this First Amended Condominium Declaration as to the enforcement or interpretation or construction of this First Amended Condominium Declaration or any document provided for herein, the prevailing party in such action shall be entitled to reasonable attorney's fees as well as all costs incurred in the prosecution or defense of such action. In the event that an attorney is retained to collect a delinquent assessment or to enforce any provision of these Declarations, the defaulting unit owner shall pay such attorney's fees and costs of collection.

51.10 The provisions of this First Amended Condominium Declaration, the Association Bylaws and all subsequent agreements, rules and regulations and determinations lawfully made by the Association, Manager or attorney-in-fact, shall be binding on all owners of Units, their representatives, heirs, successors and assigns.

51.11 Any and all sums, amounts, expenses, assessments or any funds due and payable as provided in this First Amended Declaration which are not paid within thirty (30) days of the date that the same are due and payable shall bear interest at the rate of one and one-half percent (1.5%) per month from the date that the same were first due and payable to the date until paid, unless any other rate of interest is specified by the Association.

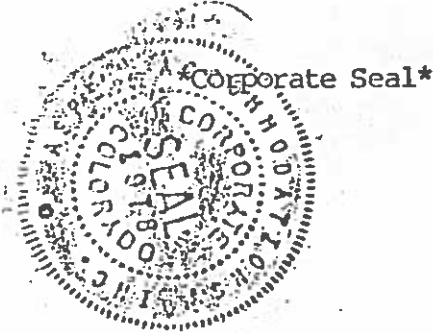
51.12 Any use of the terms Manager, Board of Managers, Board, Association, Agent, time-share agent or Managing Agent shall include all other of the terms herein set forth as necessary to accommodate the effective implementation and enforcement hereof.

IN WITNESS WHEREOF, the original Declarant and present President of the Mountain Edge Condominium Association has duly executed this First Amended Condominium Declaration, for recording to become in full force and effect by the ratification, adoption and approval as required in the original Condominium Declaration.

ASPEN ACCOMMODATIONS, INC.

Attest:

[Signature]
Secretary



By: *[Signature]*
Aspen Accommodations, Inc. by
Robert P. Morris, President

[Signature]
Mountain Edge Condominium Association
by Robert P. Morris, President

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

The foregoing First Amended Condominium Declaration consisting of twenty-seven pages and five additional pages of Exhibits for a total of thirty-two pages was acknowledged before me this 27 day of October 1982 by Robert P. Morris as President of Aspen Accommodations, Declarant, and as President of Mountain Edge Condominium Association.

Witness my hand and official seal.

My commission expires: September 29, 1985
My address is: P.O. Box 1553, Aspen, Co. 81612

[Signature]
Notary Public



EXHIBIT "A" TO
 FIRST AMENDED CONDOMINIUM DECLARATION
 FOR MOUNTAIN EDGE CONDOMINIUMS

The property description of the real property laid out and platted as Mountain Edge Conodminiums, Phase I, Building A is:

A tract of land being a portion of LODGE SITE 19, LODGE SITES AREA, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, lying Easterly of Gothic County Road, Northerly of Castle Road and Westerly of Hunter Hill Road, Lodge Site Nineteen being platted and recorded on a document titled "Plat of the Lodge Sites Area" in the records of the Gunnison County Clerk and Recorder bearing Reception No. 256818, said tract being more particularly described as follows:

Beginning at corner No. 1, a point on the right-of-way line of Gothic County Road from whence the center of Section 26, Township 13 South, Range 86 West of the sixth principal meridian bears $S70^{\circ}02'51''W$ a distance of 1039.34 feet (a brass cap marked "Merrick & Co. 2472 1973 cen. sec. 26"); thence $S74^{\circ}34'20''E$ a distance of 100.72 feet; thence $S52^{\circ}25'05''E$ a distance of 89.75 feet; thence $S34^{\circ}31'38''W$ a distance of 90.99 feet; thence $S29^{\circ}36'15''W$ a distance of 72.00 feet to a point on the right-of-way line of Castle Road; thence along Castle Road, 32.27 feet along the arc of a curve to the left having a radius of 86.00 ft. and a chord which bears $N71^{\circ}08'55''W$, 32.08 feet; thence $N81^{\circ}53'45''W$ a distance of 27.00 feet; thence continuing along Castle Road 45.82 ft. along the arc of a curve to the right having a radius of 33.00 ft. and a chord which bears $N42^{\circ}07'W$, 42.23 feet; thence continuing along Castle Road 71.14 ft. along the arc of a curve to the left having a radius of 79.00 ft. and a chord which bears $N28^{\circ}08'10''W$, 68.76 feet; thence 36.00 ft. along the arc of a curve to the right having a radius of 25.00 ft. and a chord which bears $N12^{\circ}40'56''W$, 32.97 feet; thence along Gothic County Road $N28^{\circ}34'15''E$ a distance of 92.00 feet to the point of beginning; said tract containing 0.65 acres, more or less; all bearings being referred to true North as determined by solar observation, and to the monumented north boundary line of Chalet Village Addition No. 3 (same as South Boundary line of Lodge site 19).

The property description of the real property laid out and platted as Mountain Edge Conodminiums as follows:

LODGE SITE 19, LODGE SITES AREA, according to the "Plat of Lodge Sites Area", Reception No. 256818, Town of Mt. Crested Butte.

County of Gunnison, State of Colorado

EXHIBIT "B" TO
FIRST AMENDED CONDOMINIUM DECLARATION
FOR MOUNTAIN EDGE CONDOMINIUMS

UNIT	SQUARE FOOTAGE	PERCENTAGE INTEREST IN GENERAL COMMON ELEMENTS
Terrace Level T-101	980.89	4.4%
Terrace Level AE-102	990.95 **	0.0%
Ground Level AG-101	965.18	4.2%
AG-102	1,118.93	5.0%
AG-103	998.71	4.5%
First Floor A-101	981.03	4.4%
A-102	1,130.59	5.0%
A-103	1,036.11	4.6%
A-104	900.26	4.0%
A-105	845.47	3.8%
A-106	855.91	3.8%
A-107	1,008.29	4.5%
Second Floor A-210	1,137.37	5.1%
A-202	1,234.43	5.5%
A-203	1,134.59	5.1%
A-204	886.66	4.0%
A-205	825.66	3.7%
A-206	832.43	3.7%
A-207	997.01	4.4%
Third Floor A-304	1,065.63	4.8%
A-305	1,009.23	4.5%
A-306	1,249.56	5.5%
A-307	1,234.65	5.5%
	<u>22,428.59</u> Sq. Ft.	<u>100.0%</u>

** Terrace Level AE-102 is an employee unit and part of the general common elements.

FIRST AMENDED CONDOMINIUM DECLARATION
FOR MOUNTAIN EDGE CONDOMINIUMS

An ownership interest in a time-share condominium unit shall consist of an undivided fee simple interest in the time-share condominium unit with a percentage of ownership in the time-share condominium unit and a percentage of ownership in the general common elements as hereafter set forth.

The percentage of ownership in the time-share condominium unit shall be held in tenancy in common with all other owners of an ownership interest in the same time-share condominium unit.

With each ownership interest is an appurtenant exclusive right to use, possess and occupy the time-share condominium unit during a stated time interval.

The time interval periods are the time intervals hereafter set forth and the same time intervals shall apply to all time-share condominium units.

Time intervals No. 18 and No. 46 shall be common time intervals and owned as a tenancy in common by the time-share condominium unit owners of that time-share condominium unit.

Each owner of a time share interval will own the percentage of the general common elements equal to two percent (2%) of the percentage in the general common elements attributable to such condominium unit as a non-time-share unit. For example: the owner of one (1) time-share interval in A-101 would own two percentage (2%) of the 4.2% attributable to that entire unit, or .0084%.

<u>Time Interval</u>	<u>Undivided Fractional Ownership interest in the time-share Condominium Unit</u>	<u>Appurtenant Undivided Percentage Interest in and to the General Common elements</u>
No. 1	2%	2% of 1/25 or 0.008%
No. 2	2%	2% of 1/25 or 0.008%
No. 3	2%	2% of 1/25 or 0.008%
No. 4	2%	2% of 1/25 or 0.008%
No. 5	2%	2% of 1/25 or 0.008%
No. 6	2%	2% of 1/25 or 0.008%
No. 7	2%	2% of 1/25 or 0.008%
No. 8	2%	2% of 1/25 or 0.008%
No. 9	2%	2% of 1/25 or 0.008%
No. 10	2%	2% of 1/25 or 0.008%
No. 11	2%	2% of 1/25 or 0.008%
No. 12	2%	2% of 1/25 or 0.008%
No. 13	2%	2% of 1/25 or 0.008%
No. 14	2%	2% of 1/25 or 0.008%
No. 15	2%	2% of 1/25 or 0.008%
No. 16	2%	2% of 1/25 or 0.008%
No. 18 **	0%	0%
No. 17	2%	2% of 1/25 or 0.008%
No. 19	2%	2% of 1/25 or 0.008%
No. 20	2%	2% of 1/25 or 0.008%
No. 21	2%	2% of 1/25 or 0.008%
No. 22	2%	2% of 1/25 or 0.008%
No. 23	2%	2% of 1/25 or 0.008%
No. 24	2%	2% of 1/25 or 0.008%
No. 25	2%	2% of 1/25 or 0.008%
No. 26	2%	2% of 1/25 or 0.008%
No. 27	2%	2% of 1/25 or 0.008%
No. 28	2%	2% of 1/25 or 0.008%
No. 29	2%	2% of 1/25 or 0.008%
No. 30	2%	2% of 1/25 or 0.008%
No. 31	2%	2% of 1/25 or 0.008%
No. 32	2%	2% of 1/25 or 0.008%
No. 33	2%	2% of 1/25 or 0.008%
No. 34	2%	2% of 1/25 or 0.008%
No. 35	2%	2% of 1/25 or 0.008%
No. 36	2%	2% of 1/25 or 0.008%
No. 37	2%	2% of 1/25 or 0.008%
No. 38	2%	2% of 1/25 or 0.008%
No. 39	2%	2% of 1/25 or 0.008%
No. 40	2%	2% of 1/25 or 0.008%
No. 41	2%	2% of 1/25 or 0.008%
No. 42	2%	2% of 1/25 or 0.008%
No. 43	2%	2% of 1/25 or 0.008%
No. 44	2%	2% of 1/25 or 0.008%
No. 45	2%	2% of 1/25 or 0.008%
No. 46 **	0%	0%
No. 47	2%	2% of 1/25 or 0.008%
No. 48	2%	2% of 1/25 or 0.008%
No. 49	2%	2% of 1/25 or 0.008%
No. 50	2%	2% of 1/25 or 0.008%
No. 51	2%	2% of 1/25 or 0.008%
No. 52	2%	2% of 1/25 or 0.008%
Total	<u>100%</u>	<u>0.04</u>

** common time-share intervals

EXHIBIT "D" TO

FIRST AMENDED CONDOMINIUM DECLARATION FOR MOUNTAIN EDGE CONDOMINIUMS

FACSIMILE ONLY

INTENTION TO CONVERT TO A TIME-SHARE CONDOMINIUM UNIT AT MOUNTAIN EDGE CONDOMINIUMS

For: Condominium Unit _____, Mountain Edge Condominiums according to the Condominium Map appearing in the records of the County Clerk and Recorder of Gunnison County, Colorado in Book _____ Page _____.

WHEREAS, the First Amended Condominium Declaration for Mountain Edge Condominiums recorded in the Gunnison County records at Book _____ beginning at Page _____, has been ratified, adopted and approved; and,

WHEREAS, the First Amended Condominium Declaration for Mountain Edge Condominiums, enables owners of an individual condominium unit to CONVERT their unit to a Time-share Condominium unit subject to certain conditions; and,

WHEREAS, the completion and execution of this intention to convert to a Time-share Condominium Unit by all record owners and all record holders of a security interest in the above described condominium unit is a prerequisite to CONVERT pursuant to the First Amended Condominium Declaration;

NOW, THEREFORE, it is agreed and admitted:

1. The above mentioned condominium unit ("the unit") shall be, and hereby is, CONVERTED to a Time-Share Condominium Unit effective upon the proper execution and recording of this Intention to Convert or counterparts hereof.
2. All owners of the unit do hereby consent and agree that the unit shall hereafter, until revoked pursuant to the First Amended Condominium Declaration or its amendments or supplements, be a Time-share Condominium Unit, subject to the conditions, covenants and restrictions set forth in the First Amended Condominium Declaration or its amendments or supplements.
3. The holders of record security interest(s) do hereby agree and consent to the conversion of the unit to a Time-share Condominium Unit.
4. This conversion shall be null, void and of no force or effect whatsoever in the event this Intention to Convert has not been duly executed by all record owners and all record holders of any security interest in the above described condominium unit.

IN WITNESS WHEREOF, the following who constitute all record owners and all record holders of any security interest, either individually or by their duly authorized agent have set their hands and seals.

State of)
) ss.
County of)

The foregoing Intention to Convert was acknowledged before me this _____ day of _____ 19____ by _____ a (owner of) (holder of security interest in) the above described condominium unit.

Witness my hand and official seal.

My commission expires:
My address is:

Notary Public

State of)
) ss.
County of)

The foregoing Intention to Convert was acknowledged before me this _____ day of _____ 19____ by _____ a (owner of) (holder of security interest in) the above described condominium unit.

Witness my hand and official seal.

My commission expires:
My address is:

Notary Public

COPY

RESOLUTION CONCERNING ADDITION OF GENERAL COMMON ELEMENT

OF

MOUNTAIN EDGE CONDOMINIUM ASSOCIATION, INC.

PURSUANT TO Paragraph 19 of the Condominium Declaration for Mountain Edge Condominiums recorded August 24, 1981 in Book 570 at Page 566 of the records of Gunnison County, Colorado, Mountain Edge Condominium Association, Inc., hereby certifies and resolves as follows:

A. Upon proper notice to all members, the annual meeting of the Association was held on July 30, 1993 and a quorum of members was present at said meeting either in person or by proxy.

B. A motion was made at said meeting to complete the purchase of that portion of Lodge Site 19 used as the Association parking lot area from the Town of Mt. Crested Butte and to dedicate the same to the Mountain Edge Condominiums as an additional general common element.

C. By unanimous vote of the votes entitled to be cast at said meeting, said Motion was approved and the Secretary of the Association was instructed to prepare this Resolution and have it certified and placed of record.

NOW, THEREFORE, be it resolved as follows:

The appropriate officers of the Association are hereby directed to complete the purchase of the parking lot area of Lodge Site 19 from the Town of Mt. Crested Butte and to prepare, execute and record such instruments as may be required to dedicate the same as a general common element to the Mountain Edge Condominiums.

MOUNTAIN EDGE CONDOMINIUM ASSOCIATION, INC.

By: [Signature]
Ronal E. Young
Its Secretary

I hereby certify that the foregoing Resolution duly reflects the action taken by the Mountain Edge Condominium Association, Inc., upon a unanimous vote of the members present at the annual meeting of the membership on July 30, 1993 at which a quorum of members was present.

By: [Signature]
Ronal E. Young
Its Secretary

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

THE FOREGOING Resolution was subscribed, acknowledged and sworn to before me this 3rd day of December, 1993 by Ronald E. Young as Secretary of Mountain Edge Condominium Association, Inc.

Witness my hand and official seal.

My commission expires: 07-19-97



[Signature]
Notary Public

Filed for record the 24th day of August, A. D. 1981 at 4:20 o'clock P. M. Joanne M. Reitinger
Exemption No. 361771 By Jan. C. [Signature] RECORDS DEPT.

CONDOMINIUM DECLARATION
FOR
MOUNTAIN EDGE CONDOMINIUMS
(A Condominium)

CONDOMINIUM DECLARATION
FOR
MOUNTAIN EDGE CONDOMINIUMS
(A Condominium)

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CONDOMINIUM DECLARATION

FOR

MOUNTAIN EDGE CONDOMINIUMS

WHEREAS, ASPEN ACCOMMODATIONS, INC., a Colorado corporation, hereafter referred to as "Declarant", is the owner of the real property situated in the County of Gunnison, State of Colorado, more fully described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Declarant desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado and to define the character, duration, rights, obligations, and limitations of such condominium ownership; and

WHEREAS, Declarant owns buildings and other improvements appurtenant thereto on the above-described property which, when completed, shall consist of separately designated Condominium Units; and

WHEREAS, Declarant does hereby establish a plan for the ownership in fee simple of the real property estates consisting of the area or space contained in each of the Units in the buildings and the co-ownership by the individual and separate Owners thereof, as tenants in common, of all the remaining real property hereinafter defined and referred to as the General Common Elements;

NOW, THEREFORE, Declarant does hereby submit the real property described on Exhibit "A" and the improvements situated thereon to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado, and Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations, and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions. Unless the context shall expressly provide otherwise, the following definitions shall apply:

1.1 "Unit" means an individual air space unit which is bounded by the unfinished interior surfaces of its perimeter walls, windows, doors, ceilings and bearing walls of such unit in the building as shown on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained but not including any of the structural components of the building, or common elements, if any, in such unit.

1.2 "Condominium Unit" means the fee simple interest and title in and to a unit, together with the undivided percentage interest in the general and limited common elements appurtenant to such unit.

1.3 "General Common Elements" means and includes the land described in Exhibit "A" hereto, the structural components of the building, including but not limited to roofs, floors other than the interior surfaces thereof (and crawl spaces between the floors), foundation, pipes, ducts, flues, chutes, conduits, wires, and other utility installations to the outlets, bearing walls, perimeter walls, columns and girders, to the interior

surfaces thereof, regardless of location; the balconies, walkways and parking areas, which are now or hereafter contained within the condominium project; all installation of power, lights, gas, hot and cold water existing for common uses, and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance, and safety which are normally and reasonably in common use, including the air above such land, 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 percentage interest in such general common elements as is provided hereinafter.

1.4 "Limited Common Elements" means those parts of the general common elements which are either limited to or reserved for the exclusive use of the owners of one or more, but less than all, of the condominium units. "Common Elements" includes General Common Elements and Limited Common Elements.

1.5 "Condominium Project" means all of the land and improvements initially and subsequently within the purview of the Declaration.

1.6 "Common Expenses" means and includes expenses for maintenance, repair, operation, management and administration; expenses declared common expenses by the provisions of this Declaration and under the Bylaws of Mountain Edge Condominium Association, and all sums lawfully assessed against the common elements by the Board of Managers of the Association.

1.7 "Association of Unit Owners" or "Association" means the Mountain Edge Condominium Association, Inc., a non-profit Colorado corporation, its successors and assigns, the Articles of Incorporation and Bylaws of which shall govern the administration of this condominium property, the members of which shall be all of the owners of the condominium units.

1.8 "Building" means the building improvements containing units as shown on the Map or amendments and supplements thereto.

1.9 "Map" or "Supplemental Map" means and includes the engineering survey of the land locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land.

1.10 "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium Unit or any part thereof is encumbered.

1.11 "Mortgagee" means any person named as the Mortgagee or the beneficiary under any mortgage under which the interest of any Owner is encumbered.

1.12 "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, owning one or more Condominium Units; the term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2. Condominium Map. Prior to the first conveyance of a Condominium Unit, Declarants shall cause to be filed for record a Map. The Map may be filed for record in whole or in parts or sections, from time to time. Each section of the Map filed subsequent to the first or initially filed Map shall be termed a Supplement to such Map and the numerical sequence of such supplements shall be shown thereon. Each such Map shall depict and show at least the following:

The legal description of the land and survey thereof, the location of the building(s); the floor and elevation plans; the location of the units within the building, both horizontally and vertically; the thickness of the common walls between or separating the units; the location of any structural components or supporting elements of a unit located within a building; and the building and unit designations.

The Map shall contain the certificate of a registered Colorado land surveyor or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the building, the units, the unit designations, the dimensions of the units, the elevations of the unfinished floors and ceilings, the building number or symbol, and that such Map was prepared subsequent to substantial completion of the improvements. Each Supplemental Map and/or any amendment shall set forth a like certificate when appropriate. In interpreting the Map the existing physical boundaries of each separate unit shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the constructed improvements, and to establish, vacate and relocate easements, access road easements and on-site parking areas.

Residential unit A-E-102 as hereby dedicated as employee housing under the following conditions:

Such unit shall be dedicated and used solely for the purpose of housing a resident manager or employees whose services are utilized in the operation and management of Mtn. Edge Condominiums of Mt. Crested Butte and to the extent that such unit is not utilized by such employees, to any other persons employed within the Town of Mt. Crested Butte, Colorado.

Such unit is dedicated solely for the purpose of such resident manager or employee housing, so long as the same is (1) needed to house employees of the Mtn. Edge Condominium of Mt. Crested Butte project as determined by the Association and (2) is required to be kept and maintained as employee housing by any ordinance of the Town of Mr. Crested Butte, Colorado, including Ordinance 10, Series 1979.

The Association shall keep and maintain the unit for such resident manager or employee housing as above required and upon the same no longer being required or needed for such purpose may utilize, sell or dispose of such unit in the same manner and method as any other property owned by the Association.

3. Division of Property into Condominium Units. The real property and improvements to be constructed thereon are hereby divided into the following fee simple estates, each such estate consisting of the separately designated units and the undivided interest in and to the general common elements and the limited common elements, if any, appurtenant to each unit as is set forth on the attached Exhibit "B", which by this reference is made a part hereof. Each such unit shall be identified on the Map by number and building symbol as shown on Exhibit "B".

4. Limited Common Elements. A portion of the general common elements is reserved for the exclusive use of the individual owners of the respective units, and such areas are referred to as "limited common elements". The limited common elements so reserved shall be identified on the Map. Any balcony or balconies which are accessible only from within, associated only with and which adjoin a single unit shall, without further reference thereto, be limited common elements used in connection with such unit to the exclusion of the use thereof by the other owners of the general common elements, except by invitation. All of the owners of the condominium units in this condominium project shall have a non-exclusive right in common with all of the others to use of sidewalk, pathways, roads and streets located within the entire project, if any. No reference thereto, whether such common elements are exclusive or non-exclusive need be made in any deed, instrument of conveyance, or other instrument, and reference is made to the provision of paragraph 6

5. Inseparability of a Condominium Unit. Each unit, the appurtenant undivided interest in the general common elements and the appurtenant limited common elements, if any, shall together comprise one condominium unit, shall be inseparable and may be conveyed, leased, devised or encumbered only as a condominium unit.

6. Method of Description. Every contract for the sale of a condominium unit, deed of conveyance, and every other instrument affecting title to a condominium unit shall describe that condominium unit by the unit number and building designation shown on the Condominium Map appearing in the records of the County Clerk and Recorder of Gunnison County, Colorado in the following manner:

Condominium Unit _____,
Mountain Edge Condominiums
according to the Condominium Map
appearing in the records of the
County Clerk and Recorder of Gunnison
County, Colorado, in Book _____,
Page _____.

Such description will be construed to describe the unit, together with the appurtenant undivided interest in the common elements, and to incorporate all the rights incident to ownership as described in this Declaration.

7. Separate Assessment and Taxation - Notice to Assessor. Declarant shall give written notice to the Assessor of Gunnison County, Colorado, of the creation of condominium ownership in this property, as is provided by law, so that each unit and the undivided interest in the general common elements and limited common elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation.

8. 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.

9. Non-Partitionability of General Common Elements. The general common elements including limited common elements shall be owned in common by all of the owners of the units and shall remain undivided, and no owner shall bring any action for partition or division of such common elements.

10. The Use of General and Limited Common Elements. Each owner shall be entitled to exclusive ownership and possession of his 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, subject to such reasonable rules and regulations as may, from time to time, be established pursuant to the Bylaws of the Association.

(a) Nothing shall be done or kept in any unit or in the common areas and facilities or limited common areas and facilities which will increase the rate of insurance on said common or limited common areas and facilities without the prior written consent of the Board of Managers. No owner shall permit anything to be done or kept in his unit or in the common or limited common areas or facilities which will result in the cancellation of insurance of any unit or any part of the common or limited common areas or facilities or which would be in violation of any law. No waste will be committed of the common or limited common areas and facilities.

(b) No sign or flag of any kind shall be displayed to the public view or from any unit from the common or limited common areas and facilities without the prior consent of the Board of Managers, provided, however, that the provision shall not apply to signs placed by the Managing Agent and necessary to

(c) No animals, livestock, or poultry of any kind shall be raised, bred or kept in any unit or in the common areas and facilities, except that dogs, cats or other household pets may be kept in the units, if permitted by the rules and regulations adopted by the Board of Managers and Managing Agent.

(d) No noxious or offensive activity shall be carried on in any unit, in the common or limited common areas and facilities of the common or limited elements, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

(e) Nothing shall be altered or constructed in or removed from the general or limited elements, except upon the written consent of the Board of Managers.

(f) There shall be no violation of rules for the use of the general or limited common elements adopted by the Board of Managers and furnished in writing to the owners, and the Board of Managers is authorized to adopt such rules so long as they are reasonable.

11. Use and Occupancy. All condominium units shall be used and occupied solely for lodging and residential purposes by the owner, by the owner's family or the owner's guests and tenants. Leasing and renting of the units for residential purposes shall not be considered a violation of this covenant.

12. Easements for Encroachments. If any portion of the Common Elements now or hereafter encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of a Unit now or hereafter encroaches upon the Common Elements or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or the Units.

13. Termination of Mechanic's Lien Rights and Indemnification. Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Owner thereof or his agent or his contractor or subcontractor shall be a basis for filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any Owner or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in or otherwise attributable to the Owner's Unit at such Owner's request.

14. Administration and Management; Managing Agent. The administration and management of this condominium property shall be governed by the Articles of Incorporation and Bylaws of the Association. An owner of a condominium unit, upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership. The Association shall be initially governed by a Board of Managers as is provided in the Bylaws of the Association. The Board of Managers may delegate by written agreement any of its duties, powers and functions to any person or firm to act as Managing Agent at an agreed compensation.

15. Reservation for Access - Maintenance, Repair and Emergencies. The Declarant, any entity to whom it assigns this right, and persons either of them may select; shall have the right of ingress and egress over, upon and across the general common and limited common elements and the right to store materials thereon and make such other use thereof as may be

reasonably necessary incident to renovation, sale and operation of the Condominium Project as a condominium facility. The owners shall have the irrevocable right, to be exercised by the Managing Agent, or Board of Managers of the Association, to have access to each unit from time to time during reasonable hours under the particular circumstances as may be necessary for maintenance, repair, or replacement of any of the general or limited common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to such common elements or to another unit or units. Damage to the interior or any part of a unit or units resulting from the maintenance, repair, emergency repair or replacement of any of the general or limited common elements or as a result of emergency repairs to general or limited common elements, within another unit at the instance of the Association shall be a common expense of all of the other owners; provided, however, that if such damage is the result of the misuse or negligence of a unit owner, then such owner shall be responsible and liable for all such damage. All damaged improvements shall be restored to substantially the same condition of such improvements prior to damage. All maintenance, repairs and replacements as to the general or limited common elements, whether located inside or outside of units (unless necessitated by the negligence or misuse of a unit owner, in which case such expense shall be charged to such unit owner) shall be the common expense of all of the owners.

16. Owner's Maintenance Responsibility of Unit, Balconies, Parking and Storage Areas. For purposes of maintenance, repair, alteration and remodeling, an owner shall be deemed to own the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the unit, including interior unit doors and windows. The owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are herein and hereinafter 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 Board of Managers. Such right to repair, alter and remodel is coupled with the obligation to replace any finishing or other materials removed with similar types or kinds of materials. An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the 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 or may impair the structural soundness or integrity of the building or impair any easement or hereditament without the written consent of the Board of Managers of the Association, after first proving to the satisfaction of the Board of Managers that such work or act will not impair structural soundness and that such work or act shall be done or performed in a workman-like manner. Any expense to the Board of Managers for investigation under this Paragraph 16, including but not limited to the engaging of a structural engineer, shall be for the account of the owner seeking the consent. The decision of the Board of Managers shall not be subject to review and shall be subject to their absolute discretion. An owner shall also keep the balcony area appurtenant to his unit in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water. All other maintenance or repairs to any limited common elements (unless necessitated by the negligence or misuse of a unit owner, in which case such expense shall be charged to the unit owner) shall be at the expense of all the owners.

17. Compliance with Provisions of Declaration, Bylaws of the Association. Each owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due

for damages, or for injunctive relief or both, and for reimbursement of all costs and attorneys' fees incurred in connection therewith, which action may be maintained by the Managing Agent or Board of Managers in the name of the Association on behalf of the owners or, in a proper case by an aggrieved owner.

18. Revocation or Amendment to Declaration. This Declaration shall not be revoked unless all of the owners and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all of the condominium units unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five percent (75%) or more, of the general common elements, and provided such amendment affects the rights of the holders of security interests in the condominiums, the mortgagees of all recorded first and second mortgages and beneficiaries of all first and second deeds of trust covering or affecting any or all condominium units, consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the percentage of the undivided interest in the common elements shall have a permanent character and shall not be altered without the consent of all of the unit owners expressed in any amended Declaration duly recorded.

19. Additions, Alterations, and Improvements of General and Limited Common Elements. There shall be no additions, alterations or improvements by the Board of Managers or the Managing Agent of or to the general and limited common elements requiring an expenditure in excess of Five Hundred Dollars (\$500.00) in any one calendar year without prior approval of the owners holding a majority of the interests in the general common elements, in writing, or as reflected in the minutes of a regular or special meeting of the owners. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any general or limited common element. An individual unit owner shall do no alterations, additions, or improvements to the general common elements or the limited common elements without the approval in writing of the owners holding a majority of the interests in the general common elements or as reflected in the minutes of a regular or special meeting of the owners.

20. Assessment for Common Expense. (a) All owners shall be obligated to pay the assessments, either estimated or actual, imposed by the Board of Managers of the Association to meet the common expenses. The assessments shall be made according to each owner's percentage interest in the general common elements as is set forth in Exhibit "B". Except as is provided in paragraph 16, 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 for the repair or maintenance thereof. Assessments for the estimated common expenses shall be made at least semi-annually and shall be due immediately upon receipt. The Managing Agent or Board of Managers shall prepare and deliver or mail to each owner a statement for the estimated or actual common expenses. In the event the ownership of a condominium unit by grant from the Declarant commences on a day other than the first of the month, the assessment for that month shall be prorated.

The assessments made for common expenses shall be the sum which the Managing Agent, or if there is no Managing Agent, then the Board of Managers of the Association shall from time to time determine is necessary to be paid by all of the condominium unit owners to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, replacements, additions, alterations, and improvements of and to the common elements, which may include, but shall not

be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all of the common elements and condominium units (including all fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors and ceilings, doors, windows and other elements or materials comprising a part of the units) casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; sewer charges; legal and accounting fees; expenses and liabilities incurred by the Managing Agent by reason of this Declaration and the Bylaws of the Association; for any default arising or any deficit remaining from a previous period; the creation of a reasonable contingency reserve, working capital, and sinking funds as well as other costs and expenses relating to the common elements. The omission or failure of the Managing Agent or Board of Managers to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

(b) Each owner shall be obligated to pay all charges for any separately metered utilities servicing his condominium unit or ownership interest in a time share condominium unit. In the event that any utility is master metered to the Association, then such utility service shall be part of the common assessments as above provided and in accordance with the rules and regulations of the Crested Butte Water and Sanitation District.

21. Insurance. The Managing Agent, or if there is no Managing Agent, then the Board of Managers shall obtain and maintain at all times insurance of the type and kind provided hereinabove and provide for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium buildings, fixtures, equipment and personal property, similar in construction, design and use issued by responsible insurance companies authorized to do business in the State of Colorado, covering the buildings and improvements on the land and all personal property included in the common elements in an amount equal to the maximum insurable replacement value thereof. The insurance shall be carried in blanket policy form naming the Association the insured, as attorney-in-fact (for all of the condominium owners) which policy or policies shall identify the interest of each condominium unit owner (owner's name, unit number), and which policy or policies shall provide a standard noncontributory mortgagee clause in favor of each first or second mortgagee or deed of trust beneficiary, and provide that the policy cannot be cancelled or substantially modified until after ten (10) days' prior written notice is first given to each owner and each first or second mortgagee or beneficiary as defined hereunder. To the extent any insurance is to be maintained in amounts calculated by reference to replacement value, the Board of Managers shall designate a general contractor licensed to do business in the State of Colorado to estimate such replacement value each three (3) years beginning with the three-year period ending three (3) years from the date of the recording of this Declaration. Insurance coverage of the furnishings and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual unit shall be the responsibility of the owner thereof.

The Managing Agent, or if there is no Managing Agent, then the Board of Managers, shall obtain and maintain, to the extent obtainable, public liability insurance in such limits as may from time to time be determined, covering each unit owner, persons renting from the owner, and their invitees and business guests, each member of the Board of Managers, the Managing Agent and the resident manager. Such public liability coverage shall also cover cross liability claims of one insured against another and shall contain waivers of subrogation to the extent reasonably

insurance shall not be affected or diminished by reason of any such insurance carried by any unit owner.

22. Owner's Personal Obligation for Payment of Assessments. The amount of the common expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. Both the Board of Managers and Managing Agent shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid more than fifteen (15) days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of eighteen percent (18%) per annum on the amount of the assessment from due date thereof, together with all expenses including attorneys' fees incurred, together with such late charges as provided by the Bylaws of the Association. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

23. Assessment Lien and Foreclosure. All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the unit and liens in favor of a first or second mortgagee or beneficiaries of a first or second deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance. To evidence such lien, the Board of Managers or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one of the Board of Managers or by one of the officers of the Association or by the Managing Agent and shall be recorded in the office of the clerk and recorder of Gunnison County, Colorado. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage or deed of trust on real property subsequent to the recording of a notice of claim thereof. In any such proceeding the owner shall be required to pay the Association the monthly assessment for the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid on the condominium unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any encumbrancer holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such unit, and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance. Upon request of a mortgagee or deed of trust beneficiary, the Association shall report to such mortgagee or beneficiary of a condominium unit any unpaid assessments remaining unpaid for longer than twenty-five (25) days after the same are due; provided, however, that a mortgagee or beneficiary shall have furnished to the Managing Agent or the Board of Managers notice of such encumbrance.

24. Liability for Common Expense upon Transfer of Condominium Unit is Joint. Upon payment to the Managing Agent, or if there is no Managing Agent, then to the Association of a reasonable fee not to exceed Twenty-Five Dollars (\$25.00), and upon the written request of any owner or any mortgagee, deed of trust beneficiary, or prospective mortgagee or beneficiary, of a condominium unit, the Association by its Managing Agent, or if

there is no Managing Agent, then by the financial officer of the Association, shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which became due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement. The grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the unpaid common assessments up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Twenty-Five Dollars (\$25.00), as is hereinabove provided, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent, or if there is no Managing Agent, then from the Association, setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment, the date that such assessment becomes due, and credits for any advance payments of common assessments, for prepaid items such as insurance premiums, which statements shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten (10) days of such request, then such requesting grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments against the subject unit up to the date such request was made.

25. Mortgaging a Condominium Unit - Priority. An owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage or deed of trust beneficiary shall be one which has first and paramount priority under applicable law. The owner of a condominium unit may create junior mortgages, liens, or encumbrances on the following conditions:

25.1 That any such junior mortgages or liens shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, liens for common expenses (except as otherwise provided herein), and other obligations created by this Declaration, the Articles of Incorporation and the Bylaws for the Association.

25.2 That the mortgagee or lien holder under any junior encumbrance shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises obtained by the Association to the extent of such restoration (except as otherwise provided herein). Such release shall be furnished forthwith by a junior encumbrancer upon written request of one or more of the members of the Board of Managers of the Association.

26. Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the improvements to the condominium project upon their condemnation, damage, destruction, or obsolescence.

Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the

Declarant or from any owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the owners irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any improvements within the condominium project upon their condemnation or damage, destruction, or obsolescence, all as is hereinafter provided. As attorney-in-fact, the Association by its President and Secretary or Assistant Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, or replacements unless the owners of a majority of the units and all first or second mortgagees or first or second deed of trust beneficiaries agree not to rebuild in accordance with the provisions set forth hereinafter.

26.1 In the event of a damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to cause the repair and restoration of the improvements.

26.2 If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is determined to be not more than sixty percent (60%) of all of the improvements in the condominium project, not including land (but including landscaping, roads, and including utilities to the extent their replacement is not the responsibility of a utility company), such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment if the insurance proceeds are insufficient, to be made against all of the owners and their condominium units. Such assessment shall be a common expense and made pro rata according to each owner's percentage interest in the general common elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right, and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in paragraphs 22 and 23. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such deficiency, within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. The delinquent owner shall be required to pay the Association the costs and expenses for filing the notices, interest on the amount of the assessment at the rate of eighteen percent (18%) per annum and all reasonable attorneys' fees and costs incident to a sale. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

26.2.1 For payment of taxes and special assessments whether or not recorded as liens as of the date of sale and customary expense of sale;

26.2.2 For payment of the balance of the lien of any first mortgage or deed of trust and then for the balance of any second mortgage or deed of trust;

26.2.3 For payment of unpaid common expenses (other than special assessment) and all costs, expenses, and fees incurred by the Association;

26.2.4 For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

26.2.5 The balance, if any, shall be paid to the unit owner.

26.3 If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements, and if such damage is determined to be more than sixty percent (60%) of all of the improvements in the condominium project, including landscaping, roads, and utilities when replacement is not the responsibility of a utility company, but not including land, and if the owners representing an aggregate ownership interest of fifty-one percent (51%) or more, of the general common elements, do not voluntarily, within one hundred (100) days thereafter make provisions for reconstruction, which plan must have the unanimous approval or consent of every first and second mortgagee and first or second deed of trust beneficiary, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the entire premises, including the damaged part and the undamaged part, shall be sold by the Association, as attorney-in-fact, for all of the owners, free and clear of the other provisions contained in this Declaration, the Condominium Map and the Bylaws; provided, however, assessments for common elements shall not be abated for the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each owner's percentage interest in the general common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the condominium units. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit designation and the name of the owner. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each condominium unit owner's percentage interest in the general common elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purpose and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

Any amount accruing to the Association by virtue of such payments shall, after satisfaction of any obligation of the Association, be paid into the account of the other unit owners not making such payment apportioned based upon the unpaid owner's percentage interest in the general common elements.

26.4 If within the time provided in paragraph 26.3 above, the owners representing an aggregate ownership interest of fifty-one percent (51%) or more of the general common elements adopt a plan for reconstruction, which plan has the unanimous approval of all first and second mortgagees and first and second deed of trust beneficiaries, then all of the owners shall be bound by the terms and other provisions of such plan. Any special assessment made in connection with such plan shall be a common expense and made pro rata according to each owner's percentage interest in the general common elements and shall be due and payable as provided by the terms of such plan, but not sooner than sixty (60) days after written notice thereof. The Association shall have full authority, right and power, as

attorney-in-fact, to cause the repair or restoration of improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt for each owner and a lien on his condominium unit and may be enforced and collected as is provided for herein in paragraphs 22 and 23. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of a delinquent owner shall be sold by the Association. The delinquent owner shall be required to pay the Association the costs and expenses for filing the notices, interest at the rate of eighteen percent (18%) per annum on the amount of the assessment and all costs and reasonable attorneys' fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.5 The owners representing an aggregate ownership interest of eighty percent (80%) or more of the general common elements may agree that the general common elements are obsolete and adopt a plan for their renewal and reconstruction which plan has the unanimous approval of all first and second mortgagees and first and second deed of trust beneficiaries of record at the time of the adoption of such plan. If a plan for renewal and reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the owners as common expenses; provided, however, that an owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the date of adopting such plan that such unit shall be purchased by the Association for the fair market value thereof. The Association shall then have thirty (30) days (thereafter) within which to cancel such plan. If such plan is not cancelled, the condominium unit of the requesting owner shall be purchased according to the following procedures. If such owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty (30) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two (2) appraisers, and from the names of the four (4) appraisers so nominated, one (1) shall be drawn by lot by the appraiser appointed by the owner in the presence of the other appraiser, and the person whose name was so drawn shall be the umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then the decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse the proceeds for the same purposes and in the same order as is provided in

subparagraphs 26.2.1 through 26.2.5 of this paragraph, except as modified herein.

26.6 The owners representing an aggregate ownership interest of eighty percent (80%) or more of the general common elements, with the unanimous consent of all first and second mortgagees and first and second deed of trust beneficiaries, may agree that the condominium units are obsolete and the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire premises shall be sold by the Association, as attorney-in-fact, for all of the owners, free and clear of the provisions contained in this Declaration, the Map and Bylaws. The sales proceeds shall be apportioned between the owners on the basis of each owner's percentage interest in the general common elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one (1) condominium unit and each such account shall be in the name of the Association and shall be further identified by the condominium unit designation and the name of the owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.7 If at any time that this Condominium Declaration is in effect, any portion of the Condominium Project shall be taken for any public or quasipublic use by any lawful power or authority by the exercise of the right of condemnation or eminent domain, then the following provisions shall apply with respect to any proceeds arising out of such condemnation or eminent domain and to the sale of remaining portions of the Condominium Project:

26.7.1 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the attorney-in-fact.

26.7.2 Complete Taking. In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership pursuant thereto shall terminate. The Condominium Award shall be apportioned among the owners on the basis of each owner's fractional interest in the General Common Elements, provided that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principal set forth in the last preceding paragraph, the attorney-in-fact 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 provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.7.3 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable, the attorney-in-fact 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 the owners on the basis of each owner's fractional interest in the Common Elements, (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an owner has made within his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other taking or injuries shall be apportioned as the attorney-in-fact determines to be equitable in 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 attorney-in-fact shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in subparagraphs 26.2.1 through 26.2.5 of this paragraph.

26.7.4 Reorganization. In the event a partial taking results in the taking of a complete Unit, the owner thereof shall automatically cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this Declaration according to the same principals employed in this Declaration at its inception and shall submit for reallocation to the owners of remaining Units for amendment of this Declaration as provided in Paragraph 18.

27. Other Association Functions. The Association may undertake any activity, function or service for the benefit or to further the interests of all, some or any Owners on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of firewood, the providing of maid and cleaning service for individual Condominium Units, and the providing of check-in, mail and telephone answering service. If such functions or services include furnishing or providing services for the care and maintenance of Condominium Units or the renting or leasing of Condominium Units on behalf of Owners, no Owner shall be required to utilize the Association for such services and all costs and expenses of the Association in connection with such services shall be charged solely to the Owners who utilize such services.

28. Expansion of Project.

28.1 Right to Construct Addition(s). Declarant shall have the right from time to time within the time period hereinafter provided, to construct additions on the real property described on Exhibit A attached hereto and to create additional Condominium Units, each Condominium Unit consisting of an Individual Space in such Addition together with an appurtenant undivided interest in Common Elements of the Project, including Common Elements existing prior to construction of any such Addition(s). The acceptance by an Owner of an interest in a Condominium Unit shall constitute the consent of that Owner to expansion of the Project as herein provided and no Owner shall do anything which might hinder or prevent such expansion.

28.2 Construction Limitations. Construction of any Addition(s) shall be commenced prior to ten years from the date of this Declaration. Construction of the Addition(s) shall be commenced at a time of year so that it may be completed by the end of that year and shall be diligently pursued so that the Addition(s) is, in fact, substantially completed by the end of that year, except as delayed for reasons beyond the control of Declarant. During construction, unsightliness, dust and noise shall be kept at as low a level as reasonably possible. The Addition(s) shall be constructed so as to do as little destruction and damage as is reasonably possible to existing trees and other growth and, after construction of the Addition(s), the surface area not occupied by improvements shall be restored, as near as reasonably possible, to its present state. No existing Individual Space shall be affected by the construction.

28.3 Construction Easements. For purposes of construction of the Addition, Declarant and Declarant's designees shall have easements over, across and through the Real Property, except that occupied by the existing Building, for purposes of construction of the Addition, utilities, and other improvements necessary or desirable in connection therewith.

28.4 Supplemental Condominium Declaration and Map. Upon completion of the Addition, Declarant shall execute and record a Supplemental Condominium Declaration and a Supplemental Condominium Map. The Supplemental Condominium Declaration shall state that an Addition containing Individual Space has been constructed on the Expansion Site and that the same shall become subject to this Declaration. The Supplemental Condominium Map shall depict the Addition and the Individual Spaces, shall specify a Condominium Unit number for each such Individual Space and shall properly locate the Addition and the Individual Spaces as required by law. Upon the recording of a Supplemental Condominium Declaration and Supplemental Condominium Map, the Addition Site, the additional building and the improvements thereon shall become part of the Project and additional Condominium Units in the Project shall be deemed created (owned at that time by Declarant) each consisting of a separate fee simple estate in a particular Individual Space in the Addition together with an appurtenant undivided fee simple interest in the Common Elements of the Project including the Common Elements existing prior to the construction of such Addition. Upon the recording of a Supplemental Condominium Declaration and Supplemental Condominium Map any additional Condominium Units shall be subject to condominium ownership just as presently existing Condominium Units with all the incidents pertaining thereto as specified in this Declaration.

28.5 Percentage Interests, Assessments if Expansion. In the Supplemental Condominium Declaration, percentage interests in the Common Elements shall be assigned to Condominium Units in the Addition on the basis of square feet of floor area within the perimeter boundaries of the Individual Space of the Condominium Unit, in the same proportion as the percentage interests of the original Condominium Units as set forth on Exhibit B hereto. Upon the recording of the Supplemental Condominium Declaration and Supplemental Condominium Map, (a) each Owner in the Project, whether owning a Condominium Unit originally in the Project or a Condominium Unit added to the Project by expansion, shall own an appurtenant undivided interest in the Common Elements, as a tenant in common, with all other Owners and the appurtenant undivided interest shall include an appurtenant undivided interest in Common Elements originally part of the Project and in Common Elements added to the Project by expansion; (b) voting shall be based upon the percentage of the undivided interest of each unit owner in the General Common Elements, as shown on the Supplemental Condominium Declaration; and (c) with respect to assessments thereafter becoming payable, assessments shall be made according to each

owner's percentage interest in the General Common Elements as shown on the Supplemental Condominium Declaration.

28.6 Effect of Expansion. The recording of a Supplemental Condominium Declaration and Supplemental Condominium Map with respect to the Addition shall operate automatically to grant, transfer and convey to each Owner of a Condominium Unit in the Project as it existed prior to such expansion of the Project, and to each Owner of a Condominium Unit added to the Project, an undivided interest in the new Common Elements added to the Project, and in the old Common Elements previously existing in the Project as specified in Paragraph 28.6, and to vest in any mortgagee, lessee or other holder of an interest in a Condominium Unit, the same interest in the Condominium Unit with its revised undivided interest in Common Elements as such mortgagee, lessee or other holder had in Common Elements of the Project prior to expansion. Upon the recording of such a Supplemental Condominium Declaration and Supplemental Condominium Map, all definitions in this Declaration shall automatically be expanded to encompass and refer to the Project as expanded. Thus, for example, "Building" shall mean the building initially constructed on the Real Property plus the Addition covered by such Supplemental Condominium Declaration and Supplemental Condominium Map and any references to Declaration herein shall mean this Declaration and any Supplemental Condominium Declaration and any references to the Condominium Map shall mean the Condominium Map and any Supplemental Condominium Map. All instruments thereafter executed referring to a Condominium Unit, describing the Condominium Unit in the form set forth in Paragraph 6 or otherwise, shall be deemed to refer to the Condominium Unit with all appurtenant rights and interests including the revised undivided interest in Common Elements which became appurtenant to that Condominium Unit on expansion of the Project.

28.7 Failure to Expand Project. If the Project is not expanded within the time period specified above, Declarant or the Association may record a statement to evidence the fact. Recordation of such statement by Declarant or the Association shall be prima facie evidence of the facts stated therein.

29. Personal Property for Common Use. The Association, as attorney-in-fact for all of the owners, may acquire and hold for the use and benefit of all of the condominium unit owners, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the condominium unit owners in the same proportion as their respective interests in the general common elements, and such interest therein shall not be transferable except with a transfer of a condominium unit. A transfer of a condominium unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each owner may use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of the other owners. The transfer of title to a condominium unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed condominium unit.

30. Mailing of Notices. Each owner shall register his mailing address with the Association and the Managing Agent and all notices of any kind given pursuant to this Declaration intended to be served upon any Owner shall be sent by certified mail, return receipt requested, postage prepaid, addressed in the name of the owner at such registered mailing address. All notices or demands intended to be served upon the Association and Managing Agent shall be given by certified mail, return receipt requested, postage prepaid, to the address thereof. Upon failure to register his mailing address, the Association shall be deemed to be the Agent for the receipt of notices to such owners. All notices or demands to be served on Mortgagees pursuant hereto, shall be sent by certified mail, return receipt requested, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association and the Managing Agent in writing.

Unless the Mortgagee so furnished such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section. No notices of any kind shall be effective unless such notices conform to the requirements of this paragraph.

31. Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked or terminated in the manner provided in this Declaration.

32. Miscellaneous.

32.1 The failure of the Board of Managers or the Managing Agent to insist in any one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future, of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of Managers or the Managing Agent of any assessment from an owner, with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Board of Managers or the Managing Agent of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Managers or Managing Agent.

32.2 The Board of Managers shall not be liable for any failure of any service to be obtained and paid for by the Board of Managers hereunder, or for injury or damage to person or property unless caused by the gross negligence of the Board of Managers. The Board of Managers may limit the liability of the Managing Agent to the instances of its gross negligence as well. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the common areas and facilities or from any action taken to comply with any law, ordinance or orders of a government authority.

32.3 Each member of the Board of Managers shall be indemnified by the owners against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board of Managers, or any settlement thereof whether or not he is a member of the Board of Managers at the time such expenses are incurred, except in such cases wherein the member of the Board of Managers is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Managers approves such settlement as being for the best interests of the Association. Said Bylaws may also provide for the indemnification of the Managing Agent.

32.4 Each owner shall comply strictly with the provisions of this Declaration, the Bylaws and the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with decisions adopted pursuant to said Declaration, Bylaws, Administrative Rules and Regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board of Managers or the Managing Agent on behalf of the Association of Owners, or in a proper case, by an aggrieved owner.

32.5 If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

32.6 This Declaration and the Bylaws of the Mountain Edge Condominiums shall be construed and controlled by and under the laws of the State of Colorado.

32.7 The provisions of this Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law. The provisions of this Declaration shall be liberally construed to effectuate its purpose.

32.8 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.

32.9 If any action is brought in a court of law by any party to this Declaration as to the enforcement or interpretation or construction of this Declaration or any document provided for herein, the prevailing party in such action shall be entitled to reasonable attorney's fees as well as all costs incurred in the prosecution or defense of such action. In the event that an attorney is retained to collect a delinquent assessment or to enforce any provision of these Declarations, the defaulting unit owner shall pay such attorney's fees.

32.10 The provisions of this Declaration, the Association Bylaws and all subsequent agreements and determinations lawfully made by the Association, Manager or attorney-in-fact, shall be binding on all owners of Units, their representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, these Declarations have been duly executed this Fifth day of August, 1981.

DECLARANT:

Robert P. Morris, Pres.
Aspen Accommodations, Inc. by
Robert P. Morris, President

State of Colorado)
Nancy M. Rosell)
County of Pitkin)
Notary Public)
The foregoing Condominium Declaration for Mountain Edge Condominiums was subscribed and sworn to before me this Fifth day of August, 1981, by Robert P. Morris, as President of Aspen Accommodations, Inc., the Declarant.

WITNESS my hand and official seal.

My Commission expires: 5-17-83

Nancy M. Rosell
Notary Public

I, Virginia Hamilton, Clerk in and for the Town of Mt. Crested Butte, State of Colorado do hereby certify that this document has been reviewed and approved by the Mt. Crested Butte Town Council.

Dated this 18 day of August, 1981.

By: Virginia Hamilton

EXHIBIT "A"
to
Condominium Declaration
for
Mountain Edge Condominiums

The property description of the real property laid out and
platted as Mountain Edge Conodminiums as follows:

LODGE SITE 19, LODGE SITES AREA, according to the "Plat of
Lodge Sites Area", Reception No. 256818, Town of Mt. Crested
Butte.

County of Gunnison, State of Colorado

EXHIBIT "B"
to
CONDOMINIUM DECLARATION
for
MOUNTAIN EDGE CONDOMINIUMS

GN: CO 81530
F. BOX 888
ALLIANCE VA, VA
BRATTON AND SIMMERMAN

UNIT	SQUARE FOOTAGE	PERCENTAGE INTEREST IN GENERAL COMMON ELEMENTS
Terrace Level T-101	980.89	4.2%
Terrace Level AE-102	990.95	4.2%
Ground Level AG-101	965.18	4.1%
AG-102	1,118.93	4.8%
AG-103	998.71	4.3%
First Floor A-101	981.03	4.2%
A-102	1,130.59	4.8%
A-103	1,036.11	4.4%
A-104	900.26	3.8%
A-105	845.47	3.6%
A-106	855.91	3.7%
A-107	1,008.29	4.3%
Second Floor A-201	1,137.37	4.8%
A-202	1,234.43	5.3%
A-203	1,134.59	4.8%
A-204	886.66	3.8%
A-205	825.66	3.5%
A-206	832.43	3.6%
A-207	997.01	4.3%
Third Floor A-304	1,065.63	4.6%
A-305	1,009.23	4.3%
A-306	1,249.56	5.3%
A-307	1,234.65	5.3%
	23,419.54 Sq. Ft.	100.00%

EXHIBIT "A"
to
Condominium Declaration
for
Mountain Edge Condominiums

The property description of the real property laid out and platted as Mountain Edge Conodminiums, Phase I, Building A is:

A tract of land being a portion of LODGE SITE 19, LODGE SITES AREA, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, lying Easterly of Gothic County Road, Northerly of Castle Road and Westerly of Hunter Hill Road, Lodge Site Nineteen being platted and recorded on a document titled "Plat of the Lodge Sites Area" in the records of the Gunnison County Clerk and Recorder bearing Reception No. 256818, said tract being more particularly described as follows:

Beginning at corner No. 1, a point on the right-of-way line of Gothic County Road from whence the center of Section 26, Township 13 South, Range 86 West of the sixth principal meridian bears $S70^{\circ}02'51''W$ a distance of 1039.34 feet (a brass cap marked "Merrick & Co. 2472 1973 cen. sec. 26"); thence $S74^{\circ}34'20''E$ a distance of 100.72 feet; thence $S52^{\circ}25'05''E$ a distance of 89.75 feet; thence $S34^{\circ}31'38''W$ a distance of 90.99 feet; thence $S29^{\circ}36'15''W$ a distance of 72.00 feet to a point on the right-of-way line of Castle Road; thence along Castle Road, 32.27 feet along the arc of a curve to the left having a radius of 86.00 ft. and a chord which bears $N71^{\circ}08'55''W$, 32.08 feet; thence $N81^{\circ}53'45''W$ a distance of 27.00 feet; thence continuing along Castle Road 45.82 ft. along the arc of a curve to the right having a radius of 33.00 ft. and a chord which bears $N42^{\circ}07'W$, 42.23 feet; thence continuing along Castle Road 71.14 ft. along the arc of a curve to the left having a radius of 79.00 ft. and a chord which bears $N28^{\circ}08'10''W$, 68.76 feet; thence 36.00 ft. along the arc of a curve to the right having a radius of 25.00 ft. and a chord which bears $N12^{\circ}40'56''W$, 32.97 feet; thence along Gothic County Road $N28^{\circ}34'15''E$ a distance of 92.00 feet to the point of beginning; said tract containing 0.65 acres, more or less; all bearings being referred to true North as determined by solar observation, and to the monumented north boundary line of Chalet Village Addition No. 3 (same as South Boundary line of Lodge site 19).

361770

No.....

ASPEN ACCOMMODATIONS, INC-
.....

Robert P. Morris
.....

To

MOUNTAIN EDGE CONDOMINIUMS
.....

PHASE 1; Bldg. A.
.....

STATE OF COLORADO, }
County of Gunnison } ss.

I hereby certify that this instrument
was filed for record in my office at

4:20 o'clock P.M.

August 24, 1981, and

is recorded in Book....., page

Joanne M. Reitinger

County Clerk and Recorder

By *Joanne M. Reitinger* Deputy

Fee \$ 40.00

BYLAWS
OF
MOUNTAIN EDGE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I.

GENERAL

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Mountain Edge Condominium Association, Inc., a Colorado nonprofit corporation organized to be and constitute the Association to which reference is made in the Declaration for Mountain Edge Condominiums (the "Declaration") and to perform functions and hold and manage property as provided in the Declaration and to further the interests of owners of Condominium Units in Mountain Edge Condominiums (the "Project").

1.2 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Colorado Non-Profit Corporation Act, and Condominium Ownership Act of Colorado, the Declaration, and the Articles of Incorporation of this corporation filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

1.3 Personal Application. All present or future owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the project in any manner, are subject to the regulations set forth in these Bylaws, the Declaration and to the Articles of Incorporation. The mere acquisition or rental of any of the units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units shall signify acceptance and ratification of these Bylaws.

ARTICLE II.

MEMBERSHIP, VOTING

2.1 Membership. Any person, on becoming an owner of a condominium unit, shall automatically become a member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with Mountain Edge Condominiums during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Managers of the Association or others may have against such former owner and member arising out of, or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

2.2 Transfer of Memberships on Corporate Books. Transfer of memberships shall be made on the books of the corporation only upon presentation of evidence, satisfactory to the corporation, of the transfer of ownership of the Condominium Unit to which the membership is appurtenant. Prior to presentation of such evidence, the corporation may treat the previous owner of the membership as the owner of the membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

2.3 Co-owners of Memberships. If any membership is held by more than one person or entity, each shall be deemed to have the full power and authority to give a proxy, vote or otherwise act on behalf of such membership. If two or more of the

co-owners of a membership wish to grant a proxy, vote or act on behalf of a membership, and cannot agree, the votes and other rights of such membership may, in the discretion of the corporation, be deemed divided among the co-owners of the membership in proportion to their respective interests in the Condominium Unit to which the membership is appurtenant.

2.4 Voting. Voting shall be based upon the percentage of the undivided interest of each unit owner in the General Common Elements, as shown in the Declaration of such Mountain Edge Condominium. Cumulative voting is prohibited.

2.5 Majority of Members. As used in these Bylaws, the term "majority of members" shall mean those members holding 51% of the votes in accordance with the percentages assigned in the Condominium Declarations.

2.6 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of members" as defined in Section 2.5 of this Article shall constitute a quorum. Members present or represented at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of members so as to leave less than a quorum.

2.7 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy.

ARTICLE III.

MEETINGS OF MEMBERS

3.1 Place of Member's Meetings. Meetings of members shall be held at the principal office of the corporation or at such other place, within or without the State of Colorado, as may be fixed by the Board of Managers and specified in the notice of the meeting.

3.2 Annual Meeting of Members. An annual meeting of the members shall be held on the first day of April of each year beginning in 1981 at such time of day as is specified in the notice of meeting or such other date as the Board of Managers may designate. The annual meeting shall be held to elect Managers and to transact such other business as may properly come before the meeting. If Managers are elected by mail as provided elsewhere in these Bylaws, the annual meeting need not be held.

3.3 Special Meetings of Members. Special meetings of the members may be called by the President, by resolution of the Board of Managers, or upon a petition signed by a majority of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the owners present, either in person or by proxy.

3.4 Record Date. For the purpose of determining members entitled to notice of, or to vote at, any meeting of members or in order to make a determination of members for any other proper purpose, the Board of Managers may fix, in advance, a date as the record date for any such determination of members. The record date shall be not more than 50 days and not less than 10 days prior to the meeting of members or the event requiring a determination of members.

3.5 Notice of Members' Meetings. Written notice

stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

3.6 Adjournment of Members' Meetings. Members present at a meeting in person or by proxy may adjourn the meeting from time to time, whether or not a quorum shall be present or represented, without notice other than announcement at the meeting, for a period of not to exceed 60 days from any one adjournment. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

3.7 Vote Required at Members' Meetings. A majority of the votes present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of the matter unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws, and except that in the case of elections in which there are more than two candidates a plurality of votes present or represented by proxy shall be necessary for election.

3.8 Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceeding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of managers;
- (g) Unfinished business;
- (h) New business.

3.9 Voting of Members By Mail. Voting by mail shall be permitted for election of Managers, which shall require in such case at least a majority of the votes which members are entitled to cast in such election. Voting by mail shall be permitted for an amendment to the Articles of Incorporation, for a proposed plan of merger, a proposed sale, exchange, lease or other disposition of all or substantially all the property and assets of the corporation which shall require, in each such case, the affirmative vote of at least two-thirds of the votes which members are entitled to cast on such question.

3.10 Action of Members Without a Meeting. Any action required to be taken at a meeting of members or any action which may be taken at a meeting of members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE IV.

BOARD OF MANAGERS

4.1 Powers and Duties of Board. The Board of Managers shall have all the powers set forth in the Declaration, the Articles of Incorporation, these Bylaws, the Colorado Non-Profit Corporation Act and the Condominium Ownership Act of Colorado and all powers necessary or desirable to manage the affairs of the Corporation and to permit the Corporation to fulfill its purposes, exercise its powers, and comply with applicable laws, ordinances and regulations. The Board of Managers shall have the duty, as imposed by the Colorado

Non-profit Corporation Act, the Declaration and the Articles of Incorporation, of managing the affairs of the Corporation. Management by the Board of Managers may be accomplished through officers, agents and employees, and the Board of Managers may adopt and enforce such reasonable house rules as may be necessary for the operation, use, and occupancy of the condominium project.

Without limiting the generality of the foregoing, (a) the Board of Managers shall have the powers granted under the Declaration to prepare each year a budget for the next fiscal year of the corporation; to determine the assessments for the next fiscal year of the corporation; to levy special assessments; to levy supplementary assessments; to determine all matters in connection with assessments, including power and authority to determine where, when and how assessments shall be paid; and to adopt and enforce rules and regulations governing use of the individual space which is part of Condominium Units and governing use of Common Element; (b) the Board of Managers, in managing the affairs of the corporation, shall have the power to determine the policy of the corporation in exercising the corporation's powers under the Declaration and otherwise, including policy with respect to the exercise of the powers of the Corporation under the Declaration to act as attorney-in-fact for owners of Condominium Units, to manage, control and deal with the interests of the owners in Common Elements, to receive, apply and pay insurance proceeds, proceeds of sale of the Project, condemnation awards and payments in lieu of condemnation; to restore or sell the Project in the event of partial, substantial or total destruction, condemnation or obsolescence; to collect assessments and foreclose the lien for assessments of the corporation against Condominium Units, to enforce rules and regulations by suspension of voting rights of regular members or rights of use of common elements or recreational facilities by Owners of Condominium Units, to enforce provisions of the Declaration against Owners; and to undertake activities, functions, or services for the benefit or to further the interest of all, some or any Owners of Condominium Units on a self-supporting, special assessment or common assessment basis; and (c) the Board of Managers in managing the affairs of the corporation, shall have the power to determine the policy of the corporation in fulfilling the corporation's duties under the Declaration and otherwise including policy with respect to the duties of the corporation to provide for the care, operation, management, maintenance, improvement, repair and replacement of Common Elements; to keep and maintain certain books and records; and to obtain and maintain certain insurance.

4.2 Qualifications of Managers. Managers need not be residents of Colorado but, as required by the Condominium Ownership Act, must be members of the corporation. Managers shall be at least 18 years of age.

4.3 Number of Managers. The number of Managers of the corporation shall be no less than three (3) and no more than twenty-five (25). The number of Managers may be increased or decreased from time to time by amendment to these Bylaws provided that the number of Managers shall have the effect of shortening the term of any incumbent director.

4.4 Election and Term of Managers. Managers shall be elected for terms of three years commencing on the date designated in these By-laws for the annual meeting of members. Provided, however, that at the meeting of the owners of July 29, 1988, one director shall be elected for a term of three years; one director shall be elected for a term of two years and one director shall be elected for a term of one year. Thereafter, one director shall be elected at each annual meeting to fill the vacancy of the director whose term expires in that year. Managers shall hold office for the term for which elected and until their successors shall have been duly elected and qualified.

4.5 Removal of Managers. At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus

created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

4.6 Resignation of Managers. Any Manager may resign at any time by giving written notice to the President, to the Secretary or to the Board of Managers stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

4.7 Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association, shall be filled by vote of a majority of the remaining Managers even though they may constitute less than a quorum, and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association. In the event such vacancy is not filled within thirty (30) days after such vacancy occurs, the President shall call a special meeting of all members of the Association for the purpose of electing a Manager to fill such vacancy for the unexpired term thereof.

4.8 Executive and Other Committees of Board. The Board of Managers, by resolution adopted by a majority of the Managers in office, may designate and appoint an Executive Committee, which shall consist of two or more Managers and which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Board of Managers except authority with respect to those matters specified in the Colorado Non-Profit Corporation Act as matters with respect to which such committee may not have and exercise the authority of the Board of Managers.

The Board of Managers, by resolution adopted by a majority of the Managers in office, may designate and appoint one or more other committees, each of which shall consist of two or more Managers, which committees shall have and exercise such authority of the Board of Managers as shall be specified in any such resolution.

The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Managers, or any individual Manager, of any responsibility imposed upon it or him by law.

The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meeting of Managers shall be applicable to meetings of committees of the Board of Managers.

4.9 Manager or Managing Agent. The Board of Managers, by resolution adopted by a majority of the Managers in office, may designate and appoint a manager or a managing agent, or both, which manager or managing agent shall have and exercise those powers and shall fulfill those duties of the Board of Managers as shall be specified in any such resolution. Any such resolution may delegate all or substantially all of the powers and duties of the Board of Managers to any such manager or managing agent but the Board, in delegating powers and duties to any such manager or managing agent shall not be relieved of its responsibilities under the Declaration.

ARTICLE V.

MEETING OF MANAGERS

5.1 Place of Managers' Meetings. Meetings of Managers shall be held at the principal office of the Corporation or at such other place, within or without the State of Colorado, as may be fixed by the Board of Managers or the President or Secretary of the Corporation and specified in the notice of the meeting. The Board of Managers, at their discretion, may have any type of meeting set out in paragraphs 5.2, 5.3, or 5.4, by telephone conference call. Amended in Board of Manager's meeting 24 July 1987.

5.2 Annual Meeting of Managers. An annual meeting of the Board of Managers shall be held on the same date as and

immediately following the annual meeting of members, or, if the Managers are elected by mail, on a date and at a time designated by the previous Board of Managers or the President or Secretary of the Corporation. The business to be conducted at the annual meeting of Managers shall consist of the appointment of officers of the corporation and the transaction of such other business as may properly come before the meeting. If Managers are elected at an annual meeting of members, no prior notice of the annual meeting of the Board of Managers to be held on the same date need be given.

5.3 Other Regular Meetings of Managers. The Board of Managers may, by resolution, establish the times and places for regular meetings in addition to the annual meeting of the Board. No prior notice of any such regular meetings established by resolution need be given after establishment thereof.

5.4 Special Meetings of Managers. Special meetings of the Board of Managers may be called by the President or any member of the Board of Managers.

5.5 Notice of Managers' Meetings. In the case of all meetings of Managers for which notice is required, notice stating the place, day, hour and in the case of a special meeting the purpose of the meeting, shall be delivered not less than 3 nor more than 50 days before the date of the meeting, by mail, telegraph, telephone or personally, by or at the direction of the persons calling the meeting to each member of the Board of Managers. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Manager at his home or business address as either appears on the records of the corporation, with postage thereon prepaid. If telegraphed, such notice shall be deemed delivered when deposited in a telegraph office addressed to the Manager at either such address, with all charges thereon prepaid. If telephoned, such notice shall be deemed to be delivered when given by telephone to the Manager or to any person answering the phone who sounds competent and mature at his home or business phone number as either appears on the records of the corporation. If given personally, such notice shall be deemed to be delivered by delivering a copy of a written notice to, or verbally advising, the Manager or some person who appears competent and mature at his home or business address as either appears on the records of the corporation.

5.6 Quorum of Managers. A majority of the number of Managers fixed in these Bylaws shall constitute a quorum for the transaction of business. Managers present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Managers so as to leave less than a quorum.

5.7 Adjournment of Managers' Meetings. Managers present at a meeting of Managers may adjourn the meeting from time to time whether or not a quorum shall have been present, without notice other than an announcement at the meeting, for a period not to exceed 60 days at any one adjournment. At any such adjourned meeting at which a quorum is represented, any business may be transacted which might have been transacted at the meeting originally called.

5.8 Vote Required at Managers' Meetings. The act of the majority of the Managers present at a meeting at which a quorum is present shall be the act of the Board of Managers, unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws.

5.9 Action of Managers by Consent. Any action required to be taken at a meeting of Managers or any action which may be taken at a meeting of Managers may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Managers.

5.10 Adoption of Rules and Regulations. Rules and regulations governing the operation and use of the Common Elements and all other rules and regulations authorized under the Condominium Declaration or these Bylaws shall be adopted or amended by the Board of Managers by any of the methods provided herein for action of the Board of Managers.

ARTICLE VI.

OFFICERS

6.1 Officers, Employees and Agents. The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board of Managers for the operation, maintenance, repair and replacement of Common Elements or any other purpose. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.2 Appointment, Term and Removal of Officers. The officers shall be appointed by the Board of Managers at the annual meeting of the Board of Managers and shall hold office, subject to the pleasure of the Board of Managers, for one year. Any officer, employee or agent may be removed by the Board of Managers whenever in the Board's judgment the best interests of the corporation will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights.

6.3 Compensation of Officers. No officer or director shall have the right to receive any compensation from the corporation for serving as such officer or performing any of the duties of such office except as may be specified in a resolution of the Board of Managers.

6.4 President. The President shall be elected from among the Board of Managers, shall be the principal executive officer of the corporation and, subject to the control of the Board of Managers, shall direct, supervise, coordinate and have general control over the affairs of the corporation, and shall have the powers generally attributable to the chief executive office of the corporation. The President shall preside at all meetings of the Board of Managers and of the members of the corporation.

6.5 Vice Presidents. Vice Presidents may act in place of the President in case of his death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Managers or by the President.

6.6 Secretary. The Secretary shall be the custodian of the records and of the seal of the corporation and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of the Bylaws and as required by law and that the books, reports and other documents and records of the corporation are properly kept and filed; shall keep minutes of the proceedings of the members, Board of Managers and committees of the Board; shall keep at the principal office of the corporation a record of the names and addresses of the members entitled to vote; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Managers or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence or inability to act.

6.7 Treasurer. The Treasurer shall have charge and

custody of, and be responsible for, all funds and securities of the corporation; shall deposit all such funds in the name of the corporation in such depositories as shall be designated by the Board of Managers; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the corporation and shall submit such reports thereof as the Board of Managers may, from time to time, require; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board of Managers or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence or inability to act.

ARTICLE VII.

MISCELLANEOUS

7.1 Amendment of Bylaws. The Board of Managers shall have the power to alter, amend or repeal these Bylaws and to adopt new Bylaws. The members, at a meeting called for that purpose, shall also have the power to alter, amend or repeal the Bylaws and to adopt new Bylaws by a majority of votes present or represented by proxy at the meeting, if a quorum is present. Any Bylaw altered, amended, repealed or adopted by the members may be subsequently altered, amended, repealed or adopted by the Board of Managers unless the members specifically provide otherwise. The Bylaws may contain any provision for the regulation or management of the affairs of the corporation not inconsistent with law, the Declaration or the Articles of Incorporation.

7.2 Waiver of Notice. Whenever any notice is required to be given to any member or Manager, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member or Manager at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except where the member or Manager attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

7.3 Books and Records. The corporation shall keep correct and complete books and records of account, including accurate records of the receipts and expenditures affecting Common Elements, of its Board of Managers and of the committees having any of the authority of the Board of Managers and shall keep, at its principal office in Colorado, a record of the names and addresses of its members entitled to vote. All books and records of the corporation, including records of receipts and expenditures, may be inspected by any member, or his agent or attorney, and any mortgagee of a member for any proper purpose at convenient weekday business hours or at any other reasonable time.

7.4 Statement of Account. Upon payment of a reasonable fee to be determined by the corporation and upon ten (10) days' written request of an owner of a Condominium Unit or any person with any right, title or interest in a Condominium Unit or intending to acquire any right, title or interest in a Condominium Unit, the corporation shall furnish a written statement of account setting forth the amount of any unpaid assessments, charges, fines or penalties, if any, due or accrued and then unpaid with respect to the Condominium Unit, the Owner of the Condominium Unit, and such Owner's Guests and the amount of the assessments for the current fiscal period of the corporation payable with respect to the Condominium Unit, which statement shall, with respect to the party to whom it is issued, be conclusive against the corporation and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

7.5 Annual Reports. The corporation shall file bi-annually with the Secretary of State of Colorado, within the time prescribed by law, a report on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

7.6 Fiscal Year. The fiscal year of the corporation shall begin on December 1st and end on the succeeding November 30th.

7.7 Seal. The Board of Managers may adopt a seal which shall have inscribed thereon the name of the corporation and the words "SEAL" and "COLORADO."

7.8 Shares of Stock and Dividends Prohibited. The corporation shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the corporation shall be distributed to its members, Managers or officers.

Notwithstanding the foregoing paragraph, the corporation may issue certificates evidencing membership therein and the corporation may pay compensation in a reasonable amount to its members, Managers or officers for services rendered, may confer benefits upon its members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions to its members as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

7.9 Loans to Managers and Officers Prohibited. No loan shall be made by the corporation to its Managers or officers and any Manager or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

7.10 Limited Liability. As provided in the Declaration, none of the Board of Managers of this corporation, nor any officer, agent or employee of the corporation, shall be liable to the corporation or any member for any action or for any failure to act with respect to any matter so long as such person or entity was not guilty of fraud, gross negligence or bad faith in taking such action or failing to act.

7.11 Indemnification. The corporation shall indemnify each member of the Board of Managers of this corporation and any employee or agent of this corporation as and to the extent provided in the Declaration.

ARTICLE VIII.

OBLIGATIONS OF THE OWNERS

8.1 Assessments and Working Capital Reserve. Except as otherwise provided in the Condominium Declaration For Mountain Edge Condominiums, all owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses, and payment thereof shall be made not later than on the tenth day following the mailing of the statement to the registered mailing address of the owner. The assessments shall be made prorated according to percentage interest in and to the general common elements and shall be due quarterly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of the Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him. In addition, to establish a working capital reserve fund to meet current expenses, the Association shall collect the sum of \$300.00 from each Owner, upon purchase of a condominium unit, to fund the Association budget. This \$300.00 will be refunded to the Seller upon sale of his unit, and replaced by the new Purchaser at closing.

8.2 Maintenance and Repair.

(a) Except as provided in the Declaration, every owner must perform promptly at his own expense all maintenance and

~~Amended~~

repair work within his own unit and limited common elements which if omitted would affect the project in its entirety or in part belonging to other owners.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures, and all other accessories, equipment and fixtures including any air-conditioning equipment belonging to the unit and including appurtenant limited common elements, shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association or another unit owner promptly upon receipt of a statement for any expenditures incurred by the Association or other unit owner or both in repairing, replacing or restoring any general common elements or the interior or any part of an apartment unit damaged as a result of negligent or other tortious conduct of such owner, a member of his family, his agent, employee, invitee, licensee or tenant.

8.3 Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's unit.

8.4 Use of Units - Internal Changes.

(a) Units shall be utilized for such purposes only as may be permitted in the Declaration.

(b) An owner shall not make interior modifications or alterations to his unit or installations located therein without previously notifying the Association in writing through the Managing Agent, or if no Managing Agent is employed, then through the President of the Board of Managers. The Association shall have the obligation to answer within ten days after receipt of such notice, and failure to do so within such time shall mean that there is no objection to the proposed modification or alteration.

8.5 Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements and the 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.

8.6 Right of Entry.

(a) An owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Managers in case of an emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit the other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

8.7 Rules and Regulations.

(a) No resident of the project shall post any advertisement or posters of any kind in or on the project, except as authorized by the Association.

(b) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes.

(c) No owner, resident or lessee shall install wiring for electrical or telephone installation, television antennae machines or air conditioning units on the exterior of the project or that protrude through the walls or the roof of the project, except as authorized by the Association.

(d) Each owner shall be responsible for the care and conduct of all pets brought upon the premises and shall be liable for all damages caused by said pets.

(e) It is prohibited to store wood or other fireplace materials at any location on the premises, except as shall be designated for such storage.

The Board of Managers or the Managing agent reserves the power to establish, make and enforce compliance with such additional house rules as may be necessary for the operation, use and occupancy of this condominium project, with the right to amend same from time to time.

ARTICLE IX.

MORTGAGES

9.1 Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the President of the Board of Managers, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

9.2 Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit, and shall give mortgagees' and other notices as are required by the Declaration.

ARTICLE X.

COMPLIANCE

10.1 These Bylaws are set forth to comply with the requirements of the State of Colorado Condominium Ownership Act and the Colorado Non-Profit Corporation Act. If any of these Bylaws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of the statutes will apply.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals at _____, Colorado, this _____ day of _____, 19__.

BOARD OF MANAGERS:

KNOWN ALL MEN BY THESE PRESENTS:

That the undersigned Secretary of the corporation known as Mountain Edge Condominium Association, Inc., does hereby certify that the above and foregoing Bylaws are duly adopted by the Managers of said corporation, as the Bylaws of said corporation on the _____ day of _____, 19__, and that they do now constitute the Bylaws of said corporation.

ATTEST:

Secretary