

*... property is a condominium type
of ownership addressing the need for Association
and common area area.*

SECOND AMENDED
CONDOMINIUM DECLARATION

FOR
SKI-INN CONDOMINIUMS

I
RECITALS

V. G. ASSOCIATES, a General Partnership (Declarant), is the owner of the real property situate in the County of Routt, State of Colorado, described in the attached Exhibit "A", which by reference is made a part hereof. Declarant presently owns or may acquire additional real property adjoining such property and may, and Declarant hereby expressly reserves the right to, subject all or any such additional property to this condominium declaration by recording a Supplemental Declaration or Declarations and a Supplemental Map or Maps in the Routt County, Colorado records within five years of the initial recording of this Declaration.

Declarant desires to establish a condominium project under the Condominium Ownership Act of Colorado (the Act), Colo. Rev. Stat. §§118-15-1 et seq. (1963, as amended), and to define the character, duration, rights, obligations and limitations of condominium ownership. Declarant has executed plans for the construction of three multi-story buildings on the property described in Exhibit "A", which buildings when completed shall consist of separately designated condominium units. A Condominium Map will be filed showing the location of said buildings on the property which is hereby made subject to this Declaration.

Declarant does hereby establish a plan for the ownership of real property estates in fee simple consisting of the air space contained in each of the apartment units in the buildings and the co-ownership, by the individual and separate owners thereof, as tenants in common, of all the remaining real property.

II
DECLARATION

Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, 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 which is or becomes subject to this Declaration and improvements built thereon, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions. As used in this Declaration, unless otherwise expressly provided:

(a) "Apartment unit" means an undivided air space unit contained within the perimeter walls, floors, ceilings, windows and doors of a unit in a building constructed on

real property which is subject at any time to the provisions of this Declaration, initially or by any Supplemental Declaration and as shown and described in a Condominium map or supplemental condominium map recorded in the real property records of Routt County, Colorado, together with (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such unit's perimeter walls, floors, ceilings and doors; (iii) the interior nonsupporting portion of perimeter doorjams and window wells; and (iv) the interior nonsupporting and nonbearing walls, lofts and stairways within the unit. The term shall not include, however, the undecorated and unfinished surfaces of the perimeter walls, floors, ceilings and doors of a unit, perimeter windows, any utilities running through the unit which serve more than one unit, or any other general common element or part thereof located within the unit.

(b) "Condominium unit" means an apartment unit together with the undivided interest in the general common elements appurtenant thereto and the right to exclusive or non-exclusive use of limited common elements associated therewith.

(c) "Owner" means any individual, corporation, partners association, trust or other legal entity, or combination of legal entities, which is the record owner of an undivided fee simple interest in one or more condominium units.

(d) "General common elements" means (i) the land included in the real property which is at any time subject to this Declaration, initially or by any Supplemental Declaration; (ii) the foundations; perimeter walls, floors and ceilings, perimeter doors and supporting doorjams, and perimeter windows of each apartment unit; supporting and bearing walls, columns, girders, beams, floors, lofts and ceilings; roofs; balconies; halls; corridors; lobbies; stairs; stairways; fire escapes; and entrances and exits of the buildings; (iii) the basements, courts, terraces, patios, sidewalks, yards, gardens, swimming pools, recreation buildings, common recreational areas, automobile parking areas and driveways, and storage areas; (iv) the installation of equipment and materials making up the central services such as telephone, television, fireplace flues, power, light, gas, hot and cold water, heating, refrigeration and air conditioning and incinerating (except such portion of such installations, equipment and materials located entirely within the perimeter airspace of an apartment unit, the removal of which would in no way affect service to any other apartment unit or general common element, such portion being deemed a part of the airspace of such apartment); (v) the tanks, pumps, motors, fans, compressor ducts and in general all apparatus and installations existing for common use; and (vi) all other parts of the property and personalty normally in common use or designated as a common element on the map. General common elements on any Additional Property, as hereinafter described shall for all purposes be a part of and unseverable from the general common elements on the real property described in Exhibit A and deemed within the term "general common elements" as used in this Declaration and all amendments and supplements hereto.

(e) "Limited common elements" means the part of the general common elements assigned for the exclusive or non-exclusive use and enjoyment of the owner or owners of one or more, but less than all, condominium units.

(f) "Common expenses" means: (i) all expenses expressed, declared to be common expenses by this Declaration or by the bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the general common elements; and (iii) all expenses lawfully determined to be common expenses by the board of directors of the Association. Notwithstanding the foregoing, the Association may enter into management contracts for management of all common elements subject at any time to this Declaration, initially or by any Supplemental Declaration, under which the management fee is charged in equal shares as a direct expense to each owner, and not as a common expense prorated as provided in paragraph 8(a) herein.

(g) "First lienor" means a holder of a promissory note payment of which is secured by a first mortgage or first deed of trust encumbering an interest in a condominium unit. "Mortgage" shall include a deed of trust, and "mortgagee" shall include the beneficiary of a deed of trust.

(h) "Association" means Ski-Inn Condominiums Association, Inc., a Colorado nonprofit corporation.

(i) "Building" means one of the building improvements containing any apartment unit, or constituting in its entirety (and so designated on the map) a general common element, and located on real property subject to this Declaration, initially or by any Supplemental Declaration, and "buildings" means all of such building improvements.

(j) The condominium units subject to this Declaration, whether initially or by any Supplemental Declaration, shall be known as SKI-INN CONDOMINIUMS.

(k) "Declaration" means this instrument and all Amendments thereto hereafter recorded in the records of Routt County, Colorado.

2. Division of Real Property into Estates; Use and Occupancy of Condominium Units.

(a) The real property described on Exhibit A is hereby divided into 46 condominium units numbered 111-112, 114-115, 121-131-136 in Building 100; 211-213, 221-226 and 231-236 in Building 311-313, 321-326 and 331-336 in Building 300, inclusive, each consisting of an apartment unit, a vested percentage undivided ownership interest in the general common elements appurtenant to such apartment unit, as set forth on Exhibit B attached hereto (which percentage undivided ownership interest may be increased pursuant to subparagraph 2(b) herein), and the exclusive or non-exclusive right to use and enjoy limited common elements, as set forth on Exhibit B attached hereto. The total number of square feet in all the above-described apartment units is 38,372 square feet.

(b)(i) If Declarant shall hereafter, from time to time in stages or phases, or at one time only, and in any event within five (5) years from the initial recording of this Declaration determine to subject to this Declaration any additional real property adjoining the property described on Exhibit A (such additional property in each instance being hereinafter referred to as "Additional Property"), it shall record in each instance in the records of Routt County, Colorado, a Supplemental Declaration containing (i) a legal description of the Additional Property subjected hereto; (ii) a designation of the buildings constructed

or to be constructed and the total number of and specific designation of the additional condominium units into which the Additional Property is divided, each such unit and each such building designation being dissimilar to any other unit or building then subject to this Declaration; (iii) a schedule of the percentage undivided ownership of all of the general common elements, in or on both the Additional Property and the property (the "Original Property") subject to this Declaration prior to the recording of such Supplemental Declaration, appurtenant to each apartment unit on the Additional Property, computed as hereinafter provided; (iv) the number of square feet in each additional apartment unit and the total number of square feet in all apartment units on the Additional Property; and (v) a description of all limited common elements on the Additional Property, together with a designation of the apartment units to which each such limited common element is appurtenant. After recording such Supplemental Declaration and upon substantial completion of all new buildings containing apartment units on such Additional Property and prior to any conveyance by Declarant of any condominium unit therein, Declarant shall record in the real property records of Routt County a Supplemental Map of the Additional Property, prepared in accordance with paragraph 3 herein. Reference to the condominium map prepared in accordance with paragraph 3 herein and to this Declaration in any instrument shall be deemed to include all Supplemental Maps and Supplemental Declarations recorded pursuant hereto.

(b)(ii) The total number of square feet in all apartment units which may be subjected by Declarant to this Declaration, initially by this instrument and by all Supplemental Declarations recorded pursuant to the provisions of paragraph 2(b)(i) and irrespective of any partial termination of Ski-Inn Condominiums occurring pursuant to paragraphs 11(c) or 13(b) herein, shall not exceed 175,000 square feet (such number being hereinafter referred to as the "Maximum Total Square Feet"). If Declarant shall subject to this Declaration apartment units containing in total the Maximum Total Square Feet, the percentage undivided ownership of all of the general common elements appurtenant to all such apartment units shall total exactly 100 percent. The percentage undivided ownership of all of the general common elements appurtenant to each apartment unit on each parcel of Additional Property shall be computed by multiplying the number of square feet in each such apartment unit by a fraction, the numerator of which is 100 and the denominator of which is the Maximum Total Square Feet, such percentage rounded off to five decimal places. If, on and as of the fifth anniversary of the initial recording of this Declaration, the total number of square feet in all apartment units theretofore subjected by Declarant to this Declaration, initially and by all Supplemental Declarations shall be less than the Maximum Total Square Feet, then on such fifth anniversary the undeclared percentage undivided ownership of all general common elements (the "Undeclared Percentage"), determined by subtracting from 100 percent the total of all percentage undivided ownership interests in general common elements theretofore vested and declared by this Declaration and all Supplemental Declarations, shall be deemed declared and shall automatically be conveyed and transferred to and vested in the then owners of all apartment units then subject to this Declaration such Undeclared Percentage to be allocated among such owners in the proportions of their respective percentage undivided ownership interests in all general common elements as theretofore vested and declared, to the end that, thereafter, the total percentage undivided ownership of the common elements appurtenant to all apartment units shall equal 100 percent. In such event, Declarant or the Association may record in the Routt County

real property records an executed and acknowledged statement setting forth the schedule of percentage undivided ownership of the common elements appurtenant to all apartment units subject to this Declaration within such five-year period, computed as hereinbefore provided. Recordation of such statement shall be conclusive evidence of the facts stated therein, but failure to record such statement shall not in any manner be essential to or a prerequisite for the automatic conveyance and transfer as hereinbefore described.

(b)(iii) The recordation in the Routt County records of any Supplemental Map shall operate automatically and without execution or recording of any other instrument to grant, transfer and convey to each owner of each condominium unit on the Original Property a percentage undivided ownership of the general common elements in or on the Additional Property described in such Supplemental Map equal to the percentage undivided ownership of the general common elements in or on the Original Property appurtenant to each such apartment unit prior to such recordation. Such recordation shall also operate automatically and without execution or recording of any other instrument to vest in each then first lienor of each condominium unit on the Original Property a security interest in the percentage undivided ownership interest in the general common elements in or on the Additional Property so acquired by the owner of each such condominium unit, encumbering the general common elements in or on such Additional Property as of the date of such recordation.

(b)(iv) Except as otherwise specifically provided in this Declaration or in any Supplemental Declaration, all of the provisions, terms and definitions herein contained shall, upon recording of each such Supplemental Declaration, be deemed expanded to include the Additional Property and the buildings, condominium units, common elements and owners thereof and shall be deemed incorporated by reference in such Supplemental Declaration, the same as if such Additional Property, buildings, condominium units and common elements were originally subject hereto.

(c) Each condominium unit shall be inseparable and may be conveyed, leased, devised or encumbered only as a condominium unit. Title to a condominium unit may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an "owner" with respect to the condominium unit in which he owns an interest.

(d) Any contract of sale, deed, lease, deed of trust, mortgage, will or other instrument affecting a condominium unit may describe it by its apartment unit number as shown on the map, followed by the name of the condominium and reference to this Declaration and to the map.

(e) Declarant shall give written notice to the assessor of Routt County, Colorado, in the manner provided in the Act, so that each condominium unit will be separately assessed and taxed.

(f) The condominium units shall be used and occupied solely for dwelling or lodging purposes. Owners of units may rent or lease the units to others for these purposes.

(g) The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situate upon or which is a part of the general common elements.

3. Condominium Map. Upon substantial completion of a building, and prior to any conveyance by Declarant of a condominium unit therein, Declarant shall cause to be filed for record in Routt County, Colorado, a condominium map (the "map"), which shall contain sufficient survey description of the airspace of each apartment unit so as to accurately locate the same, together with such other information as may be included in the discretion of Declarant, and together with:

(a) The legal description of the surface of the land and a survey thereof;

(b) The linear measurements and location, with reference to surveyed points on the exterior boundary of the land, of the completed foundations of the buildings;

(c) The diagrammatic floor plans and linear horizontal and vertical dimensions of the perimeter of each airspace apartment unit;

(d) The designation by number or other symbol of each apartment unit and each building;

(e) The location of each airspace apartment unit within each building, both horizontally by linear measurements and vertically by reference to elevations as established from a datum plane, including measurement of the thickness of common walls and floors between or separating units and perimeter walls of each building; and

(f) General depiction of and designation of limited common elements, without necessity to show the dimensions and exact surveyed location thereof, except as otherwise required by this paragraph.

The map may be filed for record in whole or in parts, sections or supplements, as construction of the units and other improvements are substantially completed, all of which parts, sections or supplements shall be considered the integrated condominium map, and reference to the filing data of the last preceding part, section or supplement filed in any deed or other instrument shall be deemed to include reference to all parts, sections or supplements of the map theretofore filed of record. Each such map (and each separately filed part, section or supplement thereof) shall contain the certificate of a registered professional land surveyor, certifying that the map (or part, section or supplement thereof, as the case may be) substantially depicts the above data and was prepared subsequent to substantial completion of the improvements depicted thereon. Declarant reserves the right to amend a map from time to time to conform it to the actual location of any building (including all parts thereof) and to establish, vacate and relocate easements.

4. General Common Elements; Encroachments.

(a) All of the general common elements on real property which is subject at any time to this Declaration, initially or by any Supplemental Declaration, shall be owned in common by all the owners of apartment units at any time situated on any part of such property, and shall remain undivided. No owner shall assert any right of partition with respect to the general common elements. Each owner waives any and all rights of partition he may hold by virtue of his ownership of an undivided

interest in the general common elements as a tenant in common with the other owners. This paragraph shall not, however, limit or restrict the right of partition of a single condominium unit among the owners thereof, but such partition shall not affect any other condominium unit.

(b) Each owner shall be entitled to use the general common elements in accordance with the purpose for which they are intended, without hindering, impeding or imposing upon the rights of the other owners and in accordance with rules and regulations duly established from time to time by the Association.

(c) If any portion of the general common elements encroaches upon any apartment unit, or if any apartment unit encroaches upon any other apartment unit or upon any portion of the general common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for the encroachment and for the maintenance of the same, so long as the building stands, shall exist. In the event any building, any apartment unit, any adjoining apartment unit, or any adjoining general common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the general common elements upon any apartment unit or of any apartment unit upon any other apartment unit or upon any portion of the general common elements, due to such rebuilding, shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

5. Mechanic's Liens; Indemnification.

(a) If any owner shall cause any material to be furnished to his apartment unit or any labor to be performed therein or thereon, no owner of any other condominium unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the owner causing it to be done, and such owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his apartment unit or any improvements therein. Nothing herein contained shall authorize any owner or any person dealing through, with or under any owner to charge the general common elements or any apartment unit other than that of such owner with any mechanic's lien or other lien or encumbrance whatever. On the contrary (and notice is hereby given) the right and power to charge any lien or encumbrance of any kind against the general common elements or against any owner or any owner's apartment unit for work done or materials furnished to any other owner's apartment unit is hereby expressly denied.

(b) If, because of any act or omission of any owner, any mechanic's or other lien or order for the payment of money shall be filed against the general common elements or against any other owner's apartment unit or any improvements therein, or against any other owner (whether or not such lien or order is valid or enforceable as such), the owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other owner or owners, within 20 days after the date of filing thereof, and further shall indemnify and save all the other unit owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages, including reasonable attorneys' fees resulting therefrom.

6. Administration and Management. SKI-INN CONDOMINIUMS shall be administered and managed pursuant to this Declaration, the articles of incorporation and the bylaws of the Association. The board of directors of the Association may contract with or employ a managing agent for the Association, pursuant to applicable provisions of its Articles of Incorporation and bylaws, to perform inter alia any of the duties, services, powers and responsibilities of the Association as set forth in this Declaration. Each person contracting to purchase a condominium unit from Declarant and each owner shall be a member of the Association and shall remain a member until his contract is terminated or until he ceases to be an owner; provided, however, that throughout the period that such contract from Declarant remains in full force and effect, Declarant shall not be a member of nor have voting rights in the Association as to and by reason of ownership of the condominium unit under contract, such members and voting rights in the Association as to that unit being vested in the party contracting to purchase such unit from Declarant; provided, further, that nothing contained in the preceding phrase shall in any manner operate to impose liability or obligation on the party contracting to purchase such unit from Declarant for any assessments of the Association made pursuant to this Declaration or the articles or bylaws of the Association prior to conveyance of such unit to such contracting party, nor vest in such contracting party any rights and benefits upon distribution of any insurance or sale proceeds or condemnation awards pursuant to paragraphs 11, 12 or 13 herein prior to conveyance of such unit to such contracting party, such liability for assessments and rights and benefits under paragraphs 11, 12 and 13 being vested solely in Declarant until conveyance of such unit. Each member shall comply strictly with the provisions of this Declaration and of the articles of incorporation and bylaws of the Association. Each member shall be bound by and shall comply with rules, resolutions and decisions of the Association duly made and adopted in the manner set forth in the articles of incorporation or bylaws. Failure of the member to comply with such provisions, rules, resolutions or decisions shall be grounds for an action to recover damages or to obtain injunctive relief, or both, maintainable by the Association on behalf of the owners or, in a proper case, by an aggrieved owner. In addition, the Association's bylaws may authorize the Association, during the period of any delinquency, (a) to revoke a delinquent owner's right to use general common elements, (b) to cause utility service to a delinquent owner's condominium unit to be suspended, and (c) to suspend a member's voting privileges. However, no suspension of voting rights shall affect the rights of first mortgagees to vote pursuant to a proxy granted in connection with a mortgage recorded in Routt County, Colorado.

7. Maintenance and Repairs.

(a) Each condominium unit owner shall be responsible for maintenance and repair of his apartment unit, including fixtures and improvements and all utility lines and equipment located therein and serving such unit only. In performing such maintenance and repair, or in improving or altering his apartment unit, no owner shall do any act or work which impairs the structural soundness of any building or which interferes with any easement.

(b) The general common elements (including the limited common elements) shall be administered, conserved, managed, maintained, repaired and replaced by the Association, which may have access to any unit from time to time during reasonable hours for

such purposes, or at any time for the purpose of making emergency repairs therein necessary to prevent damage to the general common elements or to another apartment unit or units. The costs of repairing any damage to an apartment unit resulting from entry therein for any such purpose shall be a common expense of all the owners. However, if the need to make such entry results from the negligence or intentional act of any owner, such owner shall reimburse the Association for all the costs of repairing such damage and shall be liable to the other owners for all additional losses or damages suffered, including reasonable attorney's fees.

(c) Notwithstanding the foregoing, (i) each condominium unit owner having an interest in limited common elements shall pay his proportionate share of the costs and expenses of maintaining, repairing and replacing any limited common element of which such owner has any use or enjoyment, and (ii) each condominium owner shall pay all costs of repairing any damage to the general common elements (including the limited common elements), or to any condominium unit other than his own, resulting from the intentional act or negligence of such owner.

8. Assessments for Common Expenses.

(a) Except as set forth in paragraph 7(c), each owner shall pay his pro rata share of the common expenses. Such prorated share shall be made on the basis of the owners' respective undivided interests in the general common elements on the date such common expense is incurred, except insofar as any management fee is charged directly to each owner pursuant to paragraph 1(f) herein; provided, however, that prior to the fifth anniversary of the initial recording of this Declaration, the pro rata liability for common expenses of each owner on the date such common expense is incurred shall be computed by multiplying each such owner's vested and declared percentage undivided ownership interest in the general common elements by 100 and then dividing the product thereof by the total of all percentage undivided ownership interests in general common elements vested and declared as of the date such common expense is incurred. The bylaws of the Association shall empower its board of directors to fix, determine, levy and collect monthly and special assessments to be paid by the owners to meet the common expenses and to create a contingency reserve therefor. The bylaws shall also establish the procedures by which the assessments shall be made known to and paid by the owners, and such procedures may include the determination and levying of such monthly assessments as an installment billing of an annual budget, in which event the common expenses shall be deemed to have been severally incurred as of the respective dates of the installment billings. An action may be brought by the Association to recover unpaid common expenses from the owner liable for payment thereof, with or without foreclosing or waiving the lien described in the following paragraph.

(b) All sums assessed but unpaid for the share of common expenses assessed to any condominium unit shall constitute a lien on such unit in favor of the Association prior to all other liens and encumbrances, except: (i) liens for taxes and special assessments; and (ii) the lien of any first mortgage or first deed of trust of record encumbering such unit. The Association's lien shall attach from the date when the unpaid assessment shall become due and may be foreclosed by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof executed by the Association setting forth the amount of the unpaid indebtedness, the name of the owner of the condominium unit, and a description of the condominium unit. In any such foreclosure the owner shall be required to pay the costs and expenses of such proceedings.

including reasonable attorney's fees. During the period of foreclosure the owner of the condominium unit subject to such action shall be required to pay a reasonable rental to the Association. The Association shall be entitled to purchase the condominium unit at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same.

(c) If any sums assessed for the share of common expenses of any condominium unit shall remain unpaid for more than thirty days, then unless the owner of said unit shall have theretofore contractually engaged a rental agent for such unit the Association may, at its option and upon notice to such owner take possession of and rent such unit during all periods such assessed sums remain unpaid, collecting the rentals therefrom and applying the same as hereinafter provided. Each owner hereby conditionally assigns to the Association as additional security for unpaid assessments all rights in and to any rental management contract affecting the owner's unit and all proceeds and rents otherwise payable to the owner therefrom for and during all periods such assessed sums remain unpaid for more than thirty days. All rentals and proceeds received by the Association pursuant to the terms of this paragraph 3(c) shall be applied, first, to the expenses incurred by the Association in taking possession of the unit, in repairing and maintaining it in good and tenantable condition, and in the rental of such unit (including a reasonable rental fee for rental management of such unit by the Association and actual brokerage and attorneys' fees incurred unless the owner of such unit has theretofore engaged a rental agent. The balance of such rentals and proceeds shall be applied to payment and discharge of the unpaid sums assessed for the share of common expenses of such unit, in the reverse order of assessment.

(d) No owner shall exempt himself from liability for payment of his share of the common expenses by waiver of the use or enjoyment of any of the general common elements, by abandonment of his condominium unit, or by operation of paragraph 3(c) above.

(e) In case of sale or other transfer of a condominium unit with respect to which sums assessed for common expenses shall be unpaid, other than a judicial or non-judicial foreclosure by a first lienor, the purchaser or other transferee of an interest in such unit shall be jointly and severally liable with the seller or transferor thereof for such unpaid assessments.

(f) Upon written request of any owner, mortgagee, prospective mortgagee, purchaser or other prospective transferee of a condominium unit, the Association shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to such condominium unit, the amount of the current monthly assessment, the date on which such assessment became or shall become due and the amount of any credit for prepaid expenses. Such statement, for which a reasonable fee may be charged, is binding upon the Association in favor of any person who may rely thereon in good faith. Unless a request for such statement shall be complied with within fifteen days after receipt thereof, all unpaid common expenses which became due prior to the date of making such request shall be subordinate to the lien or other interest of the person requesting such statement.

(g) Any party in favor of whom a lien on a condominium unit has been created may but shall not be required to pay any unpaid common expense with respect to such unit, and upon such payment such party shall have a lien on such condominium unit for the amount so paid of the same rank as the lien theretofore existing.

9. Insurance.

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(a) The Association shall, on behalf of the owners:

- (1) keep all buildings (including all of the apartment units and all fixtures and common element personalty therein, but not including furniture, furnishings or other personal property owned and supplied or installed by condominium unit owners) insured against loss or damage by fire, with extended coverage (including insurance against loss or damage by vandalism or malicious mischief), in an amount not less than 90% of the maximum replacement value thereof, without deduction for depreciation;
- (11) provide and keep in force, for the protection of the Association, its officers and directors, and all the owners and first lienors, general public liability insurance against claims for bodily injury or death or property damage occurring upon or in the general common elements, in limits of not less than \$500,000 per occurrence and not less than \$1,000,000 aggregate, for bodily injury or death to persons, and in limits of not less than \$100,000 for damage to property, and if higher limits shall at any time be customary to protect against possible tort liability, such higher limits shall be carried; and
- (111) carry insurance in such amounts as the Association may consider necessary or advisable against such other insurable hazards as may from time to time be commonly insured against in the case of similar property in similar locations elsewhere.

(b) All insurance required to be carried under this paragraph shall be carried in favor of the Association, and in favor of the owners and all first lienors, as named and identified in the records maintained by the Association pursuant to this Declaration and the bylaws of the Association, and as their respective interests may appear, the respective interests of each owner being his respective pro rata liability for common expenses, from time to time. Each policy of insurance shall contain a standard mortgagee clause in favor of each first lienor of a condominium unit which shall provide that the loss, if any thereunder shall be payable to such first lienor, as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All policies of insurance against damage to any building and fixtures and common element personalty therein shall provide that losses shall be payable to and adjusted with the Association, as attorney-in-fact for the owners. The Association shall hold and apply the proceeds of such insurance as set forth in this Declaration. Each insurance policy shall provide that no cancellation thereof may be made by the insurance carrier without having first given 30 days' prior written notice thereof to the Association, and to the owners and all first lienors as named and identified in the records maintained by the Association pursuant to this Declaration and the bylaws of the Association. Each insurance policy shall also provide that in case of violation of any provision thereof by one or more (but less than all) of the owners, the

coverage of such policy shall be suspended or invalidated only as to the interest of the owner or owners committing the violation and not as to the interest of any other owner. All policies of physical damage insurance shall contain waivers of subrogation as among owners of condominium units. Evidence of continuing insurance shall be delivered to all first lienors at least thirty days prior to expiration of the then current policies, showing their respective interests as the same may appear.

(c) The maximum replacement value of the buildings (which shall indicate the maximum replacement value of each condominium unit contained therein), without deduction for depreciation, shall be determined by the Association prior to obtaining any policy of fire insurance by reference to and certification from the contractor constructing such buildings or by means of one or more written appraisals made by competent, disinterested appraisers, and prior to any renewal of any such policy by one or more such written appraisals. Copies of such original certification from the contractor and all appraisals shall be maintained in the files of the Association, available on demand for examination by any owner and any first lienor of a condominium unit.

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(d) Each owner shall be responsible for all insurance covering loss or damage to personal property in his condominium unit and liability for injury, death or damage occurring inside his apartment unit. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

10. Appointment of Attorney-in-Fact. Each owner by his acceptance of the deed or other conveyance vesting in him an interest in a condominium unit does irrevocably constitute and appoint (a) the Association with full power of substitution as his true and lawful attorney in his name, place and stead to deal with such interest upon damage to or destruction, obsolescence or condemnation of any building or real property as hereinafter provided, and (b) Declarant with full power of substitution as his true and lawful attorney in his name, place and stead to deal with such interest in order to effectuate the reservation contained in paragraph 20, each with full power, right and authorization to execute, acknowledge and deliver any contract, deed or other instrument affecting the interest of such owner, and to take any such action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Declaration. If requested to do so by the Association or Declarant, each owner shall execute and deliver a written instrument confirming such appointment. The power of appointment created by this section shall be subject to such limitations, if any, as may be established by the affirmative vote of the owners of the required percentage interest in general common elements pursuant to any action taken under Section 11, 12, 13 or 14 of this Article II.

11. Damage or Destruction. In case of damage or destruction of any building or any part thereof by any cause whatever:

(a) If in the reasonable judgment of the Association, the proceeds of insurance shall be sufficient to pay all the costs of repairing and restoring the building, the Association (as attorney-in-fact for the owners) shall cause the building to be repaired and restored, applying the proceeds of insurance for that purpose.

(b) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the building, and if the excess of such costs over the anticipated insurance proceeds are 10% or less than 10% of the maximum replacement value last determined under paragraph 9(c), then the Association (as attorney-in-fact for the owners) shall promptly cause the building to be repaired and restored, and the difference between the insurance proceeds and costs of repair and restoration shall be an expense of the owners of apartment units in such damaged or destroyed building only, unless such building was entirely a general common element not containing any apartment units, in which event such costs of repair and restoration shall be an expense of the owners of all apartment units subject to this Declaration, as of immediately prior to such damage or destruction. Such expense liability shall be prorated among the owners liable therefor by reason of the preceding sentence in the proportions by which each such owner's respective pro rata liability for common expenses, as provided in paragraph 8 herein, bears to the total percentage of liability for common expenses of all owners liable for such expense, as of immediately prior to such damage or destruction.

(c) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the building, and if the excess of such costs are more than 10% of the maximum replacement value last determined under paragraph 9(c), then (unless within 100 days after the date of such damage or destruction a plan for repairing and restoring the building shall be approved as hereinafter set forth in this subparagraph) the Association (as attorney-in-fact for the owners of condominium units in such building, or if such building be entirely a general common element, as attorney-in-fact for the owners of all apartment units) shall execute and record in the Routt County, Colorado, real estate records a notice of such facts, and thereafter shall sell the entire real property on which such building is located (including the building) together with reasonable easements for ingress and egress, if required, as designated by the Association, free and clear of the provisions of this Declaration and any applicable Supplemental Declaration and the map describing such building, all of which shall wholly terminate and expire with respect to such property upon the closing of such sale; provided, however, that the Association shall not be required to record such notice or make such sale if the whole of the real property on which such building is situated may not be so subdivided and sold by reason of any governmental rule, regulation, decision, statute or ordinance. Subsequent to any such sale, this Declaration and any Supplemental Declaration or any map shall remain in full force and effect with respect to all property and buildings not sold, and the percentage undivided ownership interests in general common elements appurtenant to all apartment units remaining unsold (the "Unsold Apartment Units") shall automatically be increased by the amount of the percentage undivided ownership interests in general common elements appurtenant to all apartment units in the building so damaged and sold free and clear of this Declaration (the "Sold Apartment Units"), if any, such increase to be allocated among the then owners of the Unsold Apartment Units in the proportions of their respective percentage undivided ownership interests in all general common elements as theretofore vested and declared. The proceeds of insurance and the proceeds of such sale of the real property shall be collected by the Association, applied first to the payment of expenses of the sale, and then divided only among the owners of the Sold Apartment Units, unless such

building was entirely a general common element not containing any apartment units, in which event such proceeds shall be divided among all of the then owners of all apartment units, and such divided proceeds shall be paid into separate accounts, each representing one apartment unit. The insurance proceeds shall be divided among the owners entitled thereto by reason of the preceding sentence according to their respective percentage interests therein as shown by the records of the Association maintained pursuant to paragraph 9 herein, and the proceeds of sale shall be divided among the owners entitled thereto by reason of the preceding sentence according to the proportions by which each such owner's respective pro rata liability for common expenses, as provided in paragraph 8 herein, bears to the total percentage of liability for common expenses of all the owners entitled to such proceeds, all as of immediately prior to such sale. The funds in each account (without contribution from one account to another) shall be applied by the Association for the following purposes in the order indicated: (i) for payment of the balance of the lien of any first mortgage or deed of trust on each such owner's condominium unit; (ii) for payment of taxes and special assessment liens in favor of any assessing entity; (iii) for payment of unpaid common expenses; (iv) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and (v) the balance remaining, if any, shall be paid to such apartment unit owner. The provisions of this paragraph and subsequent paragraphs to which any portion of this paragraph is referenced shall not be construed as limiting in any way the right of the first lienor of any Sold Apartment Unit (in case the proceeds allocated under (i) above shall be insufficient to pay the indebtedness secured by such lien) to assert and enforce the personal liability for such deficiency of the person or persons responsible for payment of such indebtedness. If within 100 days after the date of such damage or destruction a plan for repairing and restoring a damaged or destroyed building shall be approved in writing by (x) the owners of condominium units then subject to this Declaration, initially and by all Supplemental Declarations, having at least 80% of the total owners' percentage liability for common expenses by reason of the provisions of paragraph 8 herein, if such building was entirely a general common element not containing any apartment units, or by (y) the owners of condominium units in such damaged or destroyed building having at least 80% of the total percentage liability for common expenses attributable to all owners of condominium units in such building, as the case may be, and, in either case, by all first lienors with interests in such building, the Association (as attorney-in-fact for such owners) shall promptly cause such repairs and restoration to be made according to such plan. All owners of apartment units in the class entitled, as the case may be, by reason of the preceding sentence to approve any such plan for repair and restoration (and no others) shall be bound by the terms of such plan, and the difference, if any, between the amount of the insurance proceeds and the costs of repair and restoration shall be an expense of all such owners in such class only and shall be assessed and paid by such owners in such class in the same proportions as any proceeds of sale of such damaged or destroyed building would have been divided amongst them pursuant to this subparagraph, had such building been sold in lieu of repair and restoration pursuant to such plan.

If the Association is unable for any reason to sell the entire real property on which such damaged or destroyed building is located (including the building), including any prohibition of such sale by reason of any governmental rule, regulation, decision, statute or ordinance, then the Association shall take such action with respect to such building and the real property on which it is situated as may at any time be directed in writing

by 67% of the class of owners entitled to approve any plan for repair and restoration of such building, as hereinbefore provided, and any such direction by such percentage of owners shall be binding upon all owners of such class.

(d) Nothing contained in this paragraph shall be construed as imposing any liability whatever on any first lienor to pay all or any part of the costs of repair or restoration.

12. Obsolescence.

(a) If at any time the owners of condominium units in any building subject to this Declaration, initially or by any Supplemental Declaration, having at least 85% of the total pro rata percentage liability for common expenses attributable to all owners of condominium units in such building, and all first lienors with interests in such building shall agree that such building has become obsolete and shall approve a plan for its renovation or restoration, the Association (as attorney-in-fact for the owners with interests in such building) shall promptly cause such renovation and restoration to be made according to such plan. All owners with interests in such building shall be bound by the terms of such plan, and the costs of the work shall be an expense of such owners only and shall be assessed and paid by such owners in the proportions by which each such owner's respective pro rata liability for common expenses, as provided in paragraph 8 herein, bears to the total percentage of liability for common expenses of all owners of condominium units in such building. No owner of a condominium unit in any other building shall be required to pay any of the costs of such renovation and restoration on account of such ownership.

(b) If at any time the owners having 85% or more of the then total percentage liability for common expenses, as delineated in paragraph 8, and all first lienors, shall agree that any of the improvements constituting general common elements have become obsolete and shall approve a plan for their renovation and restoration, the Association (as attorney-in-fact for the owners) shall promptly cause such renovation or restoration to be made according to such plan. All owners shall be bound by the terms of such plan, and the costs of the work shall be a common expense, to be assessed and paid as provided in paragraph 8.

(c) If at any time the owners having 85% or more of the then total percentage liability for common expenses, as delineated in paragraph 8, and all first lienors, shall agree that the buildings have become obsolete and should be sold, the Association (as attorney-in-fact for the owners) shall promptly record in the real estate records of Routt County, Colorado, a notice of such facts, and shall sell the entire real property and all improvements thereon then subject to this Declaration, free and clear of the provisions of this Declaration and the map and any Supplemental Declaration and Supplemental Map, which shall wholly terminate and expire upon the closing of such sale. The proceeds of such sale shall be collected by the Association, applied first to the payment of expenses of the sale, and then divided among all owners of all condominium units on the property subject at the time of such sale to this Declaration (including all Additional Properties) in the proportions of each such owner's respective liability for common expenses, as provided in paragraph 8, such divided proceeds to be deposited in separate accounts, each representing one condominium unit. The funds in each account (without contribution from one account to another) shall be applied and paid by the Association in the manner provided in parts (i) through (v) of paragraph 11(c).

13. Condemnation.

(a) If the entire real property, including all Additions, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by purchase in lieu thereof, or if any part of any building and/or such real property shall be so taken and the part remaining shall be insufficient for purposes of the Condominium, the Association (as attorney-in-fact for the owners) shall collect the award made in such taking and shall sell all the rest of the land and any buildings remaining after the taking, if any, free and clear of the provisions of the Declaration and the map and all Supplemental Declarations and Supplemental Maps. Such provisions shall wholly terminate and expire upon the recording of a notice by the Association setting forth all of such facts. The award and the proceeds of such sale, if any, shall be collected, applied and divided among the owners by the Association in the manner provided in paragraph 12(c).

(b) If no part of any building shall be taken, or if such taking be partial only and the remaining part of the land and buildings shall be sufficient for the purposes of the Condominium, the Association (as attorney-in-fact for the owners) shall collect the award and shall promptly and without delay cause the land and buildings not so taken to be restored as nearly as possible to their respective condition prior to taking, applying the award to that purpose. Any part of the award not required for such restoration shall first be divided by the Association into two portions as follows: (A) such part of the remaining award as is directly allocable to such of the general common elements so taken and situated wholly outside of the perimeter walls of any building containing apartment units, and (B) such part of the remaining award as is directly allocable to the taken apartment units and the taken general common elements (including limited common elements) within the perimeter walls of the building containing taken apartment units. Portion (A) as described above shall be further divided by the Association among all owners (as of immediately prior to such taking) of condominium units, in the proportions of each such owner's respective liability for common expenses, and portion (B) shall be further divided by the Association among only the owners of the taken apartment units, in the proportions by which each such owner's respective pro rata liability for common expenses bears to the total percentage of liability for common expenses of all the owners of apartment units so taken (as of immediately prior to such taking). All funds as finally so divided, shall be deposited, applied and paid by the Association in the manner provided in parts (i) through (v) of paragraph 11(c).

14. Quality of Work. Any repairs, renovation or restoration of the real property or any building covered by this Declaration by the Association as attorney-in-fact for the owners shall be done in such manner as to make the real property or the building at least as valuable after such work as it was immediately before the occurrence requiring the work to be done.

15. Amendment or Revocation. This Declaration may be amended (a) by Declarant at any time prior to the filing of the map, and (b) upon the written approval in recordable form of the owners of condominium units then subject to this Declaration, initially and by all Supplemental Declarations, having 75% or more of the total owners' percentage liability for common expenses, and all first lienors, except that the

provisions of paragraph 2(a), the schedule of percentage undivided ownership interests in the general common elements set forth on Exhibit B hereto, and the provisions of paragraph 8(a) relating to the method of prorating common expenses, and like provisions in any Supplemental Declaration, may be amended only upon such approval of the owners of all condominium units then subject to this Declaration and having 100% of the total owner's percentage liability for common expenses, and all first lienors. Further, all provisions herein relating to the reservation by Declarant of the right to subject Additional Property to this Declaration shall not be amended without Declarant's prior written approval. It shall be revoked only upon sale or condemnation of all or part of the real property pursuant to paragraphs 11(c), 12(c), 13(a) or 13(b), or upon the unanimous written approval in recordable form of all owners and all lienors.

16. Acquired Property for Common Use. The Association may acquire, by purchase, lease or otherwise, and hold for the use and benefit of all the condominium owners, real property and all kinds of improvements on and interests in real property, and tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned only by the condominium owners extant at the time of such acquisition in the same proportions as their pro rata liability for common expenses as provided in Paragraph 8 herein as of the time of such acquisition, and 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 of any condominium unit at any time subject hereto 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 unit.

17. Registration by Owner of Mailing Address. Each owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon the owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Association shall be sent certified mail, postage prepaid, to the address of the Association as designated by the bylaws of the Association.

18. Duration of Condominium Ownership. The separate estates created by this Declaration and the map shall continue until this Declaration shall be revoked or until its provisions shall terminate as provided herein.

19. Architectural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty days after

EXHIBIT A

(Attached to and made a part of Second Amended
Condominium Declarations for Ski-Inn Condominiums.)

DESCRIPTION OF PROPERTY

Lots 1, 2, 3 and 4, Block 2, Ski Trail Subdivision,
Filing No. 3, Routt County, Colorado.

EXHIBIT D

(Attached to and made a part of Second Amended
Condominium Declarations for Ski-Inn Condominiums)

Interests in General Common Elements

<u>Condominium No.</u>	<u>Initial Vested Percentage Ownership in General Common Elements Appurtenant to the Apartment Unit</u>	<u>No. of Square Feet in Apartment Unit</u>
100 Bldg:		
111 ^x	.34629	606
112 [✓]	.57486	1006
114 [✓]	.34629	606
115 [✓]	.57486	1006
121 ^{Rec}	.33486	586
122 [✓]	.51029	893
✓ 123 ^{Rec}	.33486	586
124 ^{Rec}	.33486	586
125 ^{Rec}	.51029	893
126	.33486	586
131 ^{Rec}	.33600	588
132	.60915	1066
133	.33600	588
✓ 134	.33600	588
135 ^{Rec}	.60915	1066
136 ^{Rec}	.33600	588
200 Bldg:		
211	.50000	875
212 ^{Rec}	.50000	875
213	.50000	875
✓ 221 [✓]	.48971	857
222 ^{Rec}	.48971	857
✓ 223	.48971	857
224	.48971	857
225 [✓]	.48971	857
226 ^{Rec}	.48971	857
231 ^{Rec}	.58857	1030
232 [✓]	.49143	860
233 [✓]	.58857	1030
234 [✓]	.49143	860
235 [✓]	.49143	860
236	.49143	860
300 Bldg:		
311 ^{Rec}	.50000	875
✓ 312 [✓]	.50000	875
313 [✓]	.50000	875
321 [✓]	.48971	857
322	.48971	857
323 ^{Rec}	.48971	857
324 ^{Rec}	.48971	857
325 [✓]	.48971	857
326 [✓]	.48971	857
331 ^{Rec}	.58857	1030
332 [✓]	.49143	860
333 [✓]	.58857	1030
✓ 334	.49143	860
335 ^{Rec}	.49143	860
336	.49143	860

TOTAL:

21.92686

The following are limited common elements as designated on the map of the Condominiums and may not be willfully altered, enlarged, diminished or otherwise changed from the condition, quality, size and location constructed by Declarant without the prior written permission of the Association:

1. Each stairwell as shown on the map shall be a limited common element appurtenant to those apartment units served by such stairwell, and the owners of such apartment units shall jointly have the exclusive right to the use and enjoyment of such stairwell, subject to the right of the Association to maintain such stairwell.
2. Each hallway shown on the map shall be a limited common element appurtenant to those apartment units on the same floor as and served by such hallway, and the owners of such apartment units shall jointly have the exclusive right to the use and enjoyment of such hallway, subject to the right of the Association to maintain such hallway.
3. Each attic airspace, storage airspace and crawl airspace, designated "attic," "storage" and "crawl space," respectively, on the map, shall be limited common elements appurtenant to those apartment units in the same building as each such respective airspace, and the owners of such apartment units shall jointly have the exclusive right to the use and enjoyment of of such airspaces, subject to the right of the Association to maintain the same.
4. Each balcony area marked "B" on the map shall be a limited common element appurtenant to the apartment unit having direct access to such balcony area, and the owner of such apartment unit shall have the exclusive right to the use and enjoyment of such balcony area, subject to the right of the Association to maintain such balcony area.
5. Such fireplace flue shown on the map shall be a limited common element appurtenant to the apartment unit in which such fireplace flu is situated, and the owner of such apartment unit shall have the exclusive right to the use and enjoyment of such portion of each such fireplace flue as is situated within the perimeter walls, ceiling and floor of such apartment unit, subject to the right of the Association to maintain such fireplace flue.

SECOND AMENDMENT TO
CONDOMINIUM DECLARATION

FOR
SKI-INN CONDOMINIUMS

RECORDED IN 261

WHEREAS, V. G. ASSOCIATES, a Colorado general partnership (the "Declarant"), duly executed on June 14, 1973, a Condominium Declaration for Ski-Inn Condominiums (the "Declaration"), which Declaration is recorded in the real property records of Routt County in Book 379, beginning at Page 722, and

WHEREAS, the Declarant duly executed on September 30, 1973, an Amendment to the Declaration (the "First Amended Declaration"), which First Amended Declaration is recorded in the real property records of Routt County in Book 383, beginning at Page 425; and

WHEREAS, the Declarant has recorded a part of the Condominium Maps for Ski-Inn Condominiums; and

WHEREAS, the Declarant is owner of all of the condominium units so established and created by such Declaration as awarded by such First Amended Declaration, except for unit numbers 214 and 223, the fee title to which have heretofore been conveyed of record to Eleri Wilmarth and John R. Vazabadian, respectively, both of which units are encumbered by first lien deeds of trust in favor of First National Bank, Fort Collins, Colorado; and

WHEREAS, the Declarant now desires to amend again such Declaration and the First Amended Declaration by substituting in lieu of the entirety of the Declaration and the First Amended Declaration the Second Amended Condominium Declaration for Ski-Inn Condominiums, attached hereto and hereby made a part hereof.

NOW, THEREFORE, pursuant to paragraph 15 of the First Amended Declaration, the Declarant hereby amends the Declaration and the First Amended Declaration by substituting

In lieu of the entirety of such Declaration and such First Amended Declaration the SECOND AMENDED CONDOMINIUM DECLARATION FOR SKI-INN CONDOMINIUMS, attached hereto and hereby made a part hereof (the "Second Amended Declaration"), and hereby declares that all provisions of the Declaration and the First Amended Declaration inconsistent with the Second Amended Declaration are hereby repealed and revoked.

EXECUTED this 6th day of November, 1973.

V. G. ASSOCIATES, a
Colorado General Partnership
By: Vincent Grillo
Vincent Grillo
General Partner

STATE OF COLORADO)
COUNTY OF ROUTT) ss.

THE FOREGOING INSTRUMENT was acknowledged before me this 6th day of November, 1973, by Vincent Grillo as General Partner of V. G. Associates, a Colorado general partnership.

WITNESS my hand and official seal.
My commission expires: Sept. 26, 1976



Thomas R. Grillo
Notary Public