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Exception No. 355029

DECLARATION OF CONDOMINIUM OWNERSHIP
FOR TIMBERLINE CONDOMINIUMS AT MT. CRESTED BUTTE
November 3, 1980

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DECLARATION OF CONDOMINIUM OWNERSHIP
FOR TIMBERLINE CONDOMINIUMS AT MT. CRESTED BUTTE

DECLARATION made as of November 3, 1980 (the "Declaration"), by CRESTED BUTTE ASSOCIATES, a Minnesota limited partnership located at 893 West Highway 96, Saint Paul, Minnesota, as Declarant, for itself, its successors, grantees, and assigns.

1. DEFINITIONS.

a. ACT. "Act" shall mean the Colorado Condominium Ownership Act, Colorado Statutes, Article 33, as amended.

b. APARTMENT. "Apartment" is referred to herein as Unit and shall mean an enclosed space containing one or more rooms located on one or more floors, or part or parts thereof, in the Building (as hereinafter defined) with direct access to Common Elements (as hereinafter defined) leading to a public street or highway. A Unit shall be bounded by, located within, and shall include the horizontal and vertical planes, as the case may be, of the interior finished surfaces of its perimeter walls, floor and ceiling as described on the Condominium Map (as hereinafter defined) and shall include all electrical, heating, water, plumbing, telephone, and other utility equipment and fixtures located therein serving such Unit. Each Unit shall be intended for independent use and shall include the appurtenances described in Paragraph 2.d. hereof. The responsibility for maintenance and repair of each Unit shall be vested in the Owner thereof.

c. ASSOCIATION. "Association" shall mean Mt. Crested Butte-Timberline Condominiums, Inc., a Colorado nonprofit corporation, lawfully organized as of the date hereof, its successors and assigns.

d. BUILDING. "Building" shall mean the residential structure located on the Property (as hereinafter defined) containing the Units in the Project (as hereinafter defined). Such structure is designated Building A on the Condominium Map.

e. BYLAWS. "Bylaws" shall mean the Bylaws of the Association which are attached hereto as Exhibit D. The provisions of the Bylaws are incorporated herein by reference and made a part hereof.

f. COMMON ELEMENTS. "Common Elements" shall mean the general common elements defined in the Act and consist of all of the Project other than the Units including, without limitation, the following elements: the Property; all grounds, sidewalks, driveways, parking areas, trees, plants, and shrubbery that may be located on the Property; any recreational facilities; the basement of the Building; all structural components of the Building, including foundations, bearing walls, roofs and beams, columns and other members connecting or supporting the same; all perimeter floors, walls, and ceilings (except the interior finished surfaces thereof); all electrical, heating, water, plumbing, telephone, and other utility systems, facilities, equipment, and fixtures (excepting such systems, facilities, equipment, and fixtures located within any Unit and serving such Unit); all windows, perimeter doors, and their structural components; all entrances to and exits from the Building; and all other elements not otherwise described herein as part of a Unit. The responsibility for maintenance and repair of the Common Elements shall be vested in the Association. None of the Common Elements shall be leased to any Owner, the Association, or any other person. Any recreational facilities shall be made available to the Owners for their use without charge other than the annual or special assessments levied pursuant to Paragraph 7 hereof.

g. CONDOMINIUM MAP. "Condominium Map" shall mean a plan of the Project site and a plan showing each floor of the Building showing the location and dimensions of the Units and Common Elements. The Condominium Map is recorded with the County Recorder contemporaneously with the recording of this Declaration. Any amendments to the Condominium Map shall be carried out in the same manner as amendments to this Declaration.

h. COUNTY RECORDER. "County Recorder" shall mean the Office of the County Recorder in and for Gunnison County, Colorado.

i. FUTURE UNITS. "Future Units" shall mean any additional residential apartments which the Declarant may construct according to Paragraph 2.e. hereof. If constructed, the Future Units shall consist of those Units described on the attached Exhibit C and shall be located on the real property described on the attached Exhibit B.

j. LIMITED COMMON ELEMENTS. "Limited Common Elements" shall mean those parts of the Common Elements reserved for the exclusive use of a Unit Owner.

k. MORTGAGEE. "Mortgagee" shall mean any natural or artificial person, including the Declarant (together with his or its successors and assigns), holding a first mortgage or first deed of trust against a Unit in the Project which has been duly recorded with the County Recorder.

l. OWNER. "Owner" shall mean any natural or artificial person holding fee title of record to a Unit and having a possessory right thereto or any such person having a possessory right to a Unit under a recorded deed, contract for deed, or lease of more than three years in duration. For purposes of Paragraphs 4 and 5 hereof, Owner includes any officer, director, general or limited partner, trustee, receiver, tenant, employee, agent, customer, licensee, invitee or guest of such person, or any family member residing with such person.

m. PROJECT. "Project" shall mean Timberline Condominiums at Mt. Crested Butte and consists of the Property, the Building, any other improvements now located or to be constructed or situated on the Property, and any Future Units. The Project includes the Units and Common Elements shown on the Condominium Map.

n. PROPERTY. "Property" shall mean the real property located in the Town of Mt. Crested Butte, County of Gunnison, State of Colorado, which is described on the attached Exhibit A.

o. TOTAL VOTE. "Total Vote" shall mean all of the votes in the Association which the Owners are entitled to cast by virtue of their ownership of Units in the Project.

2. SUBMISSION OF PROJECT TO ACT.

a. CREATION OF CONDOMINIUM. The Declarant hereby submits the Project to the provisions of the Act for the purpose of creating a perpetual plan of condominium ownership. The Project shall hereafter be subject to the covenants and restrictions set forth in this Declaration and any amendments or supplements hereto, and all Units shall hereafter be held, occupied, used, sold, encumbered, or otherwise transferred subject to the easements, charges and liens and other covenants and restrictions of this Declaration. All of the provisions hereof shall be deemed to be covenants and restrictions running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant, its successors, grantees, assigns, and all other parties hereafter owning or holding any interest in the Project. No conditions, covenants, obligations or restrictions contained herein shall be deemed to be waived or abrogated by reason of any failure to enforce the same, regardless of the number of violations or breaches which may occur from time to time. All real estate taxes and special assessments hereafter levied shall become liens against individual Units and not against the Project.

b. NAME OF PROJECT. The Project shall hereafter be known as "Timberline Condominiums at Mt. Crested Butte."

c. SUBDIVISION INTO UNITS AND COMMON ELEMENTS. The Project is hereby subdivided into and shall consist of the Units and the Common Elements as shown on the Condominium Map. Each Unit shall constitute a separate parcel of real property which may be held, conveyed, used, transferred, and encumbered in the same manner as any other parcel of real property. Title to a Unit may be held by one or more persons or entities in any manner permitted by law. No Unit may be transferred or encumbered without including in such transfer or encumbrance the undivided interest in the Common Elements appurtenant to such Unit. Any transfer or encumbrance omitting a reference to such Common Elements shall be deemed to include the same even though omitted, it being the intention of this provision to prevent the severance of a Unit from its appurtenant Common Elements. No Owner or other person shall at any time partition the Project or subdivide any Unit or separate a Unit from its appurtenant Common Elements except in accordance with the Act and this Declaration.

d. APPURTENANCES OF UNIT OWNERSHIP. Ownership of a Unit shall include the following appurtenances:

- (1) Ownership in fee simple of such Unit;
- (2) The percentages of undivided fee simple interest in the Common Elements as set forth on the attached Exhibit C;
- (3) The easements described in Paragraph 4 hereof; and
- (4) Permanent membership in the Association.

e. PRESERVATION TO ENLARGE PROJECT.

(1) At any time before December 31, 1985, the Declarant shall have the right (but not the obligation) to enlarge the Project by adding thereto the real property described on the attached Exhibit A and by constructing thereon the Future Units described in said Exhibit C. Such additional real property and any Future Units shall be incorporated into this Declaration by an appropriate amendment hereto executed by the Declarant; no Owner or any Mortgagee shall have any right to approve or consent to such an amendment unless it includes real property other than that which is described on said Exhibit B, includes Units other than those which are described on said Exhibit C.

or materially alters the substantive rights of the Owners or any Mortgagees hereunder. In the event Declarant exercises its right to enlarge the Project, the undivided interests in the Common Elements presently accessory to each Unit shall be automatically redivided as reflected on said Exhibit C.

(2) Said Exhibit C sets forth the percentage interests in the Common Elements to be attributed to the Units and the Future Units should any Future Units be added to the Project.

(3) The exterior mass and materials of the Future Units shall be compatible with the scale and materials of the Building. In all other respects, the Declarant shall have complete discretion with regard to the Future Units, including, without limitation, their size and kind; their design and construction; and the terms of their sale.

(4) All of the provisions of this Declaration shall apply to any Future Units.

(5) The Declarant shall indemnify and hold the Owners, the Association, and any Mortgagees harmless from and against all losses, damages, liens, expenses, suits, judgments, and attorneys' fees relating to or in any way arising from the addition to the Project of the real property described on said Exhibit B or the construction of any Future Units.

3. DESCRIPTION OF PROJECT.

a. REAL PROPERTY. The Property is defined in Paragraph 1.n. hereof and is approximately 2.4 acres in size.

b. BUILDING.

(1) The Building is defined in Paragraph 1.d. hereof and is shown on the site plan page of the Condominium Map.

(2) The Building was constructed in 1980.

(3) The Building contains twelve residential Units and Common Elements.

c. UNITS.

(1) The Units are defined in Paragraph 1.b. hereof and are shown on the Condominium Map.

(2) The Units are divided into two model types, six one bedroom Units and six one bedroom with loft Units. Each Unit is further described on the attached Exhibit C as to its numerical designation, model letter designation, approximate area in square feet, number of rooms, number of bedrooms, Limited Common Elements to which it has access, valuation, and percentage interest in the Common Elements.

d. COMMON ELEMENTS. The Common Elements are defined in Paragraph 1.f. hereof and are shown on the Condominium Map.

e. LIMITED COMMON ELEMENTS. The Limited Common Elements are defined in Paragraph 1.j., are shown on the Condominium Map, and consist of the patios and balconies adjoining the Units.

4. EASEMENTS.

a. ENCROACHMENTS. In the event any portion of the Common Elements encroaches upon any Unit, any Unit encroaches upon any other Units or the Common Elements, or any encroachment occurs as a result of the construction or reconstruction of the Project, the settling or shifting of the same, the alteration or repair of the Common Elements, or any repair or restoration of the Project after damage by fire or other casualty or any taking by condemnation proceedings of all or any portion of any Unit or the Common Elements, an easement shall be deemed to exist for such encroachment and for the maintenance of the same for as long as the Project shall exist so long as such encroachment is not detrimental to or does not interfere with the reasonable use and enjoyment of the Project on the part of any Owner. Such encroachments shall not affect the marketability of title to any Unit.

b. COMMON ELEMENTS. The Owner of each Unit shall have an easement in common with the Owners of all other Units to use any Common Elements located in any of the other Units serving such Unit. The Owner of each Unit shall be subject to an easement in favor of the Owners of all other Units to use any Common Elements located in such Unit serving such other Units. The Association shall have the right of access to each Unit for the purpose of inspecting the same, removing violations therefrom, and installing, using, maintaining, repairing, or replacing any Common Elements contained therein. Such right of access shall be exercised in such a manner as will not unreasonably interfere with the reasonable use and enjoyment of the Units. No right of entry shall be permitted on less than one day's notice except in case of emergency when no notice shall be necessary.

c. ACCESS. The Owner of each Unit shall have an easement in common with the Owners of all other Units for pedestrian and vehicular traffic over, through, and across those portions of the Common Elements intended to provide pedestrian or vehicular ingress to and egress from such Unit, such as sidewalks, walks, driveways, and parking areas.

d. LIMITED COMMON ELEMENTS. An exclusive easement is reserved to the Owner of each Unit for the Limited Common Elements appurtenant to such Unit.

5. COVENANTS AND RESTRICTIONS.

a. COMPLIANCE WITH DECLARATION. Each Owner shall comply with all the provisions of the Act, this Declaration, the Bylaws, and such rules and regulations as may be adopted by the Association from time to time, and shall pay its proportionate share of the Project's expenses as assessed by the Association. Should any Owner fail to comply with any of its obligations under the Act, this Declaration, the Bylaws, or such rules and regulations:

(1) The Association or any aggrieved member thereof may seek relief against such noncomplying Owner in the form of an action for damages, injunctive relief, foreclosure of a lien, or any combination of the foregoing; and/or

(2) The Association may enter the Unit in which or as to which such violation or breach exists and summarily abate and remove at the expense of the noncomplying Owner any structure, thing or condition that may exist therein contrary to the provisions hereof, without thereby being deemed guilty of trespass.

b. RESTRICTIONS ON USE OF UNITS. To encourage the orderly operation of the Project, each Owner shall observe the following restrictions with respect to the use of Units:

(1) Each Unit shall at all times be kept and maintained in an orderly and sanitary condition.

(2) No activity shall be carried on within any residential Unit which may be an annoyance or nuisance to the other residential Unit Owners or other persons.

(3) No Owner or other persons shall use any Unit in such manner as to constitute waste, increase the cost of any insurance policy covering the Project, maintain any pets, or conduct any home occupation without the prior written consent of the Association.

(4) No Unit shall be used for other than residential purposes.

(5) No Owner may rent less than an entire Unit to any person for any time period except pursuant to a written lease which shall provide that a failure to comply with the terms of this Declaration and the Bylaws shall constitute a default under such lease.

(6) No Unit shall be used in such manner as to violate the rules and regulations adopted from time to time by the Association.

c. RESTRICTIONS ON USE OF COMMON ELEMENTS. To preserve the Common Elements of the Project and to promote the uniform maintenance of the same, each Owner shall observe the following restrictions with respect to the use of Common Elements:

(1) No Owner or other persons shall in any way use the Common Elements (unless so designated by the Association or in the Condominium Map) for storage purposes, obstruct the same, cause or permit any article to be hung, displayed, or placed in windows on the outside of Unit entry doors or on the outside walls of the Building.

(2) No Owner or other persons shall alter, damage or deface any part of the Common Elements, hang out or expose clothes, sheets, blankets, towels, laundry of any kind, signs or other articles in or upon any parts of the Common Elements.

6. ASSOCIATION.

a. DUTIES. The Association shall operate the Common Elements of the Project in accordance with the Act, this Declaration, the Bylaws, and any rules and regulations adopted from time to time.

b. BOOKS AND RECORDS. Each Owner and its duly authorized representative shall be entitled to inspect the books and records of the Association during regular business hours upon reasonable notice.

c. OWNER COURTESY SERVICE. The Association may elect to offer to the Owners a courtesy service as described in this Paragraph 6. Such service may be provided by the Association's employees or by an independent contractor retained by the Association and may include the staffing of an office to check in and check out Owners and their guests, staffing and operation of a central telephone switchboard, and the providing of porters to assist Owners and their guests in

handling luggage and baggage. Such services may be offered by the Association each day of the year and for such hours of each day as may be determined by the Association.

d. UNIT MANAGEMENT SERVICE. The Association may elect to offer to the Owners a management service as described in this Paragraph 6. Such service may be provided by the Association's employees or by an independent contractor retained by the Association and may include offering regular maid, cleaning, and linen change services; providing sheets, towels and replacements for consumable items such as soap, Kleenex and bathroom tissue; and listing of Units for rental and handling arrangements with rental guests. Such Unit management service shall be provided only to those Owners requesting the same. No Owner shall be required to use the services offered by the Association or the independent contractor and each Owner shall be free to obtain similar services from other parties. If the Association decides that these services shall be provided by an independent contractor, the contract or lease shall be of no longer than two years duration; may authorize such independent contractor to use those Units owned by the Declarant to provide such services; may require such independent contractor to pay a reasonable rental on a per square foot basis for the space in the Project utilized by such independent contractor; and may permit cancellation of the lease or contract by the Association on 60 days' written notice if 60% or more of the Owners determine that such contract should be terminated.

e. MISCELLANEOUS SERVICES. The Association may undertake any activity, function or service for the benefit of all, some or any Owners of Units. Such activities, functions or services may include providing security services, trash collection, obtaining firewood, and arranging transportation for Owners and their guests. If such functions or services include the leasing, purchase, sale or exchange of Units on behalf of Owners, no Owner shall be required to utilize the Association for such services.

7. ASSESSMENTS.

a. AUTHORITY TO LEVY ASSESSMENTS. The Association is hereby authorized to levy annual and special assessments to defray the operating, maintenance, repair and restoration expenses of the Common Elements and to create reserves for their maintenance, repair and restoration. Until the Association levies such assessments, the Declarant shall pay all accrued expenses of the Project. Operating expenses shall include, without limitation, utility charges, water and sewer charges for both the Units and the Common Elements in the Project, insurance premiums, management fees and expenses, maintenance, repair and restoration expenses, and other expenses reasonably and necessarily incurred by the Association to operate, maintain and restore the Common Elements. Any surplus that may exist after payment of such expenses and providing for such reserves shall be allocated to the Owners according to their percentages of undivided interests in the Common Elements.

b. OBLIGATION UPON OWNERS. Each Owner (including the Declarant, if the Declarant owns any Units) shall be personally obligated in accordance with Paragraph 5.a. hereof to pay its proportionate share of the expenses of the Common Elements of the Project as assessed by the Association in accordance with this Paragraph 7. Each Owner's share of such expenses shall correspond to its percentage of undivided interest in the Common Elements as described on said Exhibit C.

c. ANNUAL ASSESSMENTS. The Association shall estimate, on or before April 1 of each year, the total necessary common expenses which will be incurred during the ensuing calendar year together with reasonable reserves for maintenance, repair, and restoration. The Association shall provide each Owner with a copy of such budget and a notice of the estimated annual assessments to be paid in the next calendar year. The date of such notice shall be deemed the date on which such annual assessments shall have been levied. The failure or delay of the Association to levy annual assessments shall not constitute a waiver or release of any Owner's obligation to pay the same, and each Owner shall continue to pay annual assessments at the rate previously levied, if so levied, until a new levy has been made. On or before May 1 following the levying of an annual assessment, and on or before the first of each and every month or other interval of said year designated by the Association thereafter (including April 1 of the following year), each Owner shall be obligated to pay to the Association, or as it may direct, one-twelfth or other fraction of the annual assessments levied. All sums collected shall be deemed to be held for the use, benefit, and account of all of the Owners. All reserve funds shall be held in special interest bearing accounts with such depositories as the Association may select. No withdrawals shall be made from the reserve funds unless first approved by the Association.

d. SPECIAL ASSESSMENTS. In addition to the annual assessments levied on or before April 1 of each year, the Association may levy special assessments at such other and additional times as in its judgment are required for the operation, maintenance, repair and restoration of the Project. Such special assessments shall be levied in the same manner as annual assessments and shall be due and payable as determined by the Association.

e. ASSESSMENT ROLLS. The annual and special assessments levied against the Owners shall be set forth upon an assessment roll of the Units and shall be available in the office of the Association for inspection at all reasonable times by the Owners, their duly authorized representatives, and by

Mortgagees and their duly authorized representatives. Such roll shall include for each Unit the name and address of its Owner, the annual and special assessments levied, and the amounts of all such assessments paid and unpaid. Upon the request of any Owner or Mortgagee, the Association shall issue a certificate setting forth the status of an Owner's assessment account and such certificate shall be conclusive as to the information shown thereon. The Association may charge a reasonable fee for issuing such a certificate.

f. DEFAULT AND REMEDIES. Any annual assessment levied by the Association which has not been paid by the 10th day of each month or other interval in which payment is due shall on the 11th day be deemed to be delinquent. Any special assessment levied by the Association which has not been paid by the 30th day after which payment is due shall on the 31st day be deemed to be delinquent. Upon filing with the County Recorder of a notice thereof, any delinquent assessment shall constitute a lien upon the Unit against which the assessment has been levied, together with its percentage of undivided interest in the Common Elements, in favor of the Association, superior to all other liens and encumbrances except for the lien of general real estate taxes and special assessments and the lien of any first mortgage or first deed of trust. Such lien shall relate back to and take effect when the assessment was levied. In addition to any other remedies to which it may be entitled, the Association may elect to foreclose such lien on behalf of the other members of the Association in like manner as a mortgage on real property. The Association or its duly designated representative may foreclose such lien by judicial proceedings or by sale of the Unit at public auction and conveyance of the same to the purchaser in fee simple in accordance with applicable laws. Out of the monies arising from such sale, the Association may retain the amount of the assessment, interest, all legal costs and charges of such foreclosure and sale, and the maximum attorneys' fees permitted by law. If in any such foreclosure action the Owner against whom the lien is being foreclosed shall refuse to deliver possession of its Unit to the Association within 30 days after receipt of notice that such foreclosure proceeding has been commenced, such member shall pay to the Association a reasonable rental for its Unit, and the Association may have a receiver appointed to collect the rent. In addition to the foregoing and without waiving any lien for unpaid assessments, the Association may sue to recover a money judgment for the amount of any unpaid assessments, together with interest and the maximum attorneys' fees permitted by law, and may pursue any and all other remedies available to the Association.

g. INTEREST ON UNPAID ASSESSMENTS. Assessments not paid when they become due and payable shall bear interest at the maximum interest rate permitted by law from the date when due until paid. All payments upon account shall be applied first to interest and then to the assessment payment first due. All interest collected shall be credited to the maintenance reserve account established by the Association.

h. EXEMPTION FROM ASSESSMENTS. A Mortgagee which acquires title to a Unit pursuant to the foreclosure remedies provided in its mortgage instrument has certain exemptions from the payment of assessments pursuant to Paragraph 11.b. hereof.

8. INSURANCE.

a. COVERAGES. The Association shall maintain at its expense the insurance coverage referred to in this Paragraph 8. In the event the Association fails to obtain such insurance coverage, a Mortgagee or an Owner may do so and shall be reimbursed therefor by the Association.

(1) A fire and extended coverage insurance policy shall be carried on the Common Elements and the Units for 100% of their insurable value based on replacement cost. Such policy shall provide: (a) that the name of the insured be the Association for the use and benefit of the Owners; (b) that the insurance carrier have a financial rating by Best's Insurance Reports of Class V with a general policy holder's rating of at least a Class VI or better; (c) that the insurance carrier provide any Mortgagees named in the policy with a written notice at least 30 days before the effective date of any reduction in or cancellation of the policy; (d) that coverage automatically increase according to a cost-of-living formula; and (e) that coverage not be denied because of the acts or omissions of the Owners or the Association.

(2) If there is a steam boiler in operation in the Building, a standard form boiler explosion insurance policy shall be carried on the Common Elements and the Units in the amount of not less than \$50,000.

(3) A fidelity insurance policy shall be carried on the members and officers of the Association, together with any managers, trustees, employees or volunteers handling funds belonging to the Association, in an amount of not less than one and one-half times the Association's annual operating expenses and reserves.

(4) A comprehensive public liability insurance policy covering personal injury, death, and property damage shall be carried on the Common Elements and any commercial spaces and public ways in the Project in the amount of not less than \$1,000,000 per occurrence. Such policy shall provide that coverage will not be denied because of negligent acts or omissions of the Owners or the Association.

(5) An appropriate worker's compensation policy shall be carried.

(6) Each Owner may obtain insurance at its expense, affording coverage for personal property, condominium loss assessment, personal liability, and any other coverages obtainable to the extent and in the amounts as such Owner deems necessary to protect its own interests. Such Owner's policies, whenever practicable shall be obtained from the insurance carrier underwriting the Association's master policy for the Project to simplify procedures for casualty loss adjustment. Such policies shall also contain waivers of subrogation and contribution rights.

b. POLICY TERMS. Each insurance policy carried by the Association, in addition to any other requirements contained in this Paragraph 8, shall include the following provisions:

(1) All insurance proceeds shall be paid jointly to the Association as Trustee for the Owners according to their undivided interests in the Common Elements and to any Mortgagees as their interests may appear.

(2) The carrier shall be licensed to do business in Colorado.

(3) There shall be no contribution with the insurance carrier.

(4) No contributions or assessments shall be made against Unit Owners or Mortgagees.

(5) No loss payments shall be contingent upon the approval of the insurance carrier's association of directors, policy holders or members.

(6) Coverages shall include those kinds and amounts (including appropriate endorsements) commonly required by private institutional mortgage investors for projects similar in construction, location, and use to the Project.

9. LOSS OR DAMAGE TO PROJECT.

a. DESTRUCTION OR TAKING. In the event the Project is substantially damaged by fire or other casualty, or is substantially taken by eminent domain, the Association shall promptly call a special meeting of the Owners to determine whether to restore the Project or to terminate the condominium regime. Such meeting shall be held within 90 days after the occurrence of such damage or taking. If those Owners entitled to vote holding 75% or more of the Total Vote vote in writing to terminate the condominium rather than to restore the Project, the Association, subject to the concurrence of any Mortgagees under Paragraph 11.c. hereof, shall proceed to terminate the condominium ownership plan according to the Act. The Association shall file a notice of termination with the County Recorder and the Project shall thereafter be owned in common by the Owners according to their percentage interests in the Common Elements. Liens affecting the Units shall be deemed transferred in a like manner subject to existing priorities. The Project shall then be subject to an action for partition by any Owner or Mortgagee with the net proceeds of any sale that may result from such action being payable jointly to the Owners and any Mortgagees according to their percentage interests in the Common Elements. If the Owners elect to restore the Project, the Association shall be responsible for all restoration efforts according to the procedure set forth in Paragraph 9.c. hereof.

b. MINOR DAMAGE. In the event the Project sustains minor damage from any cause, the Association shall be responsible for all restoration efforts and shall take whatever actions may be necessary to restore such loss or damage.

c. RESTORATION PROCEDURE. *

(1) The Association shall be responsible for the reconstruction, repair or restoration of the Project after any loss or damage thereto or any partial taking thereof by eminent domain. Within 10 days after any loss, damage or partial taking has occurred, the Association shall give the Owners and any Mortgagees written notice thereof; shall give written notice to the Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Association ("FNMA") of damage to a Unit encumbered by a mortgage purchased by FHLMC or FNMA if such damage exceeds \$1,000, or, if the damage is to the Common Elements and exceeds \$10,000; shall obtain reliable and detailed estimates of the cost to restore the loss or damage; shall notify the appropriate insurance carrier and use its best efforts to obtain the most favorable insurance settlement possible; shall levy special assessments pursuant to Paragraph 7 hereof should the insurance proceeds be insufficient to restore the loss or damage; and shall enter into appropriate contracts and take

all other action necessary to restore such loss or damage to a satisfactory condition. In any event, provisions for restoration of the Project shall be made within 120 days after the loss or damage thereto or the partial taking thereof by eminent domain.

(2) Should the Association fail to promptly carry out any of its restoration responsibilities under Paragraph 9.c.(2) hereof, any two or more of the Owners acting collectively or any two or more Mortgagees acting collectively shall have the right to assume the same, shall be entitled to enter into such restoration contracts in the name of the Association as are necessary, and shall have any insurance proceeds applied in satisfaction of any obligation incurred in connection with such contracts without liability to the Association or any Owner.

(3) In the case of loss or damage to a Unit for which the responsibility for restoration lies with the Owner, such proceeds shall be disbursed to such contractors, laborers or materialmen as such Owner and any Mortgagee owning a mortgage against such Unit shall direct. The foregoing provision shall not be construed to limit or modify the responsibility of such Owner to restore its Unit. In the case of loss or damage to the Common Elements for which the Association shall be responsible, such proceeds shall be disbursed as the Association and a majority of any Mortgagees may direct.

10. CONDEMNATION.

a. COMPLETE TAKING. In the event the entire Project is taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium regime shall be terminated and all compensation, damages or other proceeds received as a result of such taking shall be payable to the Association and then distributed to the Owners according to the percentages of their undivided interests in the Common Elements. Payments shall be made jointly to the Owners and their Mortgagees in the event there are mortgages encumbering the Units. This latter covenant shall be enforceable by any such Mortgagee as a third party beneficiary.

b. 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 regime shall continue; that part of the Project not so taken or condemned, sold or otherwise disposed of shall be repaired or reconstructed according to Paragraph 9 hereof; and each Owner shall be entitled to a share of the compensation, damages or other proceeds. The total amount allocated to the 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; the total amount allocated to severance damages shall be apportioned to those Owners whose Units were not taken or condemned; the respective amounts allocated to the taking of or injury to a particular Unit shall be apportioned to such Unit; and the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be just and equitable. Proceeds shall be paid to the Owners and their Mortgagees, if any, in the same manner as in Paragraph 10.a. hereof. Should the partial taking result in the taking of a complete Unit, the Owner thereof shall cease to be a member of the Association. The Association shall reallocate the ownership, voting rights, and assessment ratio of the Project and shall submit such reallocation to the Owners of the remaining Units for amendment to this Declaration.

11. MORTGAGEE SAFEGUARDS.

a. NOTICES. The Association shall provide each Mortgagee with a written notice:

(1) Upon request, when any Owner has failed to comply with this Declaration or the Bylaws and has not corrected such noncompliance within 60 days;

(2) Upon request, when the status of an Owner's assessment account is in question, according to Paragraph 7.e.: hereof.

(3) When there is a proposed reduction in the Project's insurance coverage, according to Paragraph 8.a. hereof;

(4) When the Project has undergone loss or damage or taking by eminent domain, according to Paragraph 9.c. hereof; or

(5) When the Association has called a regular or special meeting of the Owners, according to Paragraph 1.f. of the Bylaws.

b. CONSENTS. The prior written consent of the Mortgagees and Owners shall be required before the Association may:

(1) Abandon or terminate the Project by act or omission;

(2) Change the pro rata interest or obligations of any Unit for the purpose of levying assessments pursuant to Paragraph 7 hereof or allocating distributions of insurance proceeds or condemnation awards; redetermine the pro rata share

of ownership of each Unit in the Common Elements; or otherwise discriminate against any Owner or Unit or class of Owners or Units.

(3) Partition or subdivide any Unit;

(4) Abandon, partition, subdivide, encumber, sell or transfer the Common Elements, by act or omission;

(5) Use insurance proceeds for losses to the Project for other than repair, replacement or reconstruction;

(6) Terminate any professional management of the Project and assume self-management;

(7) Amend this Paragraph 11; or

(8) Make other material amendments to this Declaration under Paragraph 12.a. hereof or to the Bylaws under Paragraph 7.a. of the Bylaws.

c. FIRST REFUSAL RIGHTS. No first refusal rights are contained in this Declaration or the Bylaws and accordingly there is no impairment of the rights of a Mortgagee to:

(1) Foreclose or take title to a Unit pursuant to the remedies provided in a mortgage instrument;

(2) Accept a deed in lieu of foreclosure in the event of default by an Owner; or

(3) Sell or lease a Unit acquired by a Mortgagee.

d. OTHER PROVISIONS.

(1) No Mortgagee that acquires title to a Unit pursuant to the foreclosure remedies provided in its mortgage instrument, following any applicable period of redemption, shall be liable for any assessments which may have become a lien against such Unit prior to the acquisition of title to such Unit by the Mortgagee.

(2) No Owner or other party shall have priority over any Mortgagee with respect to the distribution of insurance proceeds or condemnation awards.

(3) No agreement for professional management of the Project or for other services shall exceed three years in duration. No such agreement shall be entered into by the Association unless it provides for termination by either party

without cause or a termination fee upon 90 or fewer days written notice.

(4) In accordance with Paragraph 7.a. hereof, annual assessments include adequate reserves for maintenance, repair and restoration which are payable in regular installments rather than by special assessments.

(5) In accordance with Paragraph 2.a. hereof, all taxes, assessments, and charges which may become liens prior to any first mortgage under local law shall relate only to the individual Unit and not to the Project as a whole.

(6) Any Mortgagee shall be entitled to inspect the books and records of the Association during regular business hours upon reasonable notice.

(7) Any Mortgagee shall be entitled to attend regular and special meetings of the Owners, according to Paragraph 1.g. of the Bylaws.

(8) Any Mortgagee shall be entitled to secure the insurance coverage required by this Declaration, according to Paragraph 8 hereof.

(9) Any Mortgagee shall be entitled to restore the Project following loss or damage thereto or partial taking thereof, according to Paragraph 9.c. hereof.

(10) Each Owner shall provide the Association with the current name and address of the Mortgagee holding a mortgage against the Unit owned by such Owner.

12. MISCELLANEOUS PROVISIONS.

a. AMENDMENTS TO DECLARATION. Subject to the rights of Mortgagees contained in Paragraph 11.b. hereof, this Declaration may be amended by the affirmative vote of those Owners entitled to vote holding 75% or more of the Total Vote of the Project. Any amendment shall be in recordable form and shall be attached to a certificate signed by the Secretary of the Association certifying that the amendment was duly adopted by the Owners. Any such amendment shall be effective when such certificate and a copy of such amendment are duly filed with the County Recorder. This Declaration shall not be revoked except in accordance with the Act.

b. NOTICES AND SERVICE OF PROCESS. All notices, objections, demands, process, and other communications required or permitted to be given or served under this Declaration shall

be in writing and shall be deemed to have been duly given or service made if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, as follows:

(1) In the case of an Owner, to his/her last address as shown on the records of the Association;

(2) In the case of the Association, to its registered office in Colorado;

(3) In the case of the Declarant, to its principal place of business as referred to in this Declaration;

(4) In the case of the person to receive service of process, to Arthur W. Haage c/o the address listed herein for the Declarant.

The Association may hereafter designate any person or organization to act in place of the person designated in Paragraph 12.D.(4) hereof by amending this Declaration.

c. SEVERABILITY. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity, enforceability, or effect the balance of this Declaration.

d. BINDING EFFECT. By the acceptance of an interest in a Unit, each Owner and its successors or assigns agrees to be bound by all the covenants and restrictions of this Declaration and the Bylaws.

e. INTERPRETATION OF DECLARATION. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the ownership and operation of the Project. Whenever appropriate, the singular number may be read as the plural, and the plural may be read as the singular. The masculine gender may be read as the feminine gender or as the neuter gender. Compound words beginning with the prefix "here" shall be read as referring to this entire instrument. Should there be any conflict between this Declaration or the Bylaws, this Declaration shall be controlling. Should there be any conflict between this Declaration and the Act, the Act shall be controlling.

LEGAL DESCRIPTION OF PROPERTY
 TIMBERLINE CONDOMINIUMS AT MT. CRESTED BUTTE

A parcel of land located in the North 1/2 of the Southeast 1/4 of Section 26, Township 13 South, Range 86 west of the sixth principal meridian, town of Mt. Crested Butte, Gunnison County, Colorado, described as follows:

Beginning at the point of intersection of the South boundary of the said North 1/2 of the Southeast 1/4 with the Northwesterly boundary of Hunter Hill Road as extended, from said beginning point the Southeast corner (brass capped) of said Section 26 bears North 89°36'06" East 1280.74 feet and thence South 2°39'58" East 1324.75 feet;

Thence proceeding around the tract herein described North 28°14'14" East along said Northwesterly boundary of Hunter Hill Road 461.39 feet to the Southerly boundary of the tract of land for the San Moritz Condominiums - Paradise and International Buildings, according to the plat filed 3 July 1973 under Reception No. 294986 of the Gunnison County records;

Thence North 65°18'11" West along the Southerly boundary of said condominium tract 135.0 feet to the Easterly boundary of a tract of land described in Book 397 at Page 170-171 of the Gunnison County records;

Thence along the above said Easterly boundary South 37°21'12" West 342.04 feet to the most Southeasterly corner of the above said tract;

Thence North 52°41'48" West 100.69 feet to Boundary Point No. 15 of the replat of Chalet Village Addition No. 3 (plat filed 14 September 1964 under Reception No. 260619);

Thence on a curve to the left a distance of 65.74 feet to Boundary Point No. 14 of said replat, said curve having a radius of 50.0 feet and a chord which bears South 0°18'48" East 61.11 feet;

Thence on a curve to the right along the Easterly boundary of Hunter Hill Road 72.83 feet, said curve having a radius of 70.53 feet and a chord which bears South 8°23'48" East 69.64 feet;

Thence South 22°02'10" West along said Easterly road boundary 164.16 feet to the South boundary of the said North 1/2 of the Southeast 1/4 of Section 26;

EXHIBIT A

Thence North $89^{\circ}36'06''$ East along said South boundary 159.63 feet to a brass capped $1/16$ th corner (Merrick and Company):

Thence continuing North $89^{\circ}36'06''$ East 68.52 feet to the point of beginning, containing 2.356 acres.

Directions are based on a bearing of North $89^{\circ}33'44''$ East between the South $1/4$ corner and the Southeast corner of Section 26, T 13 S, R 86 W, 6th P.M.

PROJECT LEGAL DESCRIPTION

A parcel of land located in the North 1/2 of the Southeast 1/4 of Section 26, Township 13 South, Range 86 West of the sixth principal meridian, Town of Mt. Crested Butte, Gunnison County, Colorado, described as follows:

Commencing at the most Southeasterly corner of the tract of land for the San Moritz Condominiums - Paradise and International Buildings, according to the plat filed 3 July 1973 under Reception No. 294986, from whence the East 1/4 corner (brass capped) of said Section 26, bears first North 35°14.4' East 491.7 feet and thence North 50°05.5' East 824.4 feet:

Thence North 65°19'18" West along the Southerly boundary of said condominium tract 74.4 feet to the point of beginning of the parcel herein described:

Thence continuing North 65°19'18" West 136.6 feet to the Easterly boundary of a tract of land described in Book 397 at Page 170-171 of the Gunnison County records:

Thence along the above said Easterly boundary South 37°25' West 346.0 feet more or less to the most Southeasterly corner of the above said tract:

Thence North 52°38' West 100.69 feet to Boundary Point No. 15 of the replat of Chalet Village Addition No. 3 (plat filed 14 September 1964 under Reception No. 260619):

Thence on a curve to the left a distance of 65.74 feet to Boundary Point No. 14 of said replat, said curve having a radius of 50.0 feet and a chord which bears South 0°15' East 61.11 feet;

Thence on a curve to the right along the Easterly boundary of Hunter Hill Road 72.83 feet, said curve having a radius of 70.53 feet and a chord which bears South 8°20' East 69.64 feet:

Thence South 21°15' West along said Easterly road boundary 168.0 feet to the South boundary of the said North 1/2 of the Southeast 1/4 of Section 26:

Thence North 89°36'06" East along said South boundary 228.15 feet to the Westerly boundary of Hunter Hill Road:

Thence along said Westerly road boundary on a curve to the right 2.36 feet, said curve having a radius of 400.0 feet and a chord which bears North 27°25'34" East 2.36 feet:

EXHIBIT B

Thence North 27°35'41" East 29.87 feet:

Thence North 28°14'14" East 468.00 feet to the point of beginning, containing 2.414 acres.

Except that part thereof described as follows:

Beginning at the point of intersection of the South boundary of the said North 1/2 of the Southeast 1/4 with the Northwestern boundary of Hunter Hill Road as extended, from said beginning point the Southeast corner (brass capped) of said Section 26 bears North 89°36'06" East 1280.74 feet and thence South 2°39'58" East 1324.7 feet:

Thence proceeding around the tract herein described North 28°14'14" East along said Northwestern boundary of Hunter Hill Road 461.39 feet to the Southerly boundary of the tract of land for the San Moritz Condominiums - Paradise and International Buildings, according to the plat filed 3 July 1973 under Reception No. 294986 of the Gunnison County records:

Thence North 65°18'11" West along the Southerly boundary of said condominium tract 135.0 feet to the Easterly boundary of a tract of land described in Book 397 at Page 170-171 of the Gunnison County records:

Thence along the above said Easterly boundary South 37°21'12" West 342.04 feet to the most Southeasterly corner of the above said tract:

Thence North 52°41'48" West 100.69 feet to Boundary Point No. 15 of the replat of Chalet Village Addition No. 3 (plat filed 14 September 1964 under Reception No. 269619):

Thence on a curve to the left a distance of 65.74 feet to Boundary Point No. 14 of said replat, said curve having a radius of 50.0 feet and a chord which bears South 0°18'48" East 61.11 feet;

Thence on a curve to the right along the Easterly boundary of Hunter Hill Road 72.83 feet, said curve having a radius of 70.53 feet and a chord which bears South 8°23'48" East 69.64 feet:

Thence South 22°02'10" West along said Easterly road boundary 164.16 feet to the South boundary of the said North 1/2 of the Southeast 1/4 of Section 26:

Thence North 89°36'06" East along said South boundary 159.63 feet to a brass capped 1/16th corner (Merrick and Company):

Thence continuing North $89^{\circ}36'06''$ East 68.52 feet to the point of beginning, containing 2.356 acres.

Directions are based on a bearing of North $89^{\circ}33'44''$ East between the South $1/4$ corner and the Southeast corner of Section 26, T 13 S, R 86 W, 6th P.M.

(1) Unit Letter Designa- tion	(2) Model Letter Designa- tion	(3) Approxi- mate Area in Square Feet	(4) Level Where Unit Is Located	(5) Number Of Rooms	(6) Number Of Bedrooms	(7) Limited Common Elements to Which Unit Has Access	(8) Percentage Of Undivided Interest In Common Elements for Phase I	(9) Percentage Of Undivided Interest In Common Elements for Phases I and II Combined	(10) Percentage Of Undivided Interest In Common Elements For Phases I, II and III Combined
A-101	A	630	One	Four	One	Two Balconies	6.953%	2.258%	1.70%
A-102	A	630	One	Four	One	Two Balconies	6.953%	2.258%	1.70%
A-201	B	880	Two	Five	Two (Incl. Loft)	Two Balconies	9.713%	3.154%	2.38%
A-202	B	880	Two	Five	Two (Incl. Loft)	Two Balconies	9.713%	3.154%	2.38%
A-203	C	630	Two	Four	One	One Balcony	6.953%	2.258%	1.70%
A-204	C	630	Two	Four	One	One Balcony	6.953%	2.258%	1.70%
A-301	D	880	Three	Five	Two (Incl. Loft)	One Balcony	9.713%	3.154%	2.38%
A-302	D	880	Three	Five	Two (Incl. Loft)	One Balcony	9.713%	3.154%	2.38%
A-303	C	630	Three	Four	One	One Balcony	6.953%	2.258%	1.70%
A-304	C	630	Three	Four	One	One Balcony	6.953%	2.258%	1.70%
A-401	B	880	Four	Five	Two (Incl. Loft)	Two Balconies	9.715%	3.154%	2.38%
A-402	B	880	Four	Five	Two (Incl. Loft)	Two Balconies	9.715%	3.154%	2.38%
SUBTOTALS		9,060 Sq. Ft.		54 Rooms	18 Bedrooms (Incl. Lofts)		100.00%	32.472%	24.46%

EXHIBIT C-1

The Project (Building A)

(1) Unit Letter Designa- tion	(2) Model Letter Designa- tion	(3) Approxi- mate Area in Square Feet	(4) Level Where Unit Is Located	(5) Number Of Rooms	(6) Number of Bedrooms	(7) Limited Common Elements to Which Unit Has Access	(8) Percentage of Undivided Interest In Common Elements	(9) Percentage of Undivided Interest In Common Elements for Phases I and II Combined	(10) Percentage of Undivided Interest In Common Elements for Phases I, II and III Combined
B-101	I	920	One	Six	Two	One Patio	0%	3.297%	2.49%
B-102	G	660	One	Four	One	One Patio	0%	2.366%	1.79%
B-103	G	660	One	Four	One	One Patio	0%	2.366%	1.79%
B-104	E	1232	One	Seven	Three	One Patio	0%	4.415%	3.33%
B-201	I	920	Two	Six	Two	One Balcony	0%	3.297%	2.49%
B-202	G	660	Two	Four	One	One Balcony	0%	2.366%	1.79%
B-203	G	660	Two	Four	One	One Balcony	0%	2.366%	1.79%
B-204	E	1232	Two	Seven	Three	One Balcony	0%	4.415%	3.33%
B-205	I	920	Two	Six	Two	One Balcony	0%	3.297%	2.49%
B-206	G	660	Two	Four	One	One Balcony	0%	2.366%	1.79%
B-207	G	660	Two	Four	One	One Balcony	0%	2.366%	1.79%
B-208	I	920	Two	Six	Two	One Balcony	0%	3.297%	2.49%
B-301	J	1245	Three	Seven	Three (Incl. Loft)	One Balcony	0%	4.462%	3.37%
B-302	H	890	Three	Five	Two (Incl. Loft)	One Balcony	0%	3.190%	2.41%
B-303	H	890	Three	Five	Two (Incl. Loft)	One Balcony	0%	3.190%	2.41%
B-304	F	1442	Three	Eight	Four (Incl. Loft)	One Balcony	0%	5.168%	3.93%
B-305	J	1245	Three	Seven	Three (Incl. Loft)	One Balcony	0%	4.462%	3.37%
B-306	H	890	Three	Five	Two (Incl. Loft)	One Balcony	0%	3.190%	2.41%
B-307	H	890	Three	Five	Two (Incl. Loft)	One Balcony	0%	3.190%	2.41%
B-308	J	1245	Three	Seven	Three	One Balcony	0%	4.462%	3.37%
SUBTOTALS		18,841 Sq. Ft.		111 Rooms	41 Bedrooms	(Incl. Lofts)	0%	67.528%	51.04%

EXHIBIT C-2

FUTURE UNITS (Building B)

(1) Unit Letter Designa- tion	(2) Model Letter Designa- tion	(3) Approx- imate Area in Square Feet	(4) Level Where Unit Is Located	(5) Number Of Rooms	(6) Number of Bedrooms	(7) Limited Common Elements to Which Unit Has Access	(8) Percentage of Undivided Interest in Common Elements	(9) Percentage of Undivided Interest In Common Elements for Phases I and II Combined	(10) Percentage of Undivided Interest In Common Elements for Phases I, II and III Combined
C-101	A	630	One	Four	One	Two Balconies	0%	0%	1.70%
C-102	A	630	One	Four	One	Two Balconies	0%	0%	1.70%
C-201	B	880	Two	Five	Two (Incl. Loft)	Two Balconies	0%	0%	2.38%
C-202	B	880	Two	Five	Two (Incl. Loft)	Two Balconies	0%	0%	2.38%
C-203	C	630	Two	Four	One	One Balcoony	0%	0%	1.70%
C-204	C	630	Two	Four	One	One Balcoony	0%	0%	1.70%
C-301	D	880	Three	Five	Two (Incl. Loft)	One Balcoony	0%	0%	2.38%
C-302	D	880	Three	Five	Two (Incl. Loft)	One Balcoony	0%	0%	2.38%
C-303	C	630	Three	Four	One	One Balcoony	0%	0%	1.70%
C-304	C	630	Three	Four	One	One Balcoony	0%	0%	1.70%
C-401	B	880	Four	Five	Two (Incl. Loft)	Two Balconies	0%	0%	2.38%
C-402	B	880	Four	Five	Two (Incl. Loft)	Two Balconies	0%	0%	2.38%
SUBTOTALS		9,060 Sq. Ft.		54 Rooms	18 Bedrooms (Including Lofts)		0%	0%	24.48%
TOTALS		39,961 Sq. Ft.		219 Rooms	77 Bedrooms (Including Lofts)		<u>100%</u>	<u>100%</u>	<u>100.00%</u>

EXHIBIT C-3

FORMER UNITS (Building C)

of Colorado do hereby certify that this document has been reviewed and approved by the Mt. Crested Butte Town Council.

Dated this 5th day of January, 1982

By Virginia Hernandez FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM OWNERSHIP FOR TIMBERLINE CONDOMINIUMS AT MT. CRESTED BUTTE

FIRST AMENDMENT TO DECLARATION dated as of December 16,

1981 (the "First Amendment to Declaration") made by CRESTED BUTTE ASSOCIATES, a Minnesota limited partnership located at 893 West Highway 96, Saint Paul, Minnesota, as Declarant, for itself, its successors, grantees, and assigns.

WHEREAS, the Declarant has recorded a Declaration of Condominium Ownership in Book 559 at Page 194 of the public records of Gunnison County, Colorado (the "Declaration");

WHEREAS, the Declaration creates a format for a condominium project that eventually may contain three buildings and up to 44 dwelling units (the "Project");

WHEREAS, the Declaration submits the parcel of real property described therein, and the structure located thereon (known as Building A), to the provisions of the Colorado Condominium Ownership Act, Colorado Statutes, Article 33, as amended; and

WHEREAS, the Declarant wishes to enlarge the Project pursuant to Paragraph 2.e. of the Declaration in accordance with the terms of this First Amendment to Declaration;

P. Joanne N. Reardon, Notary Public
14th day of January, A.D. 1982 at 1:00 o'clock P.M. in the County of Gunnison, State of Colorado
Notary Public No. 364903

NOW, THEREFORE, the Declarant hereby amends the Declaration as follows:

1. ADDITIONAL REAL PROPERTY. That part of the real property described in Exhibit A to the Declaration, which is described in the attached Exhibit 1-B, is hereby added to the Project. All references in the Declaration to the term "Property" shall be deemed to include the real property described in said Exhibit 1-B. Accordingly, the Declaration is amended as follows:

a. The reference to "Exhibit B" in Paragraph 1.i. of the Declaration is deleted and replaced with the term "Exhibit A".

b. The reference to "Exhibit A" in Paragraph 1.n. of the Declaration is deleted and replaced with the term "Exhibit B". The legal description in Exhibit B to the Declaration, in order to conform to the legal description set forth in the Condominium Map, is deleted and replaced with the legal description contained in the attached Exhibit 1-A.

c. The reference to "Exhibit B" in the tenth line of Paragraph 2.e.(1) of the Declaration is deleted and replaced with the term "Exhibit A".

2. FUTURE UNITS. The Future Units defined in Paragraph 1.i. of the Declaration and described in Exhibit C-2 thereto shall be deemed to be a part of the Project upon recording of this First

Amendment to Declaration and a supplement to the Condominium Map (which is referred to in the Declaration). Such supplement contains the legal description set forth in said Exhibit 1-B and describes the improvements to be located thereon (to be known as Building B). Accordingly, the Declaration is amended as follows:

a. An additional sentence is added to Paragraph 1.d. of the Declaration to read as follows:

"The Condominium Map shall include all supplements and amendments thereto."

b. All references in the Declaration to the term "Building" are deleted and replaced with the term "Buildings".

c. Paragraph 1.d. of the Declaration is deleted in its entirety and replaced with the following provision:

"d. BUILDINGS. "Buildings" shall mean the residential structures located on the Property (as hereinafter defined) containing the Units in the Project (as hereinafter defined). Such structures are designated Building A on the Condominium Map and Building B on the first supplement thereto."

d. Paragraph 3.b. of the Declaration is deleted in its entirety and replaced with the following provision:

"(2) Building A was constructed in 1980 and Building B was constructed in 1981."

e. Paragraph 3.b.(3) and the first sentence of Paragraph 3.c.(2) of the Declaration are deleted in their entirety.

3. EMPLOYEE HOUSING. To provide for the housing needs of persons employed in the Town of Mt. Crested Butte, the Declaration is amended as follows:

a. A new Paragraph 5.b.(7) is added to the Declaration to read as follows:

"(7) Unit 206 in Building B of the Project, designated "Employee Unit" on the Condominium Map, is hereby dedicated to the Association free and clear of all encumbrances as employee housing under the following conditions:

(i) Such unit shall be dedicated and used solely for the purpose of housing a resident manager or other such employees whose services are utilized in the operation and management of the Project and, to the extent that such units are not utilized by such employees, to any other persons employed within the Town of Mt. Crested Butte, Colorado (the "Town"). The Association shall pay the common expenses attributable to such unit in Exhibit C to the Declaration so long as such unit is used for employee housing purposes.

(ii) Such unit shall be utilized as employee housing as stated in (i) above pursuant to the long-term rental use provisions of Article 7, Chapter VI of the Ordinances of the Town, the utilization of which, however, shall be subject to the provisions and limitations hereinafter contained.

(iii) 'Long-term rental' as used herein shall mean a rental of not less than month-to-month for the occupancy of persons employed as aforesaid who claim the Town as their domicile, and a sublease of the same shall be subject to this same restriction.

(iv) In the event that the employee housing restriction contained herein becomes unnecessary or undesirable due to the lack of demand therefor in the Town, the Association may apply to the Town for a suspension of such restrictions for periods not to exceed one year each.

(v) If it should appear that the need for employee housing within the Town shall no longer be necessary, the Association may petition the Town for a resolution releasing the employee housing restrictions herein contained. Upon receipt of such petition, the Town Clerk shall cause to be published a Notice of Public Hearing concerning the petition for release of such restrictions, to be published in the Town's official newspaper.

(vi) In the event the provisions of Article 7, Chapter VI of the Ordinances of the Town are repealed, or the Town releases its requirement for employee housing, the Association, as attorney-in-fact for all the Owners and any Mortgagees, shall file an amendment to the Condominium Map and an amendment to the Declaration, which amendments shall set forth the appropriate new designation for the unit originally designated as an employee housing unit."

b. Paragraph 1.f. is amended by adding thereto the phrase "Unit 206 in Building B of the Project so long as the provisions of Paragraph 5.b.(7) apply thereto" between "Property" and "all grounds" in the fourth line of such paragraph, and by

adding thereto the phrase "(except, when applicable, Unit 206 in Building B of the Project)." after the word "person" in the 21st line of such paragraph.

c. Exhibit C of the Declaration is amended by deleting therefrom the letter designations preceeding the numerical designations throughout such Exhibit; by deleting the phrase "Eight Four (Incl. Loft)" in columns (5) and (6) of such Exhibit with respect to Unit 304 and by substituting therefor "Seven Three"; by deleting the phrase "Seven Three (Incl. Loft)" in columns (5) and (6) with respect to Unit 305 and by substituting therefor the phrase "Six Two"; and by deleting the phrase "Seven Three" in columns (5) and (6) with respect to Unit 308 and by substituting the phrase "Eight Three (Incl. Loft)".

4. WATER AND SEWER CHARGES. To clarify that water and sewer charges attributable to the units are common expenses, Paragraph 7.c. is amended by adding the following clause to the third line of such paragraph between the words "expenses" and "which":

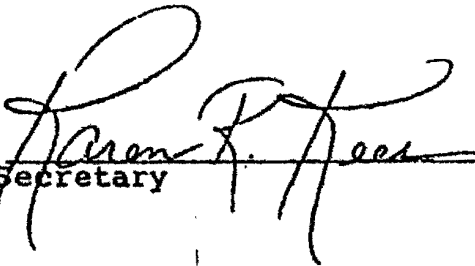
"(including water and sewer charges attributable to the units in the Project)"

5. GENERAL PROVISIONS. All of the provisions of the Declaration shall apply to this First Amendment to Declaration. The Declaration shall remain in full force and effect without

CERTIFICATE OF SECRETARY OF
MT. CRESTED BUTTE-TIMBERLINE CONDOMINIUMS, INC.

The undersigned, being the Secretary of Mt. Crested Butte-Timberline Condominiums, Inc., a Colorado nonprofit corporation, hereby certifies that Crested Butte Associates, a Minnesota limited partnership, duly amended the Declaration of Condominium Ownership for Timberline Condominiums at Mt. Crested Butte pursuant to the attached First Amendment to Declaration in accordance with Paragraph 2.e. of said Declaration.

Dated: December 16, 1981.


Secretary

Filed for record the 20th day of December, 1984, at 11:15 o'clock A.M. Joanne M. Reitingen
 Reception No. 385418 By *Joanne M. Reitingen* Deputy

AMENDMENT TO DECLARATION OF CONDOMINIUM
 OWNERSHIP FOR TIMBERLINE CONDOMINIUMS
 AT MT. CRESTED BUTTE

AMENDMENT TO DECLARATION, dated as of July 28, 1984
 made by the Owners entitled to vote holding seventy-five percent or
 more of the total vote of the project.

The Owners hereby amend the Declaration as follows:

I.

EXHIBIT C

Amended Exhibit C, a copy attached hereto, shall be
 substituted for Exhibit C referred to in and attached to the
 Declaration.

II.

7. ASSESSMENTS.

7(b) OBLIGATION UPON OWNERS. Each Owner, including the
 Declarant, if the Declarant owns any Units, shall be
 personally obligated in accordance with Paragraph 5
 (a) hereof to pay its proportionate share of the
 expenses of the Common Elements of the Project as
 assessed by the Association in accordance with this
 Paragraph 7. Each Owner's share of such expenses
 shall correspond to its percentage of undivided
 interest in the Common Elements as described on said
 amended Exhibit C. Notwithstanding the foregoing,
 any services billed to the Association on a per unit
 basis shall be assessed by the Association against
 each Owner on a per unit basis.

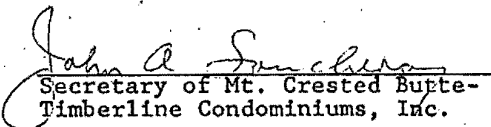
7(c) ANNUAL ASSESSMENTS. The Association shall estimate,
 on or before August 1 of each year, total necessary
 common expenses which will be incurred during the
 ensuing calendar year together with reasonable
 reserves for maintenance, repair, and restoration.
 The Association shall provide each Owner with a copy
 of such budget and a notice of the estimated annual
 assessments to be paid in the next calendar year.
 The date of such notice shall be deemed the date in
 which such annual assessments shall have been
 levied. The failure or delay of the Association to
 levy annual assessments shall not constitute a
 waiver or release of any Owner's obligation to pay

the same, and each Owner shall continue to pay annual assessments at the rate previously levied, if so levied, until a new levy has been made. On or before September 1 following the levying of an annual assessment, or on or before the first of each and every month or other intervals of said year designated by the Association thereafter (including August 1 of the following year), each Owner shall be obligated to pay to the Association, or as it may direct, one-twelfth or other fraction of the annual assessments levied. All sums collected shall be deemed to be held for the use, benefit, and account of all of the Owners. All reserve funds shall be deposited in special interest-bearing accounts with such depositories as the Association may select. No withdrawals shall be made from the reserve funds unless first approved by the Association.

CERTIFICATE OF SECRETARY OF
MT. CRESTED BUTTE-TIMBERLINE CONDOMINIUMS, INC.

The undersigned, being the secretary of Mt. Crested Butte-Timberline Condominiums, Inc., a Colorado non-profit corporation, hereby certifies that Mt. Crested Butte-Timberline Condominiums, Inc., duly amended the Declaration of Condominium Ownership for Timberline Condominiums at Mt. Crested Butte pursuant to the attached Amendment to Declaration in accordance with Paragraph 12.a. of said Declaration.

Dated: 9/12, 1984.


Secretary of Mt. Crested Butte-Timberline Condominiums, Inc.

UNIT	DEC. MEAS.	WILL USE	%FACTUAL	CHANGE
101A	630	622	2.272	+.014
102	630	622	2.272	+.014
201	880	790	2.886	-.268
202	880	790	2.886	-.268
203	630	622	2.886	+.014
204	630	622	2.886	+.014
301	880	795	2.904	-.25
302	880	795	2.904	-.25
303	630	622	2.886	+.014
304	630	622	2.886	+.014
401	880	833	3.043	-.111
402	880	833	3.043	-.111
101B	920	969	3.539	+1.049
102	660	690	2.520	+ .46
103	660	690	2.520	+ .46
104	1232	1112	4.062	+ .732
201	920	969	3.539	+1.049
202	660	674	2.462	+ .672
203	660	674	2.462	+ .672
204	1232	1195	4.365	+1.035
205	920	969	3.539	+1.049
206	660	674	2.462	+ .672
207	660	674	2.462	+ .672
208	920	969	3.539	+1.049
301	1245	1349	4.927	+1.557
302	890	950	3.470	+1.06
303	890	950	3.470	+1.06
304	1442	1195	4.365	+ .435
305	1245	969	3.539	+ .169
306	890	950	3.470	+1.06
307	890	950	3.470	+1.06
308	1245	1237	4.518	+1.148

CONSENT OF OWNERS OF
 MT. CRESTED BUTTE-TIMBERLINE CONDOMINIUMS, INC.

The undersigneds representing those owners entitled to vote holding seventy-five percent (75%) or more of the total vote of the project, hereby consent and affirmatively vote for the recording of the attached Amendment to Declaration of Condominium Ownership for Timberline Condominiums at Mt. Crested Butte.

<u>PAUL MARQUART</u>	<u>304A</u>	<u>SILVERADO SAVINGS - LANA BERGER</u>	
<u>DICK BOATSMAN</u>	<u>302A</u>		<u>201A</u>
<u>WILL CARLSON</u>	<u>202B</u>		<u>203A</u>
<u>GUS METZGER</u>	<u>203B</u>		<u>401A</u>
<u>DICK TYSON</u>	<u>104B</u>		<u>202A</u>
<u>MARSHA SOUCHERAN</u>	<u>202A</u>		<u>301A</u>
<u>ITT-CHUCK WENDELL</u>	<u>101B</u>		
	<u>102B</u>		
	<u>201B</u>		
	<u>204B</u>		
	<u>205B</u>		
	<u>207B</u>		
	<u>301B</u>		
	<u>304B</u>		
	<u>305B</u>		
	<u>308B</u>		
<u>RICHARD EWALD</u>	<u>302B</u>		
<u>ROGER EWALD</u>	<u>303B</u>		
<u>JOCHEN KUNN</u>	<u>204A</u>		

20th December, 1984, at 11:15 o'clock A.M. Joanne M. Reitingen
 Reception No. 385418

By *Joanne M. Reitingen* Deputy

AMENDMENT TO DECLARATION OF CONDOMINIUM
 OWNERSHIP FOR TIMBERLINE CONDOMINIUMS
 AT MT. CRESTED BUTTE

AMENDMENT TO DECLARATION, dated as of July 28, 1984
 made by the Owners entitled to vote holding seventy-five percent or
 more of the total vote of the project.

The Owners hereby amend the Declaration as follows:

I.

EXHIBIT C

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II.

7. ASSESSMENTS.

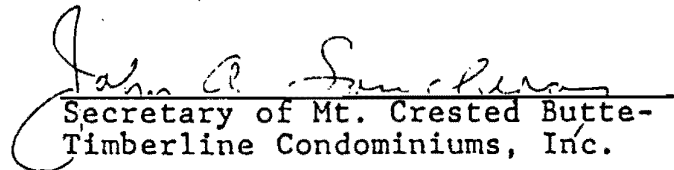
- 7(b) OBLIGATION UPON OWNERS. Each Owner, including the Declarant, if the Declarant owns any Units, shall be personally obligated in accordance with Paragraph 5 (a) hereof to pay its proportionate share of the expenses of the Common Elements of the Project as assessed by the Association in accordance with this Paragraph 7. Each Owner's share of such expenses shall correspond to its percentage of undivided interest in the Common Elements as described on said amended Exhibit C. Notwithstanding the foregoing, any services billed to the Association on a per unit basis shall be assessed by the Association against each Owner on a per unit basis.
- 7(c) ANNUAL ASSESSMENTS. The Association shall estimate, on or before August 1 of each year, total necessary common expenses which will be incurred during the ensuing calendar year together with reasonable reserves for maintenance, repair, and restoration. The Association shall provide each Owner with a copy of such budget and a notice of the estimated annual assessments to be paid in the next calendar year. The date of such notice shall be deemed the date in which such annual assessments shall have been levied. The failure or delay of the Association to levy annual assessments shall not constitute a waiver or release of any Owner's obligation to pay

the same, and each Owner shall continue to pay annual assessments at the rate previously levied, if so levied, until a new levy has been made. On or before September 1 following the levying of an annual assessment, or on or before the first of each and every month or other intervals of said year designated by the Association thereafter (including August 1 of the following year), each Owner shall be obligated to pay to the Association, or as it may direct, one-twelfth or other fraction of the annual assessments levied. All sums collected shall be deemed to be held for the use, benefit, and account of all of the Owners. All reserve funds shall be deposited in special interest-bearing accounts with such depositories as the Association may select. No withdrawals shall be made from the reserve funds unless first approved by the Association.

CERTIFICATE OF SECRETARY OF
MT. CRESTED BUTTE-TIMBERLINE CONDOMINIUMS, INC.

The undersigned, being the secretary of Mt. Crested Butte-Timberline Condominiums, Inc., a Colorado non-profit corporation, hereby certifies that Mt. Crested Butte-Timberline Condominiums, Inc., duly amended the Declaration of Condominium Ownership for Timberline Condominiums at Mt. Crested Butte pursuant to the attached Amendment to Declaration in accordance with Paragraph 12.a. of said Declaration.

Dated: 9/12, 1984.


Secretary of Mt. Crested Butte-
Timberline Condominiums, Inc.

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