

Filed for record the 21st day of January A. D. 1980 at 9:30 AM by A. Joanne M. Reitingen
Conveyance No. 348102 *Joanne M. Reitingen*

CONDOMINIUM DECLARATION

FOR

CRESTED MOUNTAIN CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, DSJ Properties Inc. of Colorado hereinafter called "Declarant", is the owner of the real property situated in the County of Gunnison, State of Colorado, which property is described on the attached Exhibit "A", which by this reference is made a part hereof ("Property"); and

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

WHEREAS, the initial development will consist of seven (7) buildings, which buildings and other improvements will consist of fourteen (14) separately designated Condominium Units, with two (2) Units in each building; and

WHEREAS, Declarant does hereby establish a plan for the ownership in fee simple of the real property estates consisting of the area or space contained in each of the air space units of the building improvements and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining property, which property is 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, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, his devisees or assigns.

1. Definitions, unless the context shall expressly provide otherwise.

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

(b) 'Condominium Unit' means the fee simple interest and title in and to a unit, together with the undivided interest in the General and Limited Common Elements thereto.

(c) 'Owner' means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more Condominium Units.

(d) 'General Common Elements' means the land more particularly described in Exhibit "A", on and over which the condominium buildings will be located; the foundations, columns, girders, beams, supports, walls, roof, flues, standpipes, yard, boiler rooms, drives and walkways, the improvements and portions of the Buildings and areas therein as are provided for community use, recreation, storage spaces, the Club House, Garages, the installation of services

for public utilities including, but not limited to electricity, gas, water (including all pipes, ducts, flues, wires, cables and conduits used in connection therewith, whether located in common areas or in Condominium Units); and in general all apparatus and installations existing for common use that are located within the condominium buildings; and all other parts of the condominium buildings and land necessary or convenient to its existence, maintenance and safety, or normally in common use, all of which shall be owned as tenants in common, by the Owners of the separate Units, each Owner of a Unit having an undivided percentage or fractional interest in such General Common Elements as is provided hereinafter.

(e) 'Limited Common Elements' means those parts of the General Common Elements which are either limited to and reserved for the exclusive use of any Owner of a Condominium Unit or are limited to and reserved for the common use of more than one, but fewer than all of the Condominium Unit Owners, as shown on the Map.

(f) 'Condominium Project' means all of the land improvements initially submitted by this Declaration and the land and improvements subsequently submitted as is provided hereinafter.

(g) 'Common Expenses' means and includes expenses for maintenance, repair, operation, management and administration; expenses declared common expenses by the provisions of this Declaration and the By-Laws of the Condominium Association, and all sums lawfully assessed against the General Common Elements by the Board of Directors of the Association.

(h) 'Association of Unit Owners' or 'Association' means the Crested Mountain Condominium Association, Inc. a corporation not for profit, its successors and assigns, the Articles of Incorporation, and By-Laws of which shall govern the administration of this condominium property, the members of which shall be all of the Owners of the Condominium Units.

(i) 'Building' means a single building containing units as shown on the Map.

(j) 'Declaration' means this Declaration and supplements thereto, if any.

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

2. Condominium Map. The Map shall be filed for record prior to the conveyance of any of the Units to purchasers. The Map shall depict and show at least the following: the legal description of the land and a survey thereof; the location of the Buildings; the floor and elevation plans; the location of the Unit within the Buildings, both horizontally and vertically; the thickness of the common walls between or separating the Units; the location of any structural components or supporting elements of a Building located within a Unit; and, the Unit designations and the Building designations. The Map shall contain the certificate of a registered professional engineer or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Buildings, the Units, the Unit designations, the dimensions

of the Units, the elevations of the floors and ceilings as constructed, each Building designation or symbol and that such Map was prepared subsequent to substantial completion of the improvements. Each supplemental and/or any amendment shall set forth a like certificate when appropriate. In interpreting the Map, the existing physical boundaries of each separate 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 the same according to the actual location of any of the constructed improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

3. Division of Property into Condominium Units. The real property is hereby divided into the following fee simple estates, each such estate consisting of the following:

The separately designated Units and the undivided interest in and to the General Common Elements appurtenant to each Unit as is set forth in the attached Exhibit "B", which by this reference is made a part hereof. Each such Unit shall be identified on the Map by number and Building symbol as shown on Exhibit "B".

4. Limited Common Elements. A portion of the General Common Elements is reserved for the exclusive use of the individual Owners of the respective Units, and such areas are referred to as 'Limited Common Elements'. The Limited Common Elements so reserved shall be identified on the Map. The decks which are accessible from, associated with and which adjoin a Unit shall, without further reference thereto, be used in connection with such Unit or Units to the exclusion of the use thereof by the other Owners of the General Common Elements, except by invitation. All of the Owners of the Condominium Units in this Condominium Project shall have a non-exclusive right in common with all of the other Owners to use of sidewalks, pathways, roads and streets located within the entire Condominium Project. No reference thereto, whether such Limited Common Elements are exclusive or non-exclusive, need be made in any deed, instrument or conveyance, or other instrument and reference is made to the provisions of Paragraph 7 of this Declaration.

5. Automobile Parking. Each Owner shall have the right to use one (1) covered parking space as shown on the condominium Map and shall have a co-equal right to use the community parking for guests and additional Owners parking which shall be under the control of the Association, and the use thereof shall be subject to the rules and regulations adopted by the Board of Directors of the Association.

6. Inseparability of a Condominium Unit. Each Unit, the appurtenant undivided interest in the General Common Elements and the appurtenant Limited Common Elements shall together comprise one Condominium Unit, shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium Unit.

7. Description of Condominium Unit. Every contract for the sale of a Condominium Unit written prior to the filing for record of the Map may legally describe a Condominium Unit by its identifying Unit number and the Building designation, followed by the words "Crested Mountain Condominiums", with further reference to the Map thereof and the Declaration to be filed for record. Subsequent to the filing of the Map and the recording of the Declaration, every deed, lease, mortgage, trust deed, will or other instrument may legally describe a Condominium Unit by its identifying Unit number

and the Building designation, following by the words "Crested Mountain Condominiums", with further reference to the Map thereof filed for record and the recorded Declaration. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress to an Owner's Unit and use of all of the General Common Elements. The initial deeds conveying each Condominium Unit may contain reservations, exceptions and exclusions which the Declarant deems to be consistent with and in the best interests of all Condominium Unit Owners and the Association.

8. Separate Assessment and Taxation - Notice to Assessor. Declarant shall give written notice to the Assessor of the County of Gunnison, State of Colorado, of the creation of condominium ownership in this property, as is provided by law, so that each Unit and the undivided interest in the General Common Elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation.

9. Ownership - Title. Condominium Units may be held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Colorado.

10. Non-Partitionability of General Common Elements. The General Common Elements shall be owned in common by all of the Owners of the Units and shall remain undivided, and no Owner shall bring any action for partition or division of the General 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.

11. Use of General and Limited Common Elements. Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the General and Limited Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners or unreasonable interference with the use of other Units by their respective Owners.

12. Use and Occupancy. All Units shall be used and occupied by the Owner, his family and their guests, and his tenants and their guests.

Declarant and his employees, representatives, agents and contractors may maintain a business and sales office, construction facilities and yards, model Units and other facilities necessary or required during the sales periods.

13. Easements for Encroachments. If any portion of the General Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of a Unit 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. Such encroachments and easements shall not be considered or determined to be encumbrances either on the General Common Elements or on the Units.

14. Termination of Mechanic's Lien Rights and Indemnification.

No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Unit Owner or his agent or his contractor or subcontractor shall be the basis for filing of a lien against the Unit or any other Unit Owner not expressly consenting to or requesting the same, or against the General Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners, as set forth in the By-Laws, from and against all liability arising from the claim of any lien against the Unit of any other Owner or against the General Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request. The provisions herein contained are subject to the rights of the Managing Agent or Board of Directors of the Association as is set forth in Paragraph 15.

15. Administration and Management. The administration and management of this condominium Property shall be governed by the By-Laws of the Association. An owner of a Condominium Unit, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership. The Association shall be initially governed by a Board of Directors as is provided in the By-Laws of the Association. The Association may delegate, by written agreement, any of its duties, powers and functions as set forth in the By-Laws to any person or firm to act as Managing Agent at an agreed compensation, but such delegation shall not relieve the Association nor the Board of Directors of any of their responsibilities set forth herein or in the By-Laws of the Association.

16. Certificate of Identity. There shall be recorded, from time to time, a Certificate of Identity and the addresses of the persons then comprising the management body (Directors and Officers) together with the identity and address of the Managing Agent. Such Certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith, regardless of time elapsed since the date thereof. The first such Certificate shall be recorded on or before the first conveyance of a Condominium Unit.

17. Reservation for Access - 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 Unit from time to time during reasonable hours, as may be necessary for the 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 Unit or Units. Damage to the interior or any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the General 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 of the Owners; provided, however, that if such damage is the result of the misuse or negligence of a Unit Owner, then such Unit Owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored to substantially the same condition of such improvements prior to damage. All maintenance, improvements, repairs and replacements as to the General Common Elements, whether located inside or outside of Units (unless necessitated by the negligence or misuse of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be the Common Expense of all of the Owners.

18. Owners' Maintenance Responsibility of Units and Decks. For purposes of maintenance, improvements, repair, alteration and remodeling, an Owner shall be deemed to own the interior nonsupporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceiling and floors within the Unit, including Unit doors and windows. The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are herein and hereafter referred to as utilities) running through his Unit which serve one or more other Units, except as a tenant in common with the other Owners. Such utilities shall not be disturbed or relocated by any Owner without the written consent and approval of the Board of Directors. Such right to repair, alter and remodel is coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures thereof. All fixtures and equipment installed within the Unit, commencing at a point where the utilities enter the Unit, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. An Owner shall also keep the deck area and stairways appurtenant to his own Unit in a clear and sanitary condition and free and clear of snow, ice and any accumulation of water. All other maintenance, improvement, repair and replacement to any Limited Common Elements, except as caused or permitted by the Owner's negligence, misuse, or neglect thereof, shall be a Common Expense of all of the Owners.

19. Compliance with Provisions of Declaration, By-Laws of the Association. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, and for reimbursement of all attorney's fees 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.

20. Revocation or Amendment to Declaration. This Declaration shall not be revoked unless all of the Owners and all of the holders of all recorded mortgages or deeds of trust covering or affecting all of the Condominium Units unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the Owners representing an aggregate ownership interest of sixty percent (60%), or more, of the General Common Elements and all of the holders of all recorded mortgages or deeds of trust covering or affecting all Condominium Units consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the percentage of the undivided interest in the General Common Elements appurtenant to each Unit, as expressed in this Declaration, shall have a permanent character and shall not be altered without the consent of all of the Unit Owners and all of the holders of all recorded mortgages or deeds of trust covering or affecting all of the Condominium Units expressed in an amended Declaration duly recorded, and provided, further, that revocation of this Declaration shall always require the consent of all of the Owners.

21. Additions, Alterations and Improvements of General and Limited Common Elements. There shall be no additions, alterations, improvements, replacement or repair of or to the General or Limited Common Elements requiring an expenditure in excess of Twenty Thousand Dollars (\$20,000.00) in any one calendar year without prior approval of a majority of the Owners.

22. Assessment for Common Expenses. All Owners shall be obligated to pay the assessments, either estimated or actual, imposed by the Board of Directors of the Association to meet the Common Expenses. The assessments shall be made according to each Owner's percentage or fractional interest in and to the General Common Elements, provided, however, that when and if additional Condominium Units are submitted to this Condominium Project that the Common Expenses for maintaining the common elements will be shared proportionately and equitably as set forth in Paragraph 36(f) below. The Board of Directors may establish any reasonable system for collection periodically of the Common Expenses, in advance or arrears as deemed desirable. Except as is provided in Paragraph 18, the Limited Common Elements shall be maintained as General Common Elements, and Owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. Assessments for the estimated Common Expenses shall be 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 a monthly statement for the estimated or actual Common Expenses.

In the event the ownership of a Condominium Unit commences on a day other than the first day of the month, the assessment for that month shall be prorated.

The assessments made for Common Expenses shall be based upon the estimated cash requirements deemed to be such aggregate sums as the Managing Agent, or if there is no Managing Agent, then the Board of Directors of the Association, shall from time to time, determine is to be paid by all of the Condominium Unit Owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, operation, additions, alterations and improvements of and to the General Common Elements, which sum may include, but shall not be limited to, gas, water, water charges, sewer, and electricity for all Units; expenses of management; taxes and special assessments unless separately assessed; premiums for fire insurance with extended coverage and vandalism and malicious mischief with endorsement attached issued in the amount of the maximum replacement value of all of the Condominium Units (including all fixtures; interior walls and partitions; decorated and finished surfaces of perimeter walls, floors and ceilings; doors, windows and other elements or materials comprising a part of the units); casualty and public liability and other insurance premiums; landscaping and care of grounds, cable TV, snow removal, common lighting and heating; heating for each Unit; repairs and renovations; trash collections, wages, legal and accounting fees, management and rental fees; expenses and liabilities incurred by the Managing Agent and Board of Directors on behalf of the Unit Owners under or by reason of this Declaration and the By-Laws of the Association; for any deficit remaining from a previous period, working capital, the creation of reasonable contingency or other reserve, sinking or surplus funds, as well as other costs and expenses relating to the General Common Elements. The omission or failure of the Board of Directors to fix the assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay the same.

The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of those General Common Elements that must be replaced periodically and such reserve fund shall be funded through the monthly payments of the Common Expenses and not be extraordinary special assessments.

23. Insurance.

(a) The Managing Agent or the Board of Directors of the Association shall obtain and maintain at all times, insurance of the type and kind provided hereinabove and providing for such other risks, of a similar or dissimilar nature, as are or shall hereafter be customary for other similar condominium Buildings, fixtures, equipment and personal property, similar to 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 the insured, as attorney-in-fact for all of the Condominium Unit Owners, which policy or policies shall identify the interest of each Condominium Unit Owner (Owner's name, Unit number, Building designation), and which policy or policies shall provide a standard, noncontributory mortgagee clause in favor of each first mortgagee. It shall also provide that the policy cannot be cancelled, either by the insured or the insurance company, until ten (10) days prior written notice is first given to each Owner and each first mortgagee. The Managing Agent or the Board of Directors shall also obtain and maintain, to the extent obtainable, public liability insurance in such limits as may, from time to time, be determined, covering each Unit Owner, each member of the Board of Directors, the Managing Agent, and the resident manager, if any. Such public liability coverage shall also cover cross liability claims of one insured against another and shall contain waivers of subrogation.

(b) Determination of maximum replacement value of all Condominium Units and improvements owned by the Association (for insurance purposes) shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost. Each Owner may obtain additional insurance, at his own expense, for his own benefit, provided that all such policies shall contain waivers of subrogation, and provided, further, that the liability of the carriers issuing insurance shall not be affected or diminished by reason of any such insurance carried by any Unit Owner. In no event shall the insurance policy contain a coinsurance clause for less than ninety percent (90%) of full replacement cost.

(c) Insurance coverage on the furnishings and other items of personal property belonging to an Owner and casualty and public liability insurance coverage within each individual Unit shall be the responsibility of the Owner thereof.

24. Owner's Personal Obligation for Payment of Assessments. The amount of the Common Expenses assessed against each Condominium Unit shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit. Both the Board of Directors and Managing Agent shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid more than fifteen (15) days from the due date for payment thereof. In the event of default in the payment of the

at the rate of fifteen percent (15%) per annum on the amount of the assessment from due date thereof, together with all expenses, including attorney's fees, incurred, together with such late charges as provided by the By-Laws of the Association. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

25. Assessment Liens. All sums assessed but unpaid for the share of Common Expenses chargeable to any Condominium Unit shall constitute a lien on such Unit superior to all other liens and encumbrances, except only for tax and special assessments liens on the Unit in favor of any assessing entity, and 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. To evidence such lien, the Board of Directors or the Managing Agent shall prepare a written notice of lien assessment, setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Directors or by one of the officers of the Association or by the Managing Agent, and shall be recorded in the office of the Clerk and Recorder of Gunnison County, Colorado. Such lien for the Common Expenses shall attach from the date of failure of payment of the assessment. Such lien may be enforced by the foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage on real property subsequent to the recording of a notice or claim thereof. In any such proceeding, the Owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien, and in the event of foreclosure proceedings, the additional costs - all expenses and reasonable attorney's fees, incurred, but not less than the amount recommended by the Gunnison County Bar Association according to the then current published and recommended fee schedule for foreclosure proceedings (for foreclosure proceeding through Court). The Owner of the Condominium Unit being foreclosed shall be required to pay to the Association the monthly assessment 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 or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any encumbrancer holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Unit, and upon such payment, such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance. Upon request of a mortgagee, the Association shall report to the mortgagee of a Condominium Unit any unpaid assessments remaining unpaid for longer than twenty-five (25) days after the same are due; provided, however, that a mortgagee shall have furnished to the Managing Agent or to the Board of Directors notice of such encumbrance.

Declarant states, in accordance with the requirements of the Colorado Condominium Ownership Act, that it is possible that liens, other than mechanic's liens, assessment liens and tax liens may be obtained against the General Common Elements including judgment liens and purchase money mortgage liens."

26. Liability for Common Expense Upon Transfer of Condominium Unit is Joint. Upon payment to the Managing Agent, or if there is no Managing Agent, then to the Association, of a reasonable fee, not to exceed Twenty-Five Dollars (\$25.00),

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

27. Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction, repair or obsolescence.

Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint Crested Mountain Condominium Association, Inc., a Colorado corporation, not for profit, their true and lawful attorney in their name, place and stead for the purpose of dealing with the property upon its destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary, shall have full and complete authorization, power and right to make, execute and deliver any contract, 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 improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially

the same condition in which it existed prior to the damage, with each Unit and the General and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacements, unless the Owners 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 improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction and the improvement(s) shall be promptly repaired and reconstructed. The Association 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 improvement(s), and if such damage is not more than sixty percent (60%) of all of the Condominium Units (the whole property), not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such deficiency assessment shall be a Common Expense and made pro-rata according to each Owner's percentage interest in the General Common Elements, and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvement(s) using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided in Paragraph 25. In addition thereto, the Association, as attorney-in-fact, shall have the absolute power and right to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest on the amount of the assessment and all reasonable attorney's fees. 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 taxes and special assessment liens in favor of any assessing entity and customary expense of sale;
- (2) For payment of the balance of the lien of any first mortgage;
- (3) For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;
- (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the Condominium Unit Owner.

(c) If the insurance proceeds are insufficient to repair and reconstruct the damaged improvement(s), and if such damage is more than sixty percent (60%) of all of the Condominium Units (the whole property), not including land, and if the Owners representing an aggregate ownership interest of fifty-one percent (51%), or more, of the General Common Elements do not voluntarily, within one hundred (100) days thereafter, make provisions for reconstruction, which plan must have the unanimous approval or consent of every first mortgagee, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire remaining premises shall be sold by the Association, pursuant to the provisions of this paragraph, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and by By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's percentage interest in the General Common Elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account, the Association as attorney-in-fact, shall forthwith use and disburse the total amount (of each) of such accounts, without contribution from one account to another, toward the partial or full payment of the lien of any first mortgage against the Condominium Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each Condominium Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each Condominium Unit Owner's percentage interest in the General Common Elements. The total funds of each account shall be used and disbursed without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph.

If the Owners representing an aggregate ownership interest of fifty-one percent (51%), or more, of the General Common Elements adopt a plan for reconstruction, which plan has the unanimous approval of all first mortgagees, then all of the Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and made pro-rata according to each Owner's percentage interest in the General Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of such Owner and a lien on his Condominium Unit, and may be enforced and collected as is provided in Paragraph 25. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The delinquent

Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of fifteen percent (15%) per annum on the amount of the assessment, and all reasonable attorney's fees. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in Paragraph (b)(1) through (5) of this paragraph.

(d) The Owners representing an aggregate ownership interest of ninety percent (90%), or more, of the General Common Elements may agree that the General Common Elements are obsolete and adopt a plan for the renewal and reconstruction, which plan has the unanimous approval of all first mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the date of adoption of such plan that such Unit shall be sold by the Owner and shall be purchased by the Association for the fair market value thereof. The Association shall then have thirty (30) days (thereafter) within which to cancel such plan. If such plan is not cancelled, the Condominium Unit of the requesting Owner shall be purchased according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty (30) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them if they can agree on such person. If they are unable to agree on such umpire, each appraiser previously appointed shall nominate two appraisers, and from the names of the four appraisers so nominated, one shall be drawn by lot by any judge of any court of record in Colorado, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, (or in the case of their disagreement, the decision of the umpire), shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph, except as modified herein.

(e) The Owners representing an aggregate ownership interest in eighty-five percent (85%), or more, of the General Common Elements and all of the holders of all recorded mortgages or deeds of trust covering or affecting all of the Condominium Units may agree that the Condominium Units are obsolete and that the same should be sold. In such instance,

the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire premises shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the General Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph.

(f) In the event of damage to a Unit which exceeds the amount of \$10,000.00, the Association shall give written notice of such damage to the holder of a mortgage or deed of trust covering such Unit.

28. Right to Mortgage. Each Owner shall have the right from time to time to mortgage or encumber his interest in his Condominium Unit by deed of trust, mortgage or other security instrument. A first mortgage or deed of trust (herein referred to as a "mortgage") shall be one which has first and paramount priority under applicable law. An Owner may create junior mortgages on the following conditions:

(a) That any such junior mortgages shall always be subordinate to all of the terms, covenants, conditions, restrictions, uses, limitations, obligations, liens for common expenses, and other obligations created by this Declaration, the Articles of Incorporation and By-Laws of the Association; and

(b) That the mortgagee (which term as used herein shall be deemed to include a beneficiary under a deed of trust) of any junior mortgage shall release, for the purposes of restoration of any improvements upon the mortgaged premises all of said mortgagee's right, title and interest in and to the proceeds under all insurance policies that may have been placed upon the premises by the Association. Such release shall be furnished immediately by any such junior mortgagee upon written request of the Association and, if such request is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee.

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

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

(b) Complete Taking.

(1) In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the

condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners on the same basis of each Condominium Unit Owner's interest in the General Common Elements, provided however, that if a standard different from the value of the property as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

- (2) On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Paragraph 27.

(c) Partial Taking. In the event that less than the entire Condominium Project is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall reasonably and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the General Common Elements, shall be apportioned among the Owners on the basis of each Owner's interest respectively in the General Common Elements; (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Unit and to the improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award, the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner as provided in Paragraph 27(b). In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, shall cease to hold any right, title or interest in the remaining General Common Elements and shall execute any and all documents necessary to accomplish the same. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratio in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners and to first mortgagees of remaining Units for amendment of this Declaration as provided in Paragraph 20.

(d) The Association shall notify each first mortgagee of any Condominium Unit of the commencement of the condemnation proceedings and shall notify said mortgagees in the event of the taking of all or any part of the General Common

Elements, if the value of the General Common Elements taken exceeds \$10,000.00.

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

31. Registration of Mailing Address. Each Owner shall register his mailing address with the Association, and notices or demands intended to be served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the owner at such registered mailing address.

32. Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as is provided in Paragraph 20 of this Declaration or until terminated in the manner and as is provided in subparagraphs (c) and (e) of Paragraph 27 of this Declaration.

33. General Reservations. Declarant, for itself, its successors, assigns and lessees, reserves the following:

(a) The right to establish easements and rights of way consistent with the condominium ownership of the Condominium Project and for the best interests of the Condominium Unit Owners and the Association, in order to serve the entire Condominium Project.

(b) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation, and the By-Laws, Declarant reserves the right to exercise the rights, duties and functions of the Association Board of Directors or Managing Agent, or both, until 120 days after the last sale of all of the Condominium Units, including the exclusive right and power to delegate to others the duties of a resident Manager or Managing Agent, or both. The compensation or fee to be paid therefor shall be reasonable, and shall be a part of the Common Expenses. Upon the sale of all of the Condominium Units, Declarant shall give written notice thereof to the Condominium Unit Owners at which time the first meeting of the Association members shall be called.

34. Restrictive Covenants.

(a) The Property is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use. No buildings or structures shall be moved from other locations onto said premises, and no subsequent Buildings other than Buildings shown on the condominium Map(s) shall be built on the Property.

No structures of a temporary character, no trailers, tents, shacks, garages, or other outbuilding shall be used or permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently, without the previous written consent of the Association.

(b) No animals, livestock or poultry of any kind shall be raised, bred or kept on the property, except that dogs, cats or other household pets may be kept, subject to the rules and regulations from time to time adopted and amended by the Association.

(c) No advertising signs (except one of not more than one square foot "For Rent" or "For Sale" sign per Unit), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises, including individual Units, be used or maintained in any way or for any purpose which may endanger the health of Owners or residents, or unreasonably disturb or interfere with the use of other Owner's respective Units or the use of the General Common Elements by the several Unit Owners or residents. Further, no business activities of any kind whatever shall be conducted in any Building or in any portion of the Property. Provided, further, however, the foregoing covenants shall not apply to the business activities, signs, and billboards for the sale of the improvements, if any, of the Declarant, its agents, contractors and assigns during the sale period, and of the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

(d) All clotheslines, equipment, garbage cans, service yards, wood piles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring units and streets. All rubbish, trash or garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon.

(e) Except in individual balcony areas, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said property, except such as are installed in accordance with the initial construction of the Buildings located thereon or as approved by the Association.

(f) No exterior additions, alterations or decorating to any buildings, nor changes in fences, hedges, walls, gates and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the Property by the Association, or by a representative designated by it.

35. Association Right to Acquire Additional Property.

(a) The Association may acquire and hold for the benefit of all of the Condominium Unit Owners, real, tangible, and intangible personal property and may dispose of the same by sale or otherwise.

(b) The Owners of the Condominium Units described in Exhibit "B" and the Owners of Condominium Units subsequently submitted to this Condominium Project shall have a perpetual non-exclusive easement in common with all other Condominium Unit Owners in this Condominium Project giving them the

right to beneficial use and enjoyment of any recreational facilities which the Association acquires, and holds, either by purchase or by gift and for walkways, vehicular access and parking as set forth on the condominium Map and in this Declaration. A conveyance of a Condominium Unit shall transfer to the grantee ownership of the grantor's easement to the beneficial use and enjoyment in all such property interests acquired and owned by the Association.

36. Reservation to Enlarge and Supplement Condominium Project.

(a) Declarant, for itself, its successors and assigns, expressly reserves the right to enlarge this Condominium Project by submitting additional real property and improvements. Such additions shall be expressed in and by a duly recorded Supplement to this Declaration and by filing for record an additional section or supplement to the Map. The reference to the Map and Declaration in any instrument shall be deemed to include any supplements to the Map or Declaration without specific reference thereto.

(b) Such Supplements to this Declaration shall provide for a division of such additional submitted real property and improvements into Condominium Units similar in method and form to the division made of the real property and improvements in this Declaration. Each Unit shall be separately designated, and each building shall be identified by a symbol or designation dissimilar to any other building in the Condominium Project. The undivided interest in and to the General Common Elements appurtenant to each such Unit shall not be apart of the General Common Elements or the Condominium Units described and initially created by this Declaration and the Map nor a part of the General Common Elements of subsequently submitted Condominium Units; provided, however, that all Owners of Condominium Units in this Condominium Project shall have a non-exclusive right in common with all of the other Owners to the use of the sidewalks, pathways, driveways and all other General Common Elements within this entire Condominium Project, including rights shared in common as set forth in Paragraph 35.

(c) The Owners of Condominium Units covered by this Declaration shall own, in addition to their Condominium Units, an appurtenant undivided interest in all of the General Common Elements included under this Declaration. The percent of appurtenant undivided interest in the General Common Elements owned by the Owner of each Condominium Unit is as shown on Exhibit "B" attached hereto and made a part hereof.

(d) When and if supplements to this Declaration are recorded, the Owners of Condominium Units covered by the Supplemental Declaration(s) shall own appurtenant undivided interest in the General Common Elements included under those supplements in accordance with the provisions of the Supplemental Declaration(s).

(e) In the event that supplements to this Declaration are recorded, there shall be no divestment or dilution of the appurtenant undivided interests in the General Common Elements vested in Owners of Condominium Units covered by this Declaration or any Supplemental Declaration then existing.

(f) In order that the Common Expenses of this Condominium Project, including all supplemental declarations hereto, be shared proportionately and equitably by the Owners of all subsequently submitted additional Condominium Units, the Common Expenses shall be proportionately shared in accordance with the following formula: to determine the

percentage share of the Common Expense of each Condominium Unit, multiply the total amount of Common Expense by a fraction, the numerator of which shall be the number of square feet in the Unit, and the denominator shall be the agreed total square feet in all Units existing under this Declaration and all supplements thereto.

(g) Likewise, each Condominium Unit Owner shall be entitled to cast votes at an election or meeting of the Association members in an amount equal to the percentage computation then being used to determine each Condominium Unit Owner's percentage share of the Common Expenses, pursuant to the formula set forth in subparagraph (f) just above.

37. General.

(a) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or By-Laws of the Association, during the period of development and sale of this Condominium Project, the monthly assessment for Common Expenses shall be based upon the actual cost, and shall not include any estimated amount for contingencies, reserves or sinking funds. Declarant shall pay its pro rata share of the expenses based on its ownership of Condominium Units at any given time.

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

(c) The provisions of the Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

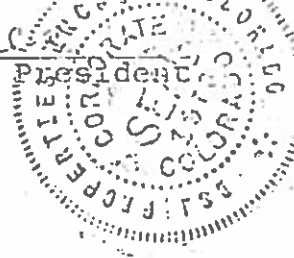
(d) That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural; the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 3rd day of January, 1980.

DSJ PROPERTIES INC. OF COLORADO

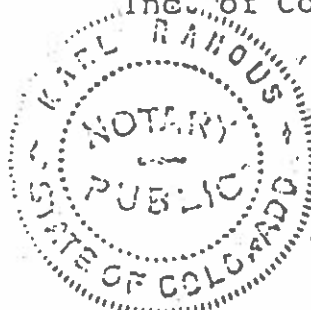
ATTEST:

Laurie V. Jones
Secretary

By Dale S. Jones
President


STATE OF COLORADO)
) ss.
____ COUNTY OF GUNNISON

The foregoing instrument was signed this 3RD day of JANUARY, 1980, by DALE S. JONES as President and LAURIE V. JONES as _____ Secretary of DSJ Properties Inc. of Colorado.



Witness my hand and official seal.

My commission expires: Aug. 17, 1980

Karl Rahnus
Notary Public

EXHIBIT "A"

A parcel of land located in the NE 1/4 of Section 26, Township 13 South, Range 86 West of the Sixth Principal Meridian, Town of Mt. Crested Butte, County of Gunnison, State of Colorado more particularly described as follows:

BEGINNING at a point from whence the SE corner of Lodge Site 9 as shown on the plat of the Town of Mt. Crested Butte bears N 64°10'37" W, a distance of 21.00 feet;

Thence S 64°10'37" E a distance of 233.00 feet;

Thence S 32°20'43" W a distance of 80.00 feet;

Thence N 88°24'22" W a distance of 172.00 feet;

Thence N 16°24'22" W a distance of 121.00 feet;

Thence N 39°05'17" E a distance of 62.13 feet to the POINT OF BEGINNING, containing 0.608 acres.

EXHIBIT "B"

Building A

<u>Unit No.</u>	<u>Undivided Percentage Interest in the General Common Elements</u>
A-1	7.55
A-2	6.73

Building B

<u>Unit No.</u>	
B-1	7.55
B-2	6.73

Building C

<u>Unit No.</u>	
C-1	7.55
C-2	6.73

Building D

<u>Unit No.</u>	
D-1	7.56
D-2	6.73

Building E

<u>Unit No.</u>	
E-1	7.56
E-2	6.73

Building F

<u>Unit No.</u>	
F-1	7.56
F-2	6.73

Building G

<u>Unit No.</u>	
G-1	7.56
G-2	6.73

100.0%

NOT FOR PROFIT

FILED

404
ARTICLES OF INCORPORATION

11 JAN '80

OF

CRESTED MOUNTAIN CONDOMINIUM ASSOCIATION, INC.

STATE OF COLORADO
DEPT. OF STATE

ARTICLE I

NAME

The name of this corporation shall be Crested Mountain Condominium Association, Inc.

ARTICLE II

DURATION

The term of existence of this corporation is perpetual.

ARTICLE III

PURPOSES

The business, objects and purposes for which the corporation is formed is as follows:

1. To be and constitute the Association to which reference is made in the Condominium Declaration for Crested Mountain Condominiums and any supplements thereto (for brevity, hereinafter referred to as Declaration), to be recorded in the records of the Clerk and Recorder of Gunnison County, Colorado, pursuant to C.R.S. (1973) 38-33-101-105 and Amendments thereto, relating to a condominium ownership project, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association.

2. To provide an entity for the furtherance of the interests of all of the owners, including the Declarant named in the Declaration, of condominium units in the Crested Mountain Condominium project, with the objectives of establishing and maintaining it as a prime condominium ownership project of the highest possible quality and value and enhancing and protecting its value, desirability and attractiveness.

ARTICLE IV

POWERS

In furtherance of its purposes, the corporation shall have all of the powers conferred upon corporation not for profit by the statutes and common law of the State of Colorado in effect from time to time, including all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration which will include, but shall not be limited to, the following:

1. To make and collect assessments against members of the Association for the purposes of payment of the common expenses (including the expenses incurred in exercising its powers or of performing its functions).

2. To manage, control, operate, maintain, repair, improve and enlarge the general common elements.

3. To enforce the terms, covenants, restrictions, conditions, uses, limitations and obligations set forth under the Declaration and By-Laws and to make and enforce rules and regulations as provided therein.

4. To engage in activities which will actively foster, promote and advance the interests of all of the owners of condominium units, including the interests of the Declarant during its development of the project and its ownership of condominium units.

ARTICLE V

MEMBERSHIPS

1. This corporation shall be a membership corporation without certificates or shares of stock. There shall be one class of membership, and there shall be one membership in the corporation for each condominium unit, as defined in the Declaration and Supplements thereto. The owner or owners of a condominium unit shall hold and share the membership related to that condominium unit in the same proportionate interest and by the same type of tenancy in which the title to the condominium unit is held, provided always that there shall be only one membership per condominium unit. No person or entity other than an owner of a condominium unit may be a member of the corporation.

2. Each membership shall have the percentage vote as is set forth in the declaration and any Supplements thereto on all matters in which members are entitled to vote.

3. A membership in the corporation and the share of a member in the assets of the corporation shall not be assigned, encumbered or transferred in any manner except as appurtenant to the transfer of title to the condominium unit to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument on a condominium unit as further security for a loan secured by a lien on such condominium unit.

4. A transfer of membership shall occur automatically upon the transfer of title to the condominium unit to which the membership pertains; provided, however, that the By-Laws of the corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the corporation.

5. Members shall have the right to purchase other condominium units and the memberships appurtenant thereto as provided in the Declaration.

6. The corporation may suspend the voting rights of a member for failure to comply with the rules or regulations of the corporation or with any other obligations of the owner of any condominium unit under the Declaration and By-Laws.

7. The By-Laws may contain provisions setting forth the rights, privileges, duties and responsibilities of the members.

ARTICLE VI

BOARD OF DIRECTORS

1. The business and affairs of the corporation shall be conducted, managed and controlled by a Board of Directors. The Board of Directors shall consist of not less than three, nor more than five members, the specific number to be set forth from time to time in the By-Laws of the corporation. Members of the Board of Directors need not be members of the corporation.

2. Members of the Board of Directors shall be elected at the annual meeting of the members in the manner determined by the By-Laws.

3. Directors may be removed and vacancies of the Board of Directors shall be filled in the manner to be provided by the By-Laws.

4. The names and addresses of the members of the first Board of Directors who shall serve until the first election of Directors and until their successors are duly elected and qualified, are as follows:

Walter C. Wagner
250 E. Liberty
Louisville, KY 40202

Myron A. Resnick
6417 Caminito-Formoy
LaJolla, CA 92037

Dale S. Jones
Crested Butte Lodge
P. O. Box 206
Crested Butte, CO 81224

Any vacancies in the Board of Directors occurring before the first election of Directors shall be filled by the remaining Directors.

ARTICLE VII

OFFICERS

The Board of Directors may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board believes will be in the best interest of the corporation. The officers shall have duties as may be prescribed in the By-Laws of the corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE VIII

CONVEYANCES AND ENCUMBRANCES

Corporate property may be conveyed or encumbered by authority of the Board of Directors or by such persons or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by an instrument executed by the President or a Vice President and by the Secretary or an Assistant Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

ARTICLE IX

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the corporation shall be 1900 First National Bank Building, Denver, Colorado 80293. The initial registered agent at such office shall be Victor L. Wallace II.

ARTICLE X

AMENDMENTS

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner set forth in the By-Laws; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XI

MANAGING AGENT FUNCTIONS

The Association may obtain and pay for the services of a person, persons, or entity to administer and manage its affairs and be responsible for the operation, maintenance, repair and improving of the common elements and all of the exterior portions of the improvements and to keep the same in good, attractive and sanitary condition, order and repair provided, however, that the Declarant may perform such services until all of the condominium units are sold. The cost of such services shall be borne by the members according to their percentage or fractional interest in the common elements as provided in the Declaration, supplements thereto and By-Laws, whether such services are directly rendered by the Declarant or delegated by Declarant to a person or entity.

ARTICLE XII

INCORPORATION

Victor L. Wallace II, 1900 First National Bank Building, Denver, Colorado 80293, acting as incorporator under the Colorado Non-profit Corporation Act, signs and acknowledges these Articles of Incorporation for such corporation.

Victor L. Wallace II
Victor L. Wallace II

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 11th day of January, 1978, by Victor L. Wallace II.

Witness my hand and official seal.

My commission expires: August 18, 1982

Linda A. Steinfeld
Notary Public