

Filed for record the 19<sup>th</sup> day of March, A. D. 1971, at 9:15 o'clock P. M. Marian Smith, RECORDER  
 Reception No. 283494 By Shadyard S. Pate DEPUTY

CONDOMINIUM DECLARATION

FOR

COLUMBINE CONDOMINIUM,  
 a Condominium

THIS CONDOMINIUM DECLARATION is made this 11th day of January, 1971, by THE GOTHIC CORPORATION, a Colorado corporation.

I. DEFINITIONS.

1.1 Declarant. "Declarant" means The Gothic Corporation, a Colorado corporation, together with its successors and assigns.

1.2 Declaration. "Declaration" means this instrument by which the Columbine Condominium Project is established as provided under the Colorado Condominium Ownership Act, and all amendments thereto.

1.3 Real Property. "Real Property" means that certain real property located in Gunnison County, Colorado, described in Exhibit A attached hereto.

1.4 Building. "Building" means any building constructed on the Real Property.

1.5 Project. "Project" means the Real Property and all buildings and other improvements on the Real Property.

1.6 Condominium Map. "Condominium Map" means the Condominium Map of Columbine Condominium, Building 1, filed March 19<sup>th</sup>, 1971, and bearing Reception No. 283493 of the records of Gunnison County, Colorado. The Condominium Map includes the engineering survey of the Real Property locating thereon all of the improvements, the floor and elevation plans and any other drawings or diagrammatic plan depicting a part of or all of the improvements.

1.7 Unit. "Unit" means an individual air space unit, consisting of enclosed rooms occupying part of a building and bounded by the interior surfaces of the walls, floor, ceilings, windows, doors and built-in fireplaces, if any, along the perimeter boundaries of the air space as said boundaries are shown on the Condominium Map, together with all fixtures and improvements therein contained. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or full use and enjoyment of another Unit: bearing walls, floors, ceilings and roofs (except the interior surfaces thereof), foundations, space heating or ceiling equipment and water heating or cooling equipment, if any, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit. The interior surfaces of a window or door means the points at which such surfaces are located when such windows or doors are closed.

1.8 Common Elements. "Common Elements" means all of the Project except all Units.

1.9 Condominium Unit. "Condominium Unit" means a Unit together with the undivided interest in the Common Elements appurtenant to that Unit (expressed as a fraction of the entire ownership interest in the Common Elements) as set forth in Exhibit B attached hereto.

1.10 Owner. "Owner" means any person or entity, including Declarant (if it owns a Condominium Unit at the time in question) who owns a Condominium Unit. The term "Owner" shall not refer to any Mortgagee, as defined herein, unless such Mortgagee has acquired title to a Condominium Unit pursuant to foreclosure or any proceeding in lieu of foreclosure.

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

1.12 Mortgagee. "Mortgagee" means any person named as the mortgagee under any Mortgage or beneficiary in a deed of trust under which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage or deed of trust.

1.13 Association. "Association" means Columbine Condominium Association, a Colorado non-profit corporation, its successors and assigns. The Articles of Incorporation and the Bylaws of the Association shall govern the administration of the Project and the members of the Association shall be all of the Owners and Declarant.

1.14 General Common Elements. "General Common Elements" means all Common Elements except Limited Common Elements.

1.15 Limited Common Elements. "Limited Common Elements" means any Common Elements designated for exclusive use by Owners of particular Condominium Units. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Elements for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in the Section hereof entitled "Right to Combine Units." Any balconies or porches which are identified on the Condominium Map with the same number or other designation by which a Unit is identified shall be Limited Common Elements for the exclusive use of the Owner or Owners of the Unit bearing the same number or designation.

## II. STATEMENT OF INTENTION AND PURPOSE.

2.1 Intention. Declarant intends to provide for condominium ownership of the Project under the Condominium Ownership Act of the State of Colorado. For such purpose, Declarant executes this Condominium Declaration to define the character, duration, rights, obligations and limitations of condominium ownership in the Project.

2.2 Declaration. Declarant hereby declares that the Project and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plan and scheme of condominium

ownership referred to herein and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant, its successors and assigns, and to all parties hereafter owning any interest in the Project.

III. THE CONDOMINIUM MAP AND NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP.

3.1 Condominium Map. The Condominium Map shall be filed for record prior to the first conveyance of any Condominium Unit. Such map shall consist of and set forth the following:

(a) The legal description of the surface of the Real Property;

(b) The linear measurements and location, with reference to the exterior boundaries of the Real Property, of the Buildings and all other improvements built or to be built on said Real Property by Declarant;

(c) The elevation plans of the Buildings;

(d) The elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane, the linear measurements showing the thickness of the perimeter walls of the Buildings, the bearing walls of the Buildings and the perimeter walls of each Unit; and

(e) The floor plans which shall depict the boundaries (perimeter) of the Units, the unit designations and the linear measurements of each Unit.

In interpreting the Condominium Map or any part thereof, the existing physical boundaries of the separate Units shall be conclusively presumed to be its boundaries.

3.2 Estates of an Owner. The Project is hereby divided into Condominium Units, each consisting of a fee simple interest in a Unit and an undivided fee simple interest in the Common Elements in accordance with the attached Exhibit B, which interest is hereby declared to be appurtenant to such Unit. Subject to the limitations contained in this Declaration, any Owner shall have the nonexclusive right to use and enjoy the General Common Elements and shall have the exclusive right to use and enjoy any Limited Common Elements which may be designated for exclusive use by such Owner.

3.3 Right to Combine Units. With the written consent of Declarant, two or more Units may be utilized by the Owner or Owners thereof as if they were one Unit. To the extent permitted in the written consent of Declarant, any walls, floors or other structural separations between any two such Units, or any space which would be occupied by such structural separations but for the utilization of the two Units as one Unit, may, for so long as the two Units are utilized as one Unit, be utilized by the Owner or Owners of the adjoining Units as Limited Common Elements, except to the extent that any such structural separations are necessary or contain facilities necessary for the support, use or enjoyment of other parts of the Project. At any time, upon the request of the Owner of one of such adjoining Units, any opening between the two Units which, but for joint utilization of the two Units, would have been occupied by a structural separation, shall be closed, at the equal expense of the Owners of each of the two Units and the structural separations between the two Units shall thereupon become General Common Elements.

3.4 Title. Title to a Condominium Unit may be held or owned by any entity and in any manner in which title to any other interest in real property may be held or owned in the State of Colorado, including, but without limitation, joint tenancy or tenancy in common.

3.5 Inseparability. No part of a Condominium Unit may be separated from any other part thereof during the period of condominium ownership prescribed herein, and each Unit and the undivided interest in the Common Elements appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium Unit or any part thereof shall be construed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Condominium Unit, together with all appurtenant rights created by law or by this Declaration.

3.6 Partition not Permitted. The Common Elements shall be owned in common by all the Owners of Condominium Units, and no Owner may bring any action for partition thereof. Nothing contained herein shall be construed as a limitation of the right of partition of any Unit between the Owners thereof, but such partition shall not affect any other Unit.

3.7 Ad Valorem Taxation. Each Condominium Unit shall be assessed separately for all taxes, assessments and other charges of the State of Colorado or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For the purpose of such assessment, the valuation of the Common Elements shall be apportioned among the Units in proportion to the fractional interests in Common Elements appurtenant to such Units. The Association shall furnish to the assessor all necessary information with respect to such apportionment. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

3.8 Owner's Rights with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, and door forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries.

3.9 Easement for Access to Condominium Units. Each Condominium Unit shall have access to a public street by an access easement shown on the Condominium Map. The Declarant absolutely reserves the right to change the location of the said access easement as shown on the Condominium Map, as may be necessary for the development of the remainder of its land.

3.10 Easements for Encroachments. If any part of the Common Elements encroach or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Elements or any part of a Unit or Units encroaches or shall hereafter encroach on said real property now owned by Declarant outside the boundaries of the Real Property, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Elements or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any Buildings to be constructed on the Real Property, by error in the Condominium Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

3.11 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Unit at the instance of the Association or of Owners shall be an expense of all the Owners; provided, however, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to this Declaration.

3.12 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Elements necessary for access to his Unit, and to any Limited Common Elements designated for use in connection

with his Unit, and shall have the right to the horizontal and lateral support of his Unit and such rights shall be appurtenant to and pass with the title to each Condominium Unit.

3.13 Association's Right to Use of Common Elements. The Association shall have a nonexclusive easement to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the General Common Elements maintenance and storage facilities for use by the Association, and to assign particular storage facilities for use by the Owners of particular Units.

3.14 Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided for herein, even though no specific reference to such easements appears in any such conveyance.

#### IV. DESCRIPTION OF A CONDOMINIUM UNIT.

4.1 Method of Description. Every contract for the sale of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit by the number shown on the Condominium Map with the appropriate reference to the Condominium Map and to this Declaration, as each appears on the records of the County Clerk and Recorder of Gunnison County, Colorado, in the following fashion:

Unit \_\_\_\_\_, Building 1, Columbine Condominium, according to the Condominium Map thereof, filed for record March \_\_\_\_\_, 1971, and bearing Reception No. \_\_\_\_\_ of the records of Gunnison County, Colorado, and according to the Condominium Declaration thereof, recorded March \_\_\_\_\_, 1971, in Book \_\_\_\_\_, at page \_\_\_\_\_ of the records of Gunnison County, Colorado.

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 of a Condominium Unit and all the limitations on such ownership as described in this Declaration.

#### V. MECHANIC'S LIEN RIGHTS.

5.1 Mechanic's Liens. Subsequent to the completion of the improvements described on the Condominium Map, no labor performed or materials furnished for use in connection with any Unit and incorporated therein with the consent or at the request of an Owner or his agent or his contractor or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Elements except as to the undivided interests therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished. Each Owner shall (and by the purchase of a

Condominium Unit agrees to) indemnify and hold harmless each of the other Owners from and against liability or loss arising from the claim of any lien against the Condominium Unit, or any part thereof, of any other Owner for labor performed or for materials furnished in work on the first Owner's Unit. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such lien, including all costs incidental thereto, and obtain a discharge of the lien. Such collection shall be made by a special assessment.

## VI. THE ASSOCIATION.

6.1 Administration and Management. The administration and management of the Project shall be governed by the Articles of Incorporation and the Bylaws of the Association. There shall be two (2) classes of memberships in the Association, such classes to be known as Class A memberships and Class B memberships. An Owner of a Condominium Unit, upon becoming an Owner, shall be a Class A member of the Association and shall remain a Class A member for the period of ownership of a Condominium Unit. There shall be only one Class B membership, which shall be owned by Declarant, its successors and assigns.

6.2 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owner as set forth herein.

6.3 Amplification. The provisions of this Article VI are to be amplified by the Articles of Incorporation of the Association and by the Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein. Each Owner of a Condominium Unit, by the purchase of such Condominium Unit, agrees to be bound by all of the terms and provisions contained in the Articles of Incorporation and Bylaws of the Association as they exist on the date of such purchase, and as they may be amended from time to time thereafter.

## VII. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

7.1 The Common Elements. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner of a Condominium Unit shall keep the Limited Common Elements designated for use in connection with his Unit, in a good, clean, sanitary and attractive condition. The Association shall be responsible for (i) the maintenance and repair of exterior surfaces of the Buildings, including, without limitation

the painting of the same as often as necessary, the replacement of trim and caulking, the maintenance and repair of roofs; (ii) the maintenance and repair of other Common Elements, including utility lines and all other improvements or material located within or used in connection with the Common Elements; (iii) the maintenance and repair of parking spaces and structures constituting part of the General Common Elements; and (iv) the payment of utility and repair costs involved in the operation and repair of snow melt roads serving the parking facilities which form a part of this Project. The specification of duties of the Association with respect to particular Common Elements shall not be construed to limit its duties with respect to other Common Elements, as set forth in the first sentence in this paragraph 7.1.

7.2 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity (including Declarant) to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services to each Unit.

7.3 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Elements. Such interest shall not be transferable except with the 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 other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium Unit.

7.4 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Elements, which rules and regulations shall be consistent with the rights and duties established in this Declaration. Such rules and regulations may include, without limitation: (1) a requirement that draperies, shades or other interior window coverings used in Units shall present a uniform appearance of type and color from the exterior of the Building and that the Association shall have the right to inspect and approve all proposed draperies, shades or other interior window coverings to insure compliance with such rule before installation thereof in any Unit, and (2) assignment of particular portions of storage areas within the Common Elements for

exclusive use by Owners of particular Condominium Units. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

7.5 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or by law or reasonably necessary to effectuate any such right or privilege.

#### VIII. ASSESSMENTS.

8.1 Agreement to Pay Assessment. Declarant, for each Condominium Unit owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants, and each Owner of any Condominium Unit by the acceptance of a deed therefore, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association quarterly assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article VIII.

8.2 Amount of Total Quarterly Assessments. The total quarterly assessments against all Condominium Units shall be based upon advance estimates by the Board of Directors of the Association of cash requirements by the Association for the following calendar quarter to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements or furnishing utility services to the Units for the following calendar quarter, which estimates may include, among other things, (i) expenses of management; (ii) taxes and special assessments until the Condominium Units are separately assessed as provided herein; (iii) premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; (iv) landscaping and care of grounds; (v) common lighting and heating; (vi) water charges; trash collection; sewer service charges; repairs and maintenance; (vii) wages for Association employees; (viii) legal and accounting fees; (ix) any deficit remaining from a previous period; (x) the creation of a reasonable contingency reserve, surplus and/or sinking fund; and (xi) any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

8.3 Apportionment of Quarterly Assessments. Expenses attributable to the Common Elements and to the Project as a whole (and the quarterly assessments with regard thereto) shall be apportioned among all Owners in proportion to their respective undivided interests in the Common Elements.

8.4 Notice of Quarterly Assessments and Time for Payment Thereof. Quarterly assessments shall be made on a calendar quarter basis. The Association shall give written notice to each Owner as to the amount of the quarterly assessment with respect to his Condominium Unit on or before the first day of January, April, July and October in each year for the calendar quarter commencing on such date. Such assessment shall be due and payable on or before thirty (30) days after such notice shall have been given by the Association provided, however, that the first quarterly assessment shall be for the balance of the calendar quarter remaining after the date fixed by the Association as the date of commencement of the Project. Each quarterly assessment shall bear interest at the rate of 12% per annum from the date it becomes due and payable if not paid by such date. Failure of the Association to fix or to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium Unit for such assessment, but the date when payment shall become due in such case shall be deferred to a date thirty (30) days after such notice shall have been given, but not sooner than thirty (30) days after the commencement of the calendar quarter during which such notice is given.

8.5 Special Assessments for Capital Improvements. In addition to the quarterly assessments authorized by this Article VIII, the Association may levy in any assessment quarter a special assessment, payable over such period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs hereof. Any amounts assessed pursuant hereto shall be apportioned among Owners in proportion to their respective undivided interests in the Common Elements. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of 12% per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

8.6 Lien for Assessments. All sums assessed to any Condominium Unit pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Condominium Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Condominium Unit, except only for: (a) valid tax and special assessment liens on the Condominium Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to Declarant duly recorded in the Gunnison County, Colorado real estate records, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Condominium Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be

inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this Article VIII, the Board of Directors of the Association or such officers of the Association as its Board of Directors may designate, shall prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such notice shall be signed on behalf of the Association by such officer or officers of the Association as its Board of Directors shall designate and may be recorded in the office of the County Clerk and Recorder of Gunnison County, Colorado. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien for unpaid assessments shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association in the same manner in which mortgages on real property may be foreclosed in Colorado. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium Unit which shall become due during the period of foreclosure, and the Association shall be entitled to secure the appointment of a Receiver to collect the same. The Association shall have the right and power to bid on the Condominium Unit at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed on behalf of the Association and recorded in the Gunnison County, Colorado real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Condominium Unit may, but shall not be required to, pay any amounts secured by the lien created by this paragraph, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

8.7 Personal Obligation of Owner. The amount of any quarterly or special assessment against any Condominium Unit shall be the personal obligation of the Owner thereof at the time such assessment is made to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Elements or by abandonment of his Condominium Unit.

8.8 Statement of Account. Upon payment of a reasonable fee not to exceed \$15 and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium Unit, the Association shall issue a written statement setting forth (i) the amount of the unpaid assessments, if any, with respect to such Condominium Unit; (ii) the amount of the current quarterly assessment and the date that such assessment becomes or became due; (iii) credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Condominium Unit.

8.9 Liability for Assessments Upon Transfer of Condominium Unit Subject to the provisions of paragraph 8.8, a purchaser of a Condominium Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. The provisions contained in this paragraph 8.9 and in paragraph 8.8 above shall not apply upon the initial transfer of a Condominium Unit by Declarant.

8.10 Records for Expenditures. The Association shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner and Declarant during reasonable business hours.

#### IX. USE OF CONDOMINIUM UNITS.

9.1 Residential. Each Condominium Unit shall be used and occupied for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Condominium Unit for lodging or residential purposes shall not be considered to be a violation of this covenant.

9.2 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from, the Common Elements except upon the prior written consent of the Association.

9.3 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in or on the Common Elements or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or an increase in the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in or on the Common Elements or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in or on the Common Elements or any part thereof, nor shall anything be done therein or thereon which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

9.4 Animals. The Association may by rules and regulations prohibit or limit the raising, breeding, or keeping of animals in any Unit or in or on the Common Elements or any part thereof.

9.5 Rules and Regulations. No owner shall violate the rules and regulations for the use of the Units and of the Common Elements as adopted from time to time by the Association.

9.6 Maintenance of Interior. Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors (but not sub-flooring) and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and good state of repair. All fixtures and equipment installed within a Unit commencing at a point where the utility lines, pipes, wires, conduits or systems enter the Unit shall be maintained and kept in repair by the Owner of the Unit.

9.7 Structural Alterations. No structural alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Elements shall be done by any Owner without the prior written consent of the Association.

## X. INSURANCE.

10.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Colorado. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(a) Casualty Insurance. The Association shall obtain insurance on the Project in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, war risk insurance if available and if deemed appropriate by the Association, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project.

(c) Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmens' compensation and employer's liability insurance and all other similar insurance in respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance. The Association shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(e) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

10.2 Personal Property Casualty Insurance. The Association may in its discretion elect to obtain insurance on the personal property and furnishings initially placed in the Units of Owners by Declarant upon completion of construction of the Project in such amounts as shall provide for the full replacement thereof in the event of damage or destruction from casualty against which such insurance is obtained.

10.3 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured, as trustee for the Owners and for Declarant, whether or not it is an Owner, which policy or policies shall specify the interest of each Condominium Unit Owner (owner's name, unit number, building number or designation,

the appurtenant undivided interest in the Common Elements), and which policy or policies shall provide a standard, noncontributory mortgagee clause in favor of each first Mortgagee which from time to time shall give notice to the Association of such first Mortgage. Each policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after ten (10) days' prior written notice is first given to each Owner, to Declarant and to each first Mortgagee. The Association shall furnish to each Owner a true copy of such policy together with a certificate identifying the interest of the Owner. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or noncompliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy, as to the interest of all other insured Owners not guilty of any such act of omission, shall not be invalidated or suspended and shall remain in full force and effect.

Public liability and property damage insurance shall name the Association the insured, as trustee for the Owners and for Declarant, whether or not it is an Owner, and shall protect each Owner and Declarant against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Project.

10.4 Owner's Responsibility. Insurance coverage on the furnishings initially placed in the Unit by Declarant and purchased from Declarant by the Owners of the Condominium Units, except to the extent that the Association pursuant to paragraph 10.2 hereof elects to arrange for casualty insurance, and, regardless of the Association's election, insurance coverage against loss from theft on all personal property, and insurance coverage on items of personal property placed in the Unit by Owner, and casualty and public liability insurance coverage within each individual Unit and for activities of the Owner, not acting by the Association, with respect to the Common Elements shall be the responsibility of the respective Owners. All such insurance obtained by the Owners as required by this paragraph 10.4 shall be in such amounts and with such insurance companies as shall have been approved by the Association.

10.5 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed in the same manner herein provided in the event of sale of obsolete Units.

10.6 Owner's Own Insurance. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing coverage upon his Condominium Unit, his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article. All such insurance of the Owner's Condominium Unit shall waive the insurance company's right of subrogation against the Association, the other

Owners, and the servants, agents, guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

XI. CASUALTY DAMAGE OR DESTRUCTION.

11.1 Association as Attorney-in-Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney-in-fact in their name, place and stead for the purpose of dealing with the Project upon its damage, destruction or obsolescence as hereinafter provided. 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 from Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided.

11.2 General Authority of Association. As attorney-in-fact, the Association, by and through such of its officers as are duly authorized by its Board of Directors, 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 may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding paragraphs means restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

11.3 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Project, the Association shall obtain complete and reliable estimates of the costs of repair or reconstruction of that part of the Project damaged or destroyed.

11.4 Repair or Reconstruction. As soon as practicable after receiving these estimates, the Association shall diligently pursue to completion the repair or reconstruction of the part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney-in-fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than 5% from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the Building shall be substantially the same as prior to damage or destruction.

11.5 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction unless the Owners and all first Mortgagees unanimously agree not to rebuild in accordance with the provisions set forth hereinafter or, in the event of damage or destruction of more than fifty per cent (50%) of all Units in the Project, the

requisite percentage of Owners and all first Mortgagees fail to adopt a plan for repair or reconstruction as required in paragraph 11.7 hereof. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, and if such damage does not include more than fifty per cent (50%) of all of the Units in the Project, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact for the Owners (unless all of the Owners and all holders of First Mortgages on Condominium Units agree not to rebuild), and the Association may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction in excess of the proceeds of any insurance collected and available therefor. Such assessment shall be allocated among the Owners in accordance with their percentage interests in the Common Elements and shall be due and payable within thirty (30) days after written notice thereof. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction. The Association shall have full authority, right and power, as attorney-in-fact for the Owners, to cause the repair or reconstruction of the Project using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment levied therefor by the Association. The assessment provided for in this paragraph shall be a debt of each Owner and a lien to secure such indebtedness shall attach to the Condominium Unit of each Owner who fails to pay such assessment within the thirty-day period specified above. Such indebtedness may be collected and the lien therefor may be enforced as provided in paragraphs 8.6 and 8.7 of this Declaration. In addition to the foregoing, the Association, as attorney-in-fact for the Owners, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from any such sale of a Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact for the Owners, in the following order:

- (1) For the payment of taxes and special assessments of any governmental authority assessing or levying such taxes or assessments and which are secured by a lien on the Condominium Unit;
- (2) For the payment of the balance of the indebtedness owed (including principal and interest) by the Owner and secured by a first lien on the Condominium Unit;
- (3) For the payment of all unpaid quarterly or special assessments levied by the Association against the Condominium Unit under the terms of this Declaration;
- (4) For the payment of indebtedness of the Owner secured by junior liens and/or encumbrances on the Condominium Unit in the order and to the extent of the priority thereof; and
- (5) The balance remaining, if any, shall be paid to the Owner.

11.6 Disbursement of Funds for Repair or Reconstruction.

The insurance proceeds held by the Association and the amounts received from the assessments provided for in paragraph 11.5 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to contributions made by each Owner pursuant to the assessments levied by the Association.

11.7 Project Not To Be Rebuilt. If more than fifty per cent (50%) of all of the Units in the Project are destroyed or damaged, and if the Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more of the Common Elements do not voluntarily, within one hundred twenty (120) days thereafter, adopt a plan for reconstruction, which plan must have the unanimous approval or consent of every first Mortgagee, or if all of the Owners and all holders of first Mortgages on Condominium Units agree not to rebuild, without regard to the extent of destruction of the Project, the Association shall forthwith record a notice setting forth the fact or facts, and upon the recording of such notice by the Association, the remaining 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 Condominium Map and the Articles of Incorporation and Bylaws of the Association. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall (after payments of all indebtedness of the Association) be divided by the Association according to each Condominium Unit Owner's interest (as such interest appears on the policy or policies) 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 thereof. From each separate account, the Association, as attorney-in-fact for the Owners, shall forthwith use and disburse the total amount of each such account, without contribution from one account to another, toward the partial or full payment of the lien of any first Mortgage against the Condominium Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the Project. Such apportionment shall be based upon each Condominium Unit Owner's percentage interest in the 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 Owners, for the same purposes and in the same order as is provided in paragraph 11.5 of this Declaration.

If the Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more, of the Common Elements adopt a plan for reconstruction, which plan has the unanimous approval of the holders of all first Mortgages on all of the Condominium Units in the Project, then all of the Owners shall be bound by the terms and other provisions of such plan. Any 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 Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice

thereof. The Association shall have full authority, right, and power, as attorney-in-fact of the Owners, 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 to secure such indebtedness shall attach to the Condominium Unit of each Owner who fails to pay such assessment within the time provided. Such indebtedness may be collected and the lien therefor may be enforced as provided in paragraphs 8.6 and 8.7 of this Declaration. In addition to the foregoing, the Association, as attorney-in-fact for the Owners, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from any such sale of a Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact for the Owners, for the same purposes and in the same order as is provided in paragraph 11.5 of this Declaration.

If, within the aforementioned 120-day period, the Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more of the Common Elements adopt a plan for reconstruction, but such plan does not have the unanimous approval or consent of the holders of all first Mortgages on all of the Condominium Units in the Project, the Association shall have the option to purchase the Mortgage(s) of any such Mortgagee(s) not consenting to such plan for reconstruction by payment in full of the amount secured thereby. The Association shall obtain the funds for such purpose by special assessments levied under this Declaration. Upon completion of the purchase(s) of such Mortgage(s) by the Association, such plan for reconstruction shall be deemed (for the purpose of this paragraph 11.7) to have been approved by the holders of all first Mortgages on all of the Condominium Units in the Project.

## XII. OBSOLESCENCE.

12.1 Adoption of a Plan. The Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more of the interests of all Owners in the Common Elements may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction of the Project, which plan must have the unanimous approval or consent of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners.

12.2 Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominium Units. These assessments shall be levied in advance and shall be allocated and collected as provided in this Declaration. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction. In the event that amounts collected pursuant hereto are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the

of the Condominium Unit exceeding the obligations secured by liens on such Condominium Unit, and upon the marketability of the title of the Owner. The Owner shall furnish the Association an appropriate abstract of title or commitment for title insurance evidencing marketability of his title not less than fifteen (15) days prior to the date set for completion of the sale.

The Association may levy a special assessment sufficient to provide funds to pay for the Condominium Units of the dissenters, provided that such assessments shall not apply to any of the Owners who are among the dissenters and shall not be liens against the Condominium Units of such Owners.

12.4 Sale of Project on Obsolescence of Units. The Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more of the interests of all Owners in the Common Elements may agree that the Condominium Units are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of every first Mortgagee of record at the time such agreement is made. 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 the Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Condominium Map and the Articles of Incorporation and Bylaws of the Association. The sales proceeds shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact for all of the Owners, shall (after a deduction therefrom of a proportionate part of any unpaid portion of the indebtedness of the Association) use and disburse the total amount of such accounts, without contribution from one account to the other, for the same purposes and in the same order as provided in paragraph 11.5 hereof.

### XIII. CONDEMNATION.

13.1 Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

13.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

13.3 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 hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements, provided that if a standard different from the value of the Project 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.

respective amount collected from each such Owner.

12.3 Dissents from the Plan. An Owner dissenting from such plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen (15) days after receipt of notice of adoption of the plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen-day period. Within fifteen (15) days after receipt of such notice of dissent from the Association, the Owners representing an aggregate ownership of more than twenty-five per cent (25%) of the interests of all Owners in the Common Elements may cancel the plan by notifying the Association in writing of their dissent. If the plan is not cancelled, then the Condominium Units of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed 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 "commencing date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencing date, each party shall nominate a qualified appraiser (who shall be a licensed real estate broker in Gunnison County, Colorado) by written nomination and shall give notice of such nomination to the other party. If either party fails to make such nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another qualified appraiser (who shall also be a licensed real estate broker in Gunnison County, Colorado). If the two appraisers designated by the parties, or selected pursuant hereto in the event of default of one party, are unable to agree, they shall appoint a third qualified appraiser (who shall also be a licensed real estate broker in Gunnison County, Colorado) if they can agree on such person. If they are unable to agree upon such third appraiser, then each appraiser previously appointed shall nominate two qualified appraisers (each of whom shall be a licensed real estate broker in Gunnison County, Colorado), and from the names of the four persons so nominated, one shall be drawn by lot by a judge of any court of record in Colorado, and the person whose name is so drawn shall be third appraiser. The nominations from among which the name of the third appraiser 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, the decision of such third appraiser 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 thirty (30) days after decision of the appraisers, and the Association, as attorney-in-fact for the Owners, shall disburse the proceeds in the manner provided in paragraph 11.5 hereof. In the event that there are not sufficient licensed real estate brokers in Gunnison County, Colorado, to provide the necessary appraisers and nominees as herein set forth, then licensed real estate agents of the State of Colorado residing in Gunnison County, Colorado may be selected. The Association shall not be liable if payment is made wrongfully if the Association has acted in good faith and with due care. The obligation of the Association to make such purchase shall be conditioned on the fair market value

Except as is otherwise provided in paragraph 14.2, and except upon a transfer of title to a Public Trustee or a first Mortgagee, each and every conveyance by a grantor of a Condominium Unit shall be, for all purposes, deemed to include and incorporate in such instrument of conveyance an agreement that the grantee carry out the provisions of the "right of first refusal," as provided in this paragraph 14.1.

14.2 Exemption from Right of First Refusal. In the event of any default on the part of any Owner under any first Mortgage which entitles the holder thereof to foreclose same, any sale under such foreclosure, including delivery of a deed to the first Mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 14.1, and the purchaser (or grantee under such deed in lieu of foreclosure) of such Condominium Unit shall be thereupon and thereafter subject to the provisions of this Declaration, and the Articles of Incorporation and Bylaws of the Association. If the purchaser following such foreclosure sale (or the grantee under deed given in lieu of such foreclosure) shall be the then holder of the first Mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the unit free and clear of the provisions of paragraph 14.1, but its grantee shall thereupon and thereafter be subject to all of the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association.

The following transfers are also exempt from the provisions of paragraph 14.1 of this Declaration:

(a) The transfer by operation of law of a deceased joint tenant's interest to the surviving joint tenant(s).

(b) The transfer of a deceased's interest to a devisee by will or his heirs at law under the laws of descent and distribution of the State of Colorado.

(c) The transfer of all or any part of a partner's interest as a result of withdrawal, death or otherwise, to the remaining partners carrying on the partnership business and/or to a person or persons becoming partners. A transfer of all or part of a partner's or partners' interests between one or more partners and/or to persons becoming partners.

(d) The transfer of a corporation's interest to the persons formerly owning the stock of the corporation as a result of a dissolution. A transfer to the resulting entity following a corporate merger or consolidation; provided, however, that at least fifty per cent (50%) of the stock of the resulting entity is owned by the stockholders of the corporation formerly owning the unit.

Such persons, owners or grantees acquiring an interest shall be subject to all of the provisions of paragraph 14.1, except as is herein provided.

14.3 Certificate of Compliance - Right of First Refusal. Upon written request of any prospective transferee, purchaser, tenant or an existing or prospective Mortgagee of any Condominium

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in paragraph 12.4 of this Declaration.

13.4 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 Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owner's, as follows: (a) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements, (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 takings or injuries shall be apportioned as the Association 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 Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

13.5 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 assessments ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration.

13.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified herein in cases of Casualty Damage or Destruction.

#### XIV. SALE OF UNITS.

14.1 Right of First Refusal by Owners. In the event any Owner of a Condominium Unit other than the Declarant shall wish to sell or lease the same, and shall have received a bona fide offer therefor from a prospective purchaser or tenant, the remaining Owners shall be given written notice thereof together with

an executed copy of such offer and the terms thereof. The right of first refusal herein provided shall not apply to leases or subleases having a term of one year or less. Such notice and copy shall be delivered to the Board of Directors of the Association for all of the Owners. A copy of such notice and a copy of such offer shall be communicated to all of the other Owners by the Association, either orally or in writing. The remaining Owners, acting through the Board of Directors of the Association, or a person designated by the Board of Directors, shall have the right to purchase or lease the subject Condominium Unit upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election to purchase or lease is given to the selling or leasing Owner, and a matching down payment or deposit is provided to the selling or leasing Owner during a period of thirty (30) days immediately following the delivery of the notice of the bona fide offer and copy of such offer to purchase or lease to the Board of Directors of the Association. The Board of Directors may assign the aforementioned preferential right to purchase to any Owner or Owners if the requisite number of Owners, as provided for in the following paragraph, fails to elect to purchase such Condominium Unit.

The Association shall purchase or lease (as applicable) the subject Condominium Unit upon receipt of written approval thereto, within the aforementioned thirty-day period, from Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more of the interests of all Owners in the Common Elements. In the event that the Owners exercise the preferential right of purchase granted in this paragraph 14.1, the Association may levy a special assessment sufficient to provide funds to pay for the Condominium Unit purchased or leased, as the case may be; provided that such assessment shall not apply to the Owner who proposes to so sell or lease such Condominium Unit and shall not be a lien against the Condominium Unit of such Owner.

In the event any Owner other than the Declarant shall attempt to sell or lease his Condominium Unit without affording to the other Owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

The subleasing or subrenting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the Owner under and by the provisions contained in this Declaration shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

In no case shall the right of first refusal reserved herein affect the right of an Owner to subject his Condominium Unit to a trust deed, mortgage or other security instrument.

The failure of or refusal by the Owners to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an Owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

The right of first refusal as provided herein, shall extend to and run for a period of fifty (50) years from the date of filing this Declaration in the records of Gunnison County, Colorado.

Unit, the Association shall forthwith, or where time is specified, at the end of the time, through its duly authorized officer(s), issue a written and acknowledged certificate in recordable form, evidencing that:

(a) With respect to a proposed lease or sale under paragraph 14.1, that proper notice was given by the selling or leasing Owner and that the remaining Owners did not elect to exercise their option to purchase or lease;

(b) With respect to a deed to a first Mortgagee or its nominee in lieu of foreclosure, and a deed from such first Mortgagee or its nominee, pursuant to paragraph 14.2, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of paragraph 14.1;

(c) With respect to any contemplated transfer which is not in fact a sale or lease, that the transfer will not be subject to the provisions of paragraph 14.1;

Such a certificate shall be conclusive evidence of the facts contained therein.

#### XV. MORTGAGE OF UNITS.

15.1 Mortgage of Units - Priority. Any Owner shall have the right from time to time to mortgage or encumber his interest in a Condominium Unit by deed of trust, mortgage or other security instrument. A first Mortgage shall be one which has first and paramount priority under applicable law. The Owner of a Condominium Unit may create junior mortgages on the following conditions: (1) that any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other obligations created by this Declaration, the Articles of Incorporation and the Bylaws of the Association; (2) that the mortgagee under any junior mortgage 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 which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Board of Directors of the Association.

#### XVI. EXPANSION.

16.1 Reservation of Right to Expand. Declarant expressly reserves the right to expand this condominium ownership project by constructing an additional Building or Buildings on real property (other than that described in Exhibit A hereto) which may hereafter be submitted to this Declaration.

16.2 Supplemental Declaration and Supplemental Condominium Map. Such expansion shall be accomplished by Declarant filing for record in the real estate records of Gunnison County, Colorado,

a supplement to this Declaration containing a legal description of the site or sites for a new Building or Buildings together with a Supplemental Condominium Map containing generally such information with respect to the new Building(s) as appears on the original Condominium Map. Any such supplement to this Declaration shall also contain a schedule of undivided interests in the Common Elements which shall be appurtenant to the Units contained in the new Building(s). Except as otherwise expressly provided in this Article XVI, the Owner of a Unit in a new Building described in a supplement to this Declaration shall have no interest in the Common Elements appurtenant to the Units provided for herein. Likewise, except as otherwise expressly provided in this Article XVI, the Owner of a Unit referred to herein shall have no interest in the Common Elements appurtenant to the Units in a new Building described in any supplement to this Declaration and the Owner of a Unit in a new Building referred to in a supplement to this Declaration shall have no interest in the Common Elements appurtenant to the Units described in and covered by any other supplement to this Declaration. The undivided interests in the Common Elements appurtenant to the Units in the Project and in the Common Elements appurtenant to Units contained in new Buildings resulting from the expansion of the Project shall have a permanent character and shall not be altered without the consent of all of the Owners of Condominium Units in the portion of the condominium ownership project in question, expressed in a duly recorded amendment to this Declaration; provided, however, that such undivided interests of the Owners in the Common Elements may be modified by Declarant (without the necessity of the approval of the Owners) in the event of the construction of new Buildings within the Project or within any condominium ownership project resulting from the expansion of the Project.

In the event of the expansion of the Project, the following provisions shall be applicable:

(1) All Owners of Condominium Units in the new Building(s) constructed as a result of expansion of the Project shall be responsible for assessments provided for in this Declaration with regard to all of the Common Elements situated within the expanded project area and appurtenant to the Units in the new Building(s) situated in the expanded project area, in the proportion of the respective undivided interests of all such Owners in the Common Elements appurtenant to all of the Units in the expanded project area. None of the Owners of a Unit referred to herein shall be responsible for any assessments made with respect to Common Elements appurtenant to Units in new Buildings constructed as a result of the expansion of the Project. Likewise, none of the Owners of a Unit in a new Building constructed as a result of the expansion of the Project shall be responsible for any assessments provided for herein which are made with respect to Common Elements appurtenant to Units referred to herein.

(2) The premiums for insurance policies to be obtained by the Association as provided in Article X of this Declaration shall be allocated by the Association between the Project and any additional condominium ownership projects resulting from the expansion of the Project. The premiums for insurance policies obtained by the Association and allocated

(in accordance with the first sentence of this subparagraph (2)) to the Project or any condominium ownership projects resulting from the expansion of the Project, as the case may be, shall be apportioned among the Owners of Units in the condominium ownership project in question in the proportion of the respective undivided interests of each of the Owners in the Common Elements appurtenant to all of the Units in that particular condominium ownership project.

(3) Ad valorem taxes, assessments and other charges of the State of Colorado or of any political subdivision or of any special improvement district or any other taxing or assessing authority shall be allocated by the Association between the Project and any additional condominium ownership projects resulting from the expansion of the Project. Any such taxes, assessments or charges allocated by the Association to a particular condominium ownership project, in accordance with the provisions of the first sentence of this subparagraph (3), shall be apportioned among the Owners of Units in the condominium ownership project in question in the proportion of the respective undivided interests of each of the Owners in the Common Elements appurtenant to all of the Units in that particular condominium ownership project.

(4) Article XI of this Declaration relates to casualty damage to or destruction of Units and Article XII hereof relates to obsolescence of Units. In the event of damage to or destruction or obsolescence of Units, only the Owners of Units in the Building(s) affected shall be entitled to vote under the provisions of Article XI or XII, as applicable. Each Building initially constructed on the Project and each Building which may hereafter be constructed upon a condominium ownership project resulting from the expansion of the Project shall be a separate condominium ownership project for the purpose of Article XI or XII, as applicable, and the Owners of Units in each such Building shall be deemed to be the Owners of the entire interest in the Common Elements appurtenant to the Units in that Building for the purpose of determining the voting rights of the Owners under the terms of Article XI or XII hereof, as applicable.

(5) Article XIII of this Declaration relates to the taking or condemnation of a portion of the Project contemplated hereby by a public authority. In the event of the expansion of the Project, the Project and each condominium ownership project resulting from the expansion of the Project shall each be deemed to be a separate condominium ownership project for the purposes of Article XIII of this Declaration. Any Condemnation Award allocated to any such condominium ownership project shall be apportioned among the Owners of Units in such project in accordance with the provisions of Article XIII hereof. In the event that any reconstruction or repair shall be necessitated by condemnation, only the Owner(s) of Units in the Building(s) affected shall be entitled to vote under the provisions of Article XIII. In determining the voting rights of the Owners in the Building(s) affected by condemnation, the provisions of subparagraph (4) of this paragraph 16.2 shall control.

(6) For the purpose of Article XIV hereof relating to the right of first refusal in the event of the sale or lease of Condominium Units by the Owners thereof, each Building initially constructed on the Project and each Building which may hereafter be constructed upon a condominium ownership project resulting from the expansion of the Project shall be a separate condominium ownership project, and only the Owners of Units located in the Building in which the Unit proposed to be sold or leased is located shall be entitled to exercise the preferential right to purchase provided for in Article XIV of this Declaration.

(7) Except as provided in subparagraphs (4) and (5) of paragraph 16.2, the Owner of each Condominium Unit contained in the Project and in each condominium ownership project resulting from the expansion of the Project shall have the number of votes equal to the ratio of (i) the numerator of the undivided interest of each Owner in the Common Elements appurtenant to the Unit owned by such Owner, to (ii) the total of the numerators of all of the undivided interests of all Owners appurtenant to all of the Units in the Project plus all of the Units in all condominium ownership projects resulting from the expansion of such Project.

16.3 Expansion of Definitions and Interests. Except as otherwise provided in this Article XVI, in the event of such expansion, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the Project as so expanded. E.G., "Real Property" shall mean the real property described in Exhibit A hereto plus any additional real property added by a Supplemental Declaration or by Supplemental Declarations, reference to this Declaration shall mean this Declaration as so supplemented, and reference to the Condominium Map shall mean the original Condominium Map together with all such Supplemental Condominium Maps.

16.4 Declaration Operative on New Buildings. The new Building or Buildings and the site or sites upon which located shall be subject to all the terms and conditions of this Declaration and of the Supplemental Condominium Declaration, and the Condominium Units therein shall be subject to condominium ownership with all the incidents pertaining thereto as specified herein, upon the recording of the Supplemental Condominium Map and Supplemental Condominium Declaration in the Gunnison County, Colorado, real estate records.

#### XVII. REVOCATION OR AMENDMENT TO DECLARATION.

17.1 Amendment or Revocation. This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of seventy-five per cent (75%) or more of the interests of all Owners in the Common Elements appurtenant to all Units in the Project, and all of the holders of any first Mortgage appearing in the real estate records of Gunnison County, Colorado, and covering or affecting any or all of the Condominium Units, consent and agree to such revocation or amendment by instruments duly recorded; provided, however, that the undivided interests in the Common Elements appurtenant to each Unit in the Project and in the Common Elements appurtenant to Units contained in new Buildings

resulting from the expansion of the Project, as expressed in this Declaration or any supplement to this Declaration, shall have a permanent character and shall not be altered without the consent of all of the Owners of Condominium Units in the portion of the condominium ownership project in question, expressed in an amended Declaration which has been duly recorded in the real estate records of Gunnison County, Colorado, except that Declarant may modify such undivided interests (without the necessity of the approval of the Owners) in the event of the construction of new Buildings within the Project or within any condominium project area resulting from the expansion of the Project.

#### XVIII. PERIOD OF CONDOMINIUM OWNERSHIP.

18.1 Duration. The condominium ownership created by this Declaration and the Condominium Map shall continue until this Declaration is revoked or terminated in the manner provided in Articles herein dealing with casualty damage or destruction, obsolescence, condemnation, or revocation.

#### XIX. MISCELLANEOUS.

19.1 Compliance with Provisions of Declaration, Articles of Incorporation and Bylaws of the Association. Each Owner shall strictly comply with the provisions of this Declaration, the Articles of Incorporation and the Bylaws of the Association, and the decisions and resolutions of the members and the Board of Directors 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 injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

19.2 Registration of Mailing Address. Each Owner shall register his mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, 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 shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Bylaws of the Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association 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 paragraph.

19.3 Transfer of Declarant's Rights. Any right or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant, either separately or with one or more of such rights or interests, to any person or entity. Upon such transfer or assignment, the assignees or grantees of Declarant may, at their option, exercise, transfer or assign such right or interest or any one or more of them at any time or times in the same way and manner as though directly reserved by them or it in this Declaration.

19.4 Owner's Obligations Continued. All obligations of each Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Condominium Unit shall have no obligation for expenses or other obligations accruing after he conveys such Condominium Unit.

19.5 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

19.6 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural, the singular, and the use of any gender shall include all genders.

19.7 Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof should 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.

19.8 Statute. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

This Declaration is executed the day and year first above written.



THE GOTHIC CORPORATION, a Colorado corporation

BY James H. Coker  
James H. Coker, President

ATTEST:

[Signature]  
Secretary



EXHIBIT A  
TO  
CONDOMINIUM DECLARATION  
FOR  
COLUMBINE CONDOMINIUM,  
a Condominium

The Real Property referred to in the Condominium Declaration is as follows:

A tract of land containing 0.33 acres located in Section 26, Township 13 South, Range 86 West of the 6th Principal meridian, Gunnison County, State of Colorado, more particularly described as follows:

Beginning at Corner number one from whence the Northeast corner of Section 26, T13S, R86W, 6th P.M. bears N27°30'37" E 448.90 ft.; thence S48°45'26"W a distance of 132.40 ft. to corner number 2; thence S45°29'45"E a distance of 121.35 ft. to corner number 3; thence N48°45'26"E a distance of 117.40 ft. to corner number 4; thence N38°14'16"W a distance of 121.16 ft. to the point of beginning.

EXHIBIT B  
 TO  
 COLUMBINE DECLARATION  
 .. FOR  
 COLUMBINE CONDOMINIUM,  
 a Condominium

The undivided interest in Common Elements appurtenant to Units in this Project are as follows:

<u>Unit No.</u>	<u>Building</u>	<u>Pertinent Undivided Interest</u> (Fractional)
A-1	1	7.9% 1101
A-2	1	7.8% 1102
A-3	1	7.8% 1104
A-4	1	7.9% 1105
B-1	1	4.6% 1103
C-1	1	11.2% 1201
C-2	1	11.1% 1202
C-3	1	11.1% 1203
C-4	1	11.2% 1204
D-1	1	7.4% 1301
D-2	1	7.4% 1303
E-1	1	4.5% 1302
		99.9%

FIRST SUPPLEMENT  
TO  
CONDOMINIUM DECLARATION  
FOR  
COLUMBINE CONDOMINIUM,  
a Condominium

THIS SUPPLEMENT to the Condominium Declaration for Columbine Condominium, a Condominium, is dated this 27 day of February, 1972, by The Gothic Corporation, a Colorado corporation.

1. Purpose: The purpose of this Supplement is as follows:

A. The Gothic Corporation, hereafter termed "Declarant", has heretofore recorded the Condominium Declaration for Columbine Condominium, a Condominium, on the 19th day of March, 1971, in Book 426, at page 491 of the records of Gunnison County, Colorado.

B. Article XVI. Expansion, being paragraphs 16.1, 16.2, 16.3 and 16.4 of said Condominium Declaration, expressly reserves the right to expand and enlarge the condominium project by constructing additional buildings upon additional property. Such expansion and enlargement shall be accomplished by the filing for record of a supplement to said Condominium Declaration.

C. Declarant has now completed the construction of an additional building and other improvements on separate real property, which property is set forth on attached Exhibit "A" and incorporated herein by reference, which property is depicted on the Condominium Map of Columbine Condominium Building No. 2.

2. Declaration: Declarant does hereby publish, set forth and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations, shall be a covenant upon the land and to run with the land as covenants thereto and shall constitute benefits and burdens to the Declarant, its successors and assigns, and to all parties hereafter acquiring any interest in the subject matter property.

3. Division of Property into Condominium Units: The real property described in Exhibit "A" and the improvements constructed thereon are hereby divided into condominium units, each consisting of a fee simple interest in a unit and a undivided fee simple interest in the common elements in accordance with the attached Exhibit "B" incorporated herein by reference. Each condominium unit shall be identified on the Map by the unit number and the building symbol, as identified on Exhibit "B".

4. Limited Common Elements: A portion of the general common elements is reserved for the exclusive use of the owners of the respective units, and such portions are referred to as limited common elements, which are balconies or porches that are identified on the map and which shall be for the exclusive use of the unit bearing the same number or designation.

5. Supplement to Condominium Map: The Condominium Map of Columbine Condominium Building No. 2, depicting the location of each unit, both horizontally and vertically, together with the requirements of Article III, paragraph 3.1, of the recorded Declaration shall be filed for record.

6. Description of Condominium Unit: All instruments affecting the title to a condominium unit may describe the condominium unit by the number shown on the Map of Columbine Condominium Building No. 2. Such description shall be construed to describe the unit, together with the appurtenant undivided interest in the common elements and the limited common elements and to incorporate all the rights incident to ownership of the condominium unit and all limitations on such ownership as described in the Condominium Declaration.

7. Reservations: Declarant specifically reserves:

A. The right to enlarge this condominium project, as provided in Article XVI of the said Condominium Declaration.

B. The right to change the location of any access easement as shown on the Map of Columbine Condominium Building No. 2, as may be necessary for the development of the remainder of its land.

8. General: The following provisions shall apply:

A. This First Supplement shall be in addition to and supplemental to the provisions contained in the Condominium Declaration for Columbine Condominium, a Condominium.

B. If any of the provisions of this instrument 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 this instrument, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

C. The provisions of this instrument shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

D. That 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.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the day and year first above written.

THE GOTHIC CORPORATION, a Colorado corporation

by [Signature]  
Vice President

ATTEST:  
[Signature]  
Secretary  
COLORADO

TO  
FIRST SUPPLEMENT

TO  
CONDOMINIUM DECLARATION

for

COLUMBINE CONDOMINIUM,  
a Condominium

The following described real property situate in  
Gunnison County, Colorado:

A 0.63 acre tract of land located in the Northeast  $\frac{1}{4}$  of the  
Northeast  $\frac{1}{4}$  of Section 26, Township 13 South, Range 86 West of  
the 6th Principal Meridian and being part of a 1.37 acre tract  
described in Book 429 at Page 200 of the Records of Gunnison,  
County, Colorado, said 0.63 acre tract being more particularly  
described as follows:

Commencing at corner no. 1 of said 1.37 acre tract  
from whence the Northeast Corner (brass capped) of said Section  
26 bears North 2°34' West 488.29 feet; thence South 2°34' East  
along the easterly line of said 1.37 acre tract 190.8 feet to the  
point of beginning of the tract herein described; thence continuing  
South 2°34' East along the easterly line of said 1.37 acre tract  
39.2 feet to corner no. 2 of said 1.37 acre tract; thence South 48°  
30' West along the southeasterly line of said 1.37 acre tract  
92.5 feet; thence North 41°12' West 237.05 feet to the north-  
westerly line of said 1.37 acre tract; thence North 48°30' East  
along said northwesterly line of said 1.37 acre tract 117.0 feet;  
thence South 41°12' East 206.5 feet to the point of beginning.

Together with an access road of 0.23 acres also located  
in the said Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 26, also being  
part of the said 1.37 acre tract, and said access road being an  
extension of the access road to Columbine Condominium Building  
No. 1, said 0.23 acre access road being more particularly de-  
scribed as follows:

Commencing at corner no. 1 of said 1.37 acre tract  
from whence the Northeast Corner of said Section 26 bears  
North 2°34' West 488.29 feet; thence South 2°34' East along  
the easterly line of said 1.37 acre tract 115.7 feet to the point  
of beginning of the access road herein described; thence  
proceeding around the road continuing South 2°34' East along  
said easterly line of said 1.37 acre tract 75.1 feet; thence  
North 41°12' West 206.5 feet to the northwesterly line of said  
1.37 acre tract; thence North 41°30' West 39.9 feet to the  
southeasterly line of said access road to Columbine Condominium  
Building No. 1; thence North 48°45'26" East along said south-  
easterly line 46.85 feet; thence South 41°30' East 39.7 feet to  
corner no. 5 of said 1.37 acre tract; thence South 41°12' East  
148.15 feet to the point of beginning; containing 0.23 acres.

Directions are based on a government record direction of South 2°34' East between brass cap  
the Northeast Corner of Section 26 and the East  $\frac{1}{4}$  Corner of Section 26, Township 13 South,  
Range 86 West of the 6th Principal Meridian.)

EXHIBIT "B"  
 TO  
 FIRST SUPPLEMENT  
 TO  
 CONDOMINIUM DECLARATION  
 FOR  
 COLUMBINE CONDOMINIUM,  
 a condominium

The undivided interest in the Common Elements appurtenant to Units in this project are as follows:

<u>Unit No.</u>	<u>Building</u>	<u>Pertinent Undivided Interest (Fractional)</u>
2101	2	6.25%
2102	2	6.25%
2103	2	2.4%
2104	2	6.25% ✓
2105	2	6.25%
2106	2	2.4% ✓
2107	2	6.25%
2108	2	6.25%
2201	2	4.5%
2202	2	4.5% ✓
2203	2	4.5% ✓
2204	2	4.5% ✓
2301	2	5.2% ✓
2302	2	5.2% ✓
2303	2	5.2% ✓
2304	2	5.5% ✓
2305	2	3.0% ✓
2306	2	5.2%
2307	2	5.2% ✓
2308	2	5.2% ✓
		100

54.25%  
 + 2.4  
 + 6.65  
50.025%  
 100.05%  
50%

GUNNISON COUNTY, CO JOANNE M. REITINGER, RECORDER  
433851 BK 705 PG 565 5/7/92 8:40A  
SECOND SUPPLEMENT TO  
CONDOMINIUM DECLARATION FOR  
COLUMBINE CONDOMINIUMS

This Second Supplement to Condominium Declaration for Columbine Condominiums is executed this 16th day of October, 1991 by the Columbine Condominium Association, a Colorado non-profit corporation as follows:

1. PURPOSE. The purpose of this supplement is as follows:

1.1 The Columbine Condominium Association, a Colorado non-profit corporation (herein the "Association") was formed for the purposes and functions set forth in the Condominium Declaration for Columbine Condominiums in Book 426 at page 491 of the records of Gunnison County, Colorado.

1.2 The Association is the record owner of the real property described in Exhibit A attached hereto, which real property has not heretofore been dedicated as general common elements of Columbine Condominiums.

1.3 The declarant acquired title to the real property described in Exhibit A attached hereto by deeds from The Gothic Corporation, a Colorado corporation as the original declarant under the Condominium Declaration for Columbine Condominiums in Book 426 at page 491 of the records of Gunnison County, Colorado by general warranty deeds in Book 517 in page 989 and in Book 549 at page 873 of the records of Gunnison County, Colorado.

1.4 The Association is the grantee of a Correction Quitclaim Deed from Mansfield--Walnut Creek Development Co., also known as Mansfield Walnut Creek Development Corporation, a dissolved Texas corporation, as successor by merger to The Gothic Corporation, a Colorado corporation, which deed was given for the express purpose of correcting said deeds in Book 517 at page 989 and in Book 549 at page 873, it having been the intent of the grantor therein to have conveyed the right to enlarge Columbine Condominiums upon the real property therein conveyed and described in Exhibit A attached hereto pursuant to Article XVI of the Condominium Declaration for Columbine Condominiums in Book 426 at page 491 of the records of Gunnison County, Colorado, and to have conveyed said right of expansion as an appurtenance and hereditament to the real property therein conveyed and described in Exhibit A attached hereto.

1.5 The Association desires to dedicate the real property described in Exhibit A attached hereto as additional general common elements of Columbine Condominiums, both in its capacity as the manager of the existing

general common elements of Columbine Condominiums pursuant to the Condominium Declaration in Book 426 at page 491 of the records of Gunnison County, Colorado, and pursuant to the right to expand the condominium project as set forth in Article XVI of said Condominium Declaration; therefore this supplement.

2. DECLARATION. The Association hereby declares that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the real property described in Exhibit A attached hereto and shall be binding upon the record owners of all condominium units within Columbine Condominiums, their grantees, successors, heirs, and personal representatives.

3. DEDICATION. The Association hereby dedicates and conveys to the records owners of all condominium units within Columbine Condominiums, pursuant to the maps thereof at Reception No. 283493 and at Reception No. 287807 in the office of the Gunnison County Clerk and Recorder, in the same percentages as the appurtenant fractional interests owned by each, the real property described in Exhibit A attached hereto.

4. ACCEPTANCE OF DEDICATION. The Association, also in its capacity as manager of the general common elements of the Columbine Condominiums project pursuant to the Condominium Declaration in Book 426 at page 491 of the records of Gunnison County, Colorado, accepts the foregoing dedication of the real property described in Exhibit A attached hereto as additional general common elements of such condominium project on behalf of all record owners of condominium units within Columbine Condominiums.

5. SUPPLEMENT TO CONDOMINIUM MAP. A Supplemental Condominium Plat of Columbine Condominiums is recorded on May 7, 1992 and bears Reception No. 433850 in the records of Gunnison County, Colorado, and sets forth the entirety of the real property now constituting the general common elements of Columbine Condominiums, including the real property described in Exhibit A attached hereto. The location of the existing condominium units within Columbine Condominiums remains as depicted in the condominium maps at Reception No. 283493 and at Reception No. 287807 of the records of Gunnison County, Colorado.

6. DESCRIPTION OF CONDOMINIUM UNIT. Every instrument affecting the title to any of the condominium units within Columbine Condominiums, whether pursuant to the condominium maps at Reception No. 283493 or at Reception

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No. 287807, shall henceforth describe such unit, inserting the particular unit number and building thereof, as follows:

Condominium Unit \_\_\_\_\_, Building \_\_\_\_\_, Columbine Condominiums, according to the Condominium Maps bearing Reception No. 283493 and Reception No. 287807, and the Condominium Declaration for Columbine Condominiums recorded in Book 426 at page 491, the First Supplement to Condominium Declaration for Columbine Condominiums in Book 436 at page 406, and the Second Supplement to Condominium Declaration for Columbine Condominiums in Book 705 at page 565, all of the records of Gunnison County, Colorado.

7. GENERAL. This Second Supplement to Condominium Declaration for Columbine Condominiums shall be in addition and supplemental to the provisions contained in the Condominium Declaration for Columbine Condominiums in Book 426 at page 491 and the First Supplement to the Condominium Declaration for Columbine Condominiums in Book 436 at page 406, all of the records of Gunnison County, Colorado, and shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

IN WITNESS WHEREOF, the Association has signed this Second Supplement to Condominium Declaration for Columbine Condominiums the date first above written.

COLUMBINE CONDOMINIUM ASSOCIATION,  
a Colorado non-profit corporation

by Charles H. Robertson  
Charles H. Robertson, President



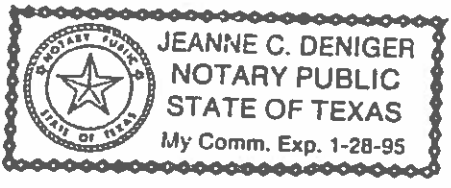
John M. Haley MD  
Dr. John Haley, Secretary

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STATE OF TEXAS )  
 )SS  
County of Dallas )

The foregoing was acknowledged before me this 16 day of October, 1991 by Charles H. Robertson as president of Columbine Condominium Association, a Colorado non-profit corporation.

Witness my hand and official seal.  
My commission expires: 1-25-95



Jeanne C. Deniger  
Notary Public  
Address: 705 Ross Ave  
Balton Tx 75202  
Telephone: (214) 745-9211

STATE OF TEXAS )  
 )SS  
County of DALLAS )

The foregoing was acknowledged before me this 17<sup>th</sup> day of October, 1991 by Dr. John Haley as secretary of Columbine Condominium Association, a Colorado non-profit corporation.

Witness my hand and official seal.  
My commission expires: August 5, 1992



LEIGH LINDSEY  
Notary Public, State of Texas  
My Commission Expires 8-5-1992

Leigh Lindsey  
Notary Public  
Address: P.O. Box 326  
Farmersville Tx 75031  
Telephone: (214) 782-7376

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705 569

Township 13 South, Range 86 West, 6th P.M.

Section 26: Two tracts of land located in the NE1/4NE1/4 of said Section, more particularly described as follows:

PARCEL NO. 1

Commencing at the NE corner of said Section 26; thence South 02°34' East 97.19 feet; thence South 67°16' West 179.69 feet along the southern line of Lot 1, Chalet Village Addition No. 6; thence continuing South 67°16' West 178.32 feet along the southern line of Lot 12, Chalet Village Addition No. 2 to the SW corner of said Lot 12; thence South 37°01'29" East 72.27 feet to a point on a cul-de-sac, being the true point of beginning, thence South 53°15' East 132.00 feet; thence South 41°30' East 160.00 feet; thence South 48°30' West 280.00 feet; thence North 41°30' West 200.00 feet; thence North 10°55'14" East 216.60 feet to a point on the cul-de-sac; thence 108.21 feet along the arc of the cul-de-sac, which has a radius of 50 feet, to a point which bears North 76°15'02" East 92.05 feet, said point being the true point of beginning.

EXCEPTING THEREFROM that portion thereof lying within Columbine Condominium, Building 1, according to the Condominium Map filed March 19, 1971, as Reception No. 283493.

PARCEL NO. 2

Beginning at Corner No. 1 which is a point on the East line of said Section 26 from whence the NE corner of said Section 26 bears North 2°34' West 488.29 feet; thence South 2°34' East 230.00 feet to Corner No. 2; thence South 48°30' West 135.00 feet to Corner No. 3; thence North 58°29'24" West 247.85 feet to Corner No. 4; thence North 48°30' East 280.00 feet to Corner No. 5; thence North 87°26' East 92.50 feet to the point of beginning,

EXCEPTING THEREFROM that portion thereof lying within Columbine Condominium, Building 2, according to the Condominium Map filed February 10, 1972, as Reception No. 287807.

County of Gunnison,  
State of Colorado