

Filed for record the 6th day of March A. D. 1980, at 4:30 P. M. by Joanne M. Reiting
 Instrument No. 348965

CONDOMINIUM DECLARATION

FOR

THE BUTTES CONDOMINIUMS

(A Condominium)

KNOW ALL MEN BY THESE PRESENTS,

WHEREAS, Aspen/Crested Butte Associates, a Colorado partnership comprised of Joan F. Cooley, Steve Harris, Jane Moy, Robert H. Throm, Robert P. Winchester, Cooley Investment Company, Robert Chimento and Sirous Saghatoleslami, hereafter the "Declarant", are the owners of the following described real property:

A parcel of land which is adjacent to and lies east of Lodge Site 9, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, containing 49,520 square feet more or less, more particularly described as follows:

BEGINNING at a point which is the southeast corner of Lodge Site 9 as shown on the Plat of the Town of Mt. Crested Butte;
 THENCE S64°10'37"E a distance of 254.00 feet along the northeast boundary of Cardinal Properties Tract 1;
 THENCE S64°10'37"E a distance of 281.96 feet;
 THENCE N40°38'19"W a distance of 170.30 feet to a point on the south boundary of Columbine Condominium Site No. 2;
 THENCE N58°29'24"W a distance of 247.85 feet along the southwest boundary of Columbine Condominium Site No. 2;
 THENCE N41°30'00"W a distance of 200.00 feet along the southwest boundary of Columbine Condominium Site No. 1;
 THENCE S67°16'00"W a distance of 60.56 feet to a point on the east boundary of said Lodge Site 9;
 THENCE S10°31'00"E a distance of 154.28 feet along the east boundary of Lodge Site 9 to the POINT OF BEGINNING.

The bearings are based on the platted bearings of said Lodge Site 9.

WHEREAS, Declarant desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado; and

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

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

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, his heirs, personal representatives, successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

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

(a) "Apartment," "Apartment Unit," or "Unit" means an individual air space which is contained within the unfinished interior surfaces of the perimeter walls, floors, windows, ceilings and doors of a unit in the building as shown on the map to be filed for record, together with all fixtures and improvements therein contained but not including any of the structural components of the building, if any, within a unit.

(b) "Association of Unit Owners," or "Association" means a non-profit or not for profit corporation hereafter duly organized and incorporated, the Certificate and Bylaws of which shall govern the administration of this Condominium property, and the members of which shall be all of the owners of the condominium property. Upon and after the formation as aforesaid of such association, each subsequent owner or transferee owner of a condominium unit shall be a member of the Association and shall remain a member for the period of his ownership. Such Association shall be formed by the incorporation thereof by the owners of a majority of the condominium units in the project, and the Declarant, if Declarant still retains ownership of any condominium unit or units of which this condominium property is composed, otherwise by the owners of a majority of the Condominium Units in said property. An exclusive or managing agent may be appointed by the Association from time to time for the operation and management of the condominium property.

(c) "Building" means the building improvement comprising a part of the property.

(d) "Common Elements" means and includes:

(1) The land on which the building is located;

(2) The foundations, columns, girders, beams, supports, main walls, roofs, patios, halls, corridors, lobbies, stairs, stairways, courtyards, and entrances and exits of the building, and the portions of the basement which are not designated as units;

(3) The yards, gardens, parking areas, and storage spaces;

(4) The installations consisting of equipment and materials making up central services such as tanks, pumps, motors, fans, compressors, ducts, power, pipes, light, gas, hot and cold water, heating, ventilating and air conditioning; any portion of the building designated for the lodging of custodians or persons in charge of the property of the building and, in general, all apparatus and installations existing for common use;

(5) Such partly or entirely closed air spaces as are provided for community or common use;

(6) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

(e) "Common Expenses" means and includes:

(1) All sums lawfully assessed against the General Common Elements;

(2) Expenses of administration and management, maintenance, repair or replacement of the General Common Elements;

(3) Expenses declared common expenses by the unit owners.

(f) "Condominium Unit" means a unit together with the undivided interest in the General and Limited Common Elements appurtenant to such unit.

(g) "Entire Premises", "Premises", "Project or Property" means and includes the land, the building, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

(h) "General Common Elements" means those parts of the Common Elements which are not designated as "Limited Common Elements" on the map.

(i) "Limited Common Elements" means those parts of the Common Elements reserved for the exclusive use of the Owners of less than all of the Condominium Units in the building.

(j) "Majority of Owners" means those Owners holding a majority of the votes in accordance with the percentages assigned in Paragraph 3 of this Declaration.

(k) "Managing Agent," as used herein, shall mean a managing agent which may hereafter be appointed by the Board of Directors of an association of Unit Owners which may hereafter be formed. The title "Managing Agent" shall also refer to the person, firm or entity which shall be selected and appointed by the Owners of a majority of the Condominium Units in accordance with the provisions of Section 14 of this Declaration. Whenever there shall be no Association capable of performing the functions to be performed by an Association herein, such Managing Agent, if so appointed, shall also be authorized to perform any function, duty or responsibility which would otherwise be performed by such Association, its Officers, Directors and Agents hereunder.

(l) "Map" or "Plan" means and includes the engineering survey of the land located thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements.

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

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

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

2. Condominium Map. Prior to the first conveyance of a Condominium Unit, Declarants shall cause to be filed for record a Map. The Map shall depict and show at least the following: The legal structural components or supporting elements of the Buildings, the thickness of the common walls between Units and the Unit numbers or other designation. The Map shall contain the dual certificate of a registered engineer certifying that the Map substantially depicts the layout,

measurements and location of the building, the units, the unit designations, the dimensions of such units, the elevations of the unfinished floors and ceilings as constructed and that the map was prepared subsequent to substantial completion of the improvements depicted. In interpreting the Condominium Map the existing physical boundaries of each unit as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the map from time to time, to conform same to the actual physical location of the constructed improvements and to any changes, modifications or alterations.

3. DIVISION OF PROPERTY INTO CONDOMINIUM UNITS. The real property and improvements to be constructed thereon are hereby divided into twenty-one (21) fee simple estates, each such estate consisting of one unit together with an appurtenant undivided one twenty-first (1/21) interest in and to the General Common Elements. The General Common Elements shall be held in common by the owners thereof. Each Condominium Unit is described on the map, which by this reference is made a part hereof. Each Condominium Unit shall be identified in the map by the number shown thereon.

4. LIMITED COMMON ELEMENTS. The limited common elements consist of porches, decks and entries as set forth on the Condominium Map.

5. INSEPARABILITY OF A UNIT. Each unit and the undivided interest in the General Common Elements and the Limited Common Elements, if any, appurtenant thereto shall be inseparable and may be conveyed, leased, encumbered, devised or inherited only as a Condominium Unit.

6. DESCRIPTION OF A CONDOMINIUM UNIT. Every deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit number, followed by the words, "The Buttes Condominiums" with further reference to the recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also the Common Elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress throughout the General Common Elements appurtenant thereto to the exclusion of all third parties not lawfully entitled to use the same.

7. SEPARATE ASSESSMENT AND TAXATION-NOTICE TO ASSESSOR. Declarant shall give written notice to the assessor of Gunnison County, Colorado, of the creation of the condominium ownership of this property, as is provided by law, so that each condominium unit shall be deemed a separate parcel and subject to separate assessments and taxation.

8. TITLE. A condominium unit may be held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of Colorado.

9. NON-PARTITIONABILITY OF GENERAL COMMON ELEMENTS. The General Common Elements shall be owned in common by all of the owners of the condominium units and shall remain undivided, and no owner shall bring any action for partition or division of any common elements. Nothing contained herein shall be construed as a limitation of the right of partition of a condominium unit between the owners thereof, but such partition shall not affect any other condominium unit.

10. Use of General Common Elements. Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the General Common Elements in accordance with the provisions of this Declaration, without hindering or encroaching upon the lawful rights of the other Owners.

11. Use and Occupancy. The Units in the project shall be used for residential purposes only.

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

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

14. Administration and Management. The operation and management of this Condominium Property shall be undertaken by the Declarants, or, if Declarants fail to do so, by a Managing Agent appointed in the manner described herein unless and until the Association of Unit Owners shall have been duly organized and shall assume and carry out the responsibility therefor as hereinafter specified.

(a) The Managing Agent shall be a person, firm or corporation designated and appointed from time to time by the Owners of a majority of the Condominium Units, who shall deliver the same to one or more Owners of all other Condominium Units their written notice of appointment of said Managing Agent, which notice shall specify the powers, duties and responsibilities of said Managing Agent for the day to day operation of the project, and upon such appointment such Managing Agent shall be and become the Managing Agent for, and shall have the power to bind, all of the Owners of all of the Condominium Units in the project with respect to matters within the scope of this Declaration, until such time as the authority of the managing agent shall be revoked, or a different Managing Agent shall be appointed by similar written notice signed by the Owners of a majority of the Condominium Units

in the project, and delivered to the said Managing Agent and one or more of the Owners of all other Condominium Units.

(b) The authority and responsibility for the management of the project shall be vested in and exercised by a Managing Agent appointed pursuant to this Paragraph (14) until such time as an Association of Unit Owners is duly incorporated as herein provided; the duly elected and organized Board of Directors thereof shall assume the responsibility of management and shall terminate the authority of the Managing Agent or shall appoint a new Managing Agent for the project, whereupon the authority of the Owners of a majority of the Condominium Units to appoint a Managing Agent shall be suspended and superceded. Prior to the time the Association of Unit Owners shall assume the full responsibility for management of the project, and at any time after the Association of Unit Owners, having been duly formed, shall cease to be in good standing, or shall fail or refuse to assume the full responsibility for management of the project, then, in such event, the Owners of a majority of the Condominium Units shall be and become reinvested with the power to appoint a Managing Agent as hereinabove specified. Such a Managing Agent appointed by the Owners of the Units (rather than be an Association of Unit Owners) shall be invested with the rights, powers and authority which would be vested in or exercisable by the Association of Unit Owners; the Board of Directors thereof, or any Managing Agent appointed thereby. The written notices of appointment of the Managing Agent by the Owners of the Units hereunder shall be placed of record by the Manager insofar as required by law or practice. Until changed by the Owners of a majority of the Condominium Units, the initial Managing Agent of the Project shall be the Declarants.

(c) Notwithstanding any provision to the contrary in these Declarations, so long as the Declarants retain ownership of fifty percent (50%) or more of the unit, the Declarants shall have the right but shall not be compelled to be the Managing Agent of the project with full control over the management thereof.

15. Reservation for Access for Maintenance, Repair and Emergencies. The Owners shall have the irrevocable right, to be exercised by the Managing Agent or Board of Directors of the Association, to have access to each Condominium Unit from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the General Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the General Common Elements or to another Condominium Unit or Units.

Damage to the interior of any part of a Unit resulting from maintenance, repair, emergency repair or replacement of any of the General Common Elements or as a result of emergency

repairs within another Unit at the instance of the Association shall be a Common Expense of all the Owners; provided, however, that if such damage is the result of the negligence of the Unit Owner, then such Unit Owner shall be responsible for all of such damage. Restoration of the damaged improvements shall be substantially the same as the condition of such improvements prior to the damage.

16. Owners' Maintenance Responsibility of Unit. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own the windows, doors, interior non-supporting walls, the material (such as, but not limited to, plaster, gypsum drywall, paneling, wallpaper, brick, stone, paint, wall and floor tile, and flooring, but not including the subflooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit doors and windows. The Owner shall not be deemed to own any utilities running through his Unit which serve more than one Unit except as a tenant in common with the other Owners. Such right to repair, alter and remodel shall carry the obligation to replace any finishing materials removed with similar or other types or kinds of finishing materials of equal or better quality.

An Owner shall maintain and keep the interior of his own Unit in good taste and repair, including the fixtures thereof. All fixtures and equipment installed within the Unit commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit shall be maintained and kept in repair by the Owner thereof.

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

17. Compliance with Provisions of Declaration and By-laws. Each Owner shall comply strictly with the provisions of this Declaration, the provisions of the Certificate of Incorporation and Bylaws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure so to comply shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

18. Revocation or Amendment to Declaration. This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners of a majority of the Units, or more, and all of the holders of any recorded Mortgage or deed of trust covering or affecting any or all Condominium Units consent and agree to such revocation or amendment by instrument(s) duly recorded; however, the fractional undivided interest in the General Common Elements appurtenant to each Condominium Unit, as defined and designated by this Declaration, shall have a permanent character and shall not be altered without the consent of all of the Condominium Unit Owners as expressed in a duly recorded amendment to this Declaration.

19. Assessment for Common Expenses. All Owners shall be obligated to pay the estimated regular and special assessments imposed by the Board of Directors of the Association or the Managing Agent to meet the Common Expenses. Except for insurance premiums, the assessments shall be made pro rata according to each Owner's fractional interest in and to the General Common Elements. Assessments for insurance premiums shall be based upon that proportion of the total premiums that the insurance carried on a Condominium Unit bears to total coverage. Regular assessments for the estimated Common expenses, including insurance, shall be due monthly in advance on the first day of each month. The Managing Agent or Board of Directors shall prepare and deliver or mail to each Owner an itemized monthly statement showing the various estimated or actual expenses for which the assessments are made. Contribution for monthly assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first day of a month. Special assessments shall be due and payable within thirty (30) days of Notice of Levy.

The assessment made upon the Owners by the Association shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Directors of the Association shall from time to time determine is to be paid by all of the Condominium Unit Owners, including Declarants, to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the General Common Elements. Said sum may include, among other things, without limitation, the following: expenses of management; taxes and special assessments until separately assessed; fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all Condominium Units; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; repairs and renovations; garbage collections; wages; water charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Managing Agent or the Board of Directors under or by reason of this Declaration; the payment of any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the General Common Elements. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

20. Insurance. The Managing Agent or Board of Directors shall obtain and maintain at all times insurance of the type and kind provided hereinabove, and including for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other buildings, fixtures, equipment and personal property similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Colorado. The insurance shall be carried in blanket policy form naming the Association or, if none, the Managing Agent, as the insured, as the attorney-in-fact (for the Condominium Unit Owners), which policy or policies shall identify the interest

of each Condominium Unit Owner (Owner's name, unit number, the appurtenant undivided interest in the General Common Elements), and which shall provide for a standard, noncontributory mortgage clause in favor of each first Mortgagee, and shall further provide that it cannot be cancelled by either the insured or the insurance company until after ten days' prior written notice to each first Mortgagee. The Managing Agent or Board of Directors shall, upon request of any first Mortgagee, furnish a certified copy of such blanket policy and the separate certificate identifying the interest of the mortgagor.

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 a breach of warranty, act, omission, negligence or non-compliance 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, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. Determination of maximum replacement value of all Condominium Units for insurance purposes shall be made annually by one or more written appraisals, copies of which shall be furnished forthwith to each Mortgagee of a Condominium Unit. In addition, each Owner shall be notified of such appraisals.

Insurance coverage on the furnishings, additions and improvements incorporated into a Unit and all items of personal property belonging to an Owner and casualty and public liability insurance coverage within each individual Unit shall be the responsibility of the Owner thereof.

21. Owners' Personal Obligation for Payment of Assessments. The amount of the Common Expenses assessed against each Condominium Unit shall be the personal and individual debt of the Owner thereof. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

22. Lien for Nonpayment of Common Expenses. All sums assessed but unpaid for the share of Common Expenses chargeable to any Condominium Unit, including interest thereon at twelve percent (12%) per annum, or at such other rate of interest fixed by the Managing Agent, Owners' Association, or majority of Owners of Units, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances except:

(a) Tax and special assessment liens on the Unit in favor of any taxing entity; and

(b) All sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance, including additional advances, refinance or extension of these obligations made

thereon prior to the arising of such a lien.

To evidence such lien the Board of Directors or Managing Agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner or reputed Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Directors or by the Managing Agent and may be recorded in the office of the Clerk and Recorder of the County of Gunnison, State of Colorado. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment, and may be enforced by the foreclosure on the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage or deed of trust on real property upon recording of a notice or claim thereof. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the Association a reasonable rental for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid in the Condominium Unit at foreclosure sale and shall have the power to acquire and hold, lease, mortgage and convey same.

The amount of the Common Expenses assessed against each Condominium Unit shall also be a debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a Condominium Unit may pay any unpaid Common Expense payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

23. Liability for Common Expense Upon Transfer of Condominium Unit. Upon payment of a reasonable fee not to exceed ten dollars and upon the written request of any Owner or any Mortgagee or prospective Mortgagee of a Condominium Unit, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which should be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness is complied with within ten days, all unpaid Common Expenses which become due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement.

The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon

payment of a reasonable fee not to exceed ten dollars, and upon written request, any prospective grantee shall be entitled to a written statement from the Managing Agent or Board of Directors, setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten days of such request, then such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Unit.

24. Mortgaging a Condominium Unit - Priority. Any Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage 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) 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 Certificate of Incorporation of the Owners' Association and the Bylaws of the Owners' Association; (2) 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 such 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 Association.

25. Attorney-In-Fact in Case of Destruction, Repair, Obsolescence and Condemnation. This Declaration hereby makes mandatory and irrevocable appointment of an Attorney-In-Fact to deal with the property upon its destruction, repair, obsolescence or condemnation.

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 the Declarant or from any Owner shall constitute appointment of the Attorney-In-Fact herein provided. All of the Owners irrevocably constitute and appoint during the lives of the persons named as Declarants hereof, plus 21 years, the Managing Agent then appointed and acting in accordance with Paragraph 14 hereof, otherwise the Association is defined by Paragraph 1(m) hereof and organized in accordance with Paragraph 14 hereof, their true and lawful attorney in their name, place and stead for the purpose of dealing with the property upon its destruction, obsolescence or condemnation as hereafter provided. Said Attorney-In-Fact shall have full and complete authorization, right and power to make, execute and deliver any contracts, deed or any other instrument with respect to the interest of a Condominium Unit Owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction

of the improvements as used in the succeeding subparagraphs means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each Unit and the General Common Elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Attorney-In-Fact for the purpose of repair, restoration or replacements unless the Owners of a majority of the Condominium Units and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Attorney-In-Fact to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Attorney-In-Fact shall have full authority, right and power, as Attorney-In-Fact, to cause the repair and restoration of the improvements.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is not more than Two Units destroyed or seriously damaged, such destruction or damage shall be promptly repaired and reconstructed by the Attorney-In-Fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such deficiency assessments shall be a common expense and made pro rata according to each Owner's fractional interest in the General Common Elements, and shall be due and payable within thirty days after written notice thereof. The Attorney-In-Fact shall have the authority 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 upon his Condominium Unit may be enforced and collected as is provided in Paragraph 22. In addition thereto, the Attorney-In-Fact 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 the sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney-In-Fact, in the following order:

(1) For payment of the balance of the lien of any first mortgage;

(2) For payment of taxes and special assessments liens in favor of any assessing entity;

(3) For payment of unpaid Common Expenses;

(4) For payment of junior liens and encumbrances in the order of and to the extent of their priority;

(5) The balance remaining, if any, shall be paid to the Condominium Unit Owners.

FIRST SUPPLEMENT TO
THE CONDOMINIUM DECLARATION
FOR
THE BUTTES CONDOMINIUMS
(A Condominium)

KNOW ALL MEN BY THESE PRESENTS,

WHEREAS, Aspen/Crested Butte Associates, a Colorado partnership comprised of John Cooley, Jr., Steve Harris, Jane Moy, Robert H. Thron Robert P. Winchester, Cooley Investment Company, Robert Chimento, and Sirous Saghatoleslami, herein referred to as the "Declarant", executed the Condominium Declaration for the Buttes Condominiums, hereinafter referred to as the "Declaration"; and

WHEREAS, the Declaration was recorded on March 7, 1980, in Book 548 at Page 115, bearing Reception No. 348964 in the office of the Clerk and Recorder of Gunnison County, Colorado; and

WHEREAS, the Declarant owns a majority of the units of the Buttes Condominiums, and there are no holders of deeds of trust on units of the Buttes Condominiums; and

WHEREAS, it is the desire of the Declarant to amend Paragraph 23 of the Declarations;

NOW THEREFORE, know all men by these presents, that the Declaration for the Buttes Condominiums is hereby amended as follows:

1. The first sentence of the second paragraph of Paragraph 23 of the Declaration (Liability for Common Expenses Upon Transfer of Condominium Unit) is hereby deleted from the Declaration and the following substituted therefor:

The grantee of a Unit, other than a bona fide first lienholder who takes title by deed in lieu of foreclosure, shall be jointly and severally liable with the grantor for all unpaid assessments against the later for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed ten dollars, and upon written request, any prospective grantee shall be entitled to a written statement from the Managing Agent or Board of Directors, setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten days of such request, then such grantee shall not be liable for, and shall the Unit conveyed be subject to a Lien for, any unpaid assessments against the subject unit.

LEGAL DESCRIPTION

Phase I

A parcel of land which is adjacent to and lies east of Lodge Site 9, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, containing 49,520 square feet more or less, more particularly described as follows:

BEGINNING at a point which is the southeast corner of Lodge Site 9 as shown on the Plat of the Town of Mt. Crested Butte;
THENCE S64°10'37"E a distance of 254.00 feet along the northeast boundary of Cardinal Properties Tract I;
THENCE S64°10'37"E a distance of 281.96 feet;
THENCE N40°38'19"W a distance of 170.30 feet to a point on the south boundary of Columbine Condominium Site No. 2;
THENCE N41°30'00"W a distance of 200.00 feet along the southwest boundary of Columbine Condominium Site No. 1;
THENCE S67°16'00"W a distance of 60.56 feet to a point on the east boundary of said Lodge Site 9;
THENCE S10°31'00"E a distance of 154.28 feet along the east boundary of Lodge Site 9 to the POINT OF BEGINNING.

The bearings are based on the platted bearings of said Lodge Site 9.

FIRST SUPPLEMENT TO
THE CONDOMINIUM DECLARATION
FOR
THE BUTTES CONDOMINIUMS
(A Condominium)

KNOW ALL MEN BY THESE PRESENTS,

WHEREAS, Aspen/Crested Butte Associates, a Colorado partnership comprised of John Cooley, Jr., Steve Harris, Jane Moy, Robert H. Thron Robert P. Winchester, Cooley Investment Company, Robert Chimento, and Sirous Saghatoleslami, herein referred to as the "Declarant", executed the Condominium Declaration for the Buttes Condominiums, hereinafter referred to as the "Declaration"; and

WHEREAS, the Declaration was recorded on March 7, 1980, in Book 548 at Page 115, bearing Reception No. 348964 in the office of the Clerk and Recorder of Gunnison County, Colorado; and

WHEREAS, the Declarant owns a majority of the units of the Buttes Condominiums, and there are no holders of deeds of trust on units of the Buttes Condominiums; and

WHEREAS, it is the desire of the Declarant to amend Paragraph 23 of the Declarations;

NOW THEREFORE, know all men by these presents, that the Declaration for the Buttes Condominiums is hereby amended as follows:

1. The first sentence of the second paragraph of Paragraph 23 of the Declaration (Liability for Common Expenses Upon Transfer of Condominium Unit) is hereby deleted from the Declaration and the following substituted therefor:

The grantee of a Unit, other than a bona fide first lienholder who takes title by deed in lieu of foreclosure, shall be jointly and severally liable with the grantor for all unpaid assessments against the later for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed ten dollars, and upon written request, any prospective grantee shall be entitled to a written statement from the Managing Agent or Board of Directors, setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten days of such request, then such grantee shall not be liable for, nor shall the Unit surveyed be subject to a lien for, any unpaid assessments of the subject unit.

IN WITNESS WHEREOF, these Declarations have been duly executed this 13 day of March, 1980

ASPEN/CRESTED BUTTE ASSOCIATES,
a Colorado Partnership

By: Robert H. Throm
Robert H. Throm Attorney-In-Fact

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

The foregoing instrument was acknowledged before me this 13 day of March, 1980, by Robert H. Throm Attorney-In-Fact for Aspen/Crested Butte Associates, a Colorado Partnership.

Witness my hand and official seal.

Carol Shanaberg
Notary Public

My Commission expires: August 26, 1982

AMENDMENT TO
CONDOMINIUM DECLARATION
FOR
THE BUTTES CONDOMINIUMS
(A Condominium)

THIS AMENDMENT TO CONDOMINIUM DECLARATION FOR THE BUTTES CONDOMINIUMS (A Condominium) is executed with an effective date of October 1, 1990, as follows:

1. CONDOMINIUM DECLARATION. This Amendment amends the Condominium Declaration for The Buttes Condominiums (A Condominium) dated December 20, 1979 and recorded March 6, 1980 in Book 548 at page 115 of the records of Gunnison County, Colorado and the First Supplement to the Condominium Declaration for The Buttes Condominiums (A Condominium) dated March 13, 1980 and recorded March 18, 1980 in Book 548 at page 590 of the records of Gunnison County, Colorado.

2. CONSENT TO AMENDMENT. In accordance with paragraph 18 of the Condominium Declaration, the Owners of a majority of the Units and all of the holders of any recorded Mortgage or Deed of Trust covering or affecting any or all of the Condominium Units have consented and agreed to this Amendment.

3. AMENDMENT TO PARAGRAPH 19 OF CONDOMINIUM DECLARATION. Paragraph 19. Assessment for Common Expenses. is amended in its entirety to read as follows:

19. Assessment for Common Expenses. All Owners shall be obligated to pay the estimated regular and special assessments imposed by the Board of Directors of the Association or the Managing Agent to meet the Common Expenses. Except for insurance premiums, the assessments shall be made pro rata according to each Owner's fractional interest in and to the General Common Elements. Assessments for insurance premiums shall be based upon that proportion of the total premiums that the insurance carried on a Condominium Unit bears to total coverage. Regular assessments for the estimated Common expenses, including insurance, shall be payable quarterly in advance on or before the 15th day of each calendar quarter (i.e. January 15, April 15th, July 15th, October 15th). The Board of Directors may, at their discretion, provide an appropriate discount for early or timely payment and for a penalty for late payment. The Managing Agent or Board of Directors shall prepare and deliver or mail to each Owner an itemized quarterly statement showing the various estimated or actual expenses for which the assessments are made. Contribution for quarterly assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first day of a quarter. Special assessments shall be due and payable within 30 days of Notice of Levy.

The assessment made upon the Owners by the Association shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Directors of the Association shall from time to time determine is to be paid by all of the Condominium Unit Owners, including

Declarants, to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the General Common Elements. Said sum may include, among other things, without limitation, the following: expenses of management; taxes and special assessments until separately assessed; fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all Condominium Units; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; repairs and renovations; garbage collections; wages; water charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Managing Agent or the Board of Directors under or by reason of this Declaration; the payment of any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the General Common Elements. The omission or failure of the Board to fix the assessment for any quarter shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

4. FULL FORCE AND EFFECT. Except only for the amendment of paragraph 19 as above set forth, the Condominium Declaration and the First Supplement shall remain in full force and effect.

5. CERTIFICATION. The Association, as the attorney-in-fact for the Owners, hereby certifies that the above and foregoing Amendment was consented to and adopted in the manner provided by the Condominium Declaration.

Dated this 31 day of July, 1991.

THE BUTTES CONDOMINIUMS OWNERS' ASSOCIATION, INC., a Colorado non-profit corporation

ATTEST:

By: J. Thomas Raschella
J. Thomas Raschella, Vice President

Kieran J. Phelan, Secretary

STATE OF Washington)
~~COLORADO~~) ss.
County of King)
~~Gunnison~~)

The foregoing instrument was acknowledged before me this 31st day of July, 1991, by J. Thomas Raschella as Vice President ~~and Kieran J. Phelan as Secretary~~ of The Buttes Condominiums Owners' Association, Inc., a Colorado non-profit corporation.

Witness my hand and official seal.

My commission expires: 3-19-95

Carol A. Yegor
Notary Public