

Recorded on 27th day of August A. D. 1980 at 3:15 PM by Joanne M. Reiti
 352652
 CONDOMINIUM DECLARATION

FOR

FAIRWAY CONDOMINIUMS

This Condominium Declaration is executed this 27 day of August, 1980, at Gunnison, Gunnison County Colorado by Water Wheel Investment Company, a Colorado general partnership.

1. STATEMENT OF INTENT AND PURPOSE.

1.1 Authority - This Condominium Declaration is executed to submit the real property set forth in Exhibit "A" attached hereto to condominium ownership pursuant to Article 33, Title 38, Colorado Revised Statutes, 1973, as amended, and referred to as the "Condominium Ownership Act."

1.2 Intention - Declarant is the owner of the real property set forth in Exhibit "A" attached hereto and intends to provide for condominium ownership of said real property.

1.3 Purpose - To accomplish this purpose Declarant executes this Condominium Declaration for Fairway Condominiums to define the character, duration, rights, duties, obligations and limitations of condominium ownership in the project.

1.4 Declaration - Declarant hereby declares that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the project and shall be binding upon and accrue to the Declarant, its successors and assigns and any person acquiring and holding an interest in the project, its grantees, successors, heirs, personal representatives, or assigns.

2. DEFINITIONS. The following definitions shall apply in this Condominium Declaration and the exhibits attached hereto unless the context shall expressly provide otherwise:

2.1 ASSOCIATION-means Fairway Condominium Association, a Colorado non-profit corporation, its successors and assigns, the Articles of Incorporation and the Bylaws of which govern the administration of the project.

2.2 BUILDINGS-means the buildings constructed on the real property.

2.3 COMMON ELEMENTS-means all of the project except the units.

2.4 COMMON EXPENSES-means and includes:

2.4.1 Expenses declared common expenses by provisions of this Condominium Declaration.

2.4.2 Expenses of administration, operation and management, maintenance, repair or replacement of the common elements.

2.4.3 All sums lawfully assessed against the general common elements by the Board of Managers of the Association.

2.4.4 Expenses agreed upon as common expenses by the Association.

2.5 CONDOMINIUM MAP-means the map for Fairway Condominiums filed August 27, 1980 and bearing reception number 352823 of the records of Gunnison County, Colorado.

2.6 CONDOMINIUM UNIT-means a unit together with the undivided interest in the general common elements and the limited common elements appurtenant thereto.

2.7 DECLARANT-means Water Wheel Investments Company, a Colorado general partnership, its successors and assigns.

2.8 DECLARATION - CONDOMINIUM DECLARATION-means this Declaration, and any and all duly executed amendments, supplements or additions to this Declaration.

2.9 GENERAL COMMON ELEMENTS-means and includes all of the common elements except those portions thereof which constitute "Units" or "Limited Common Elements" and shall include:

2.9.1 The real property described in Exhibit "A" attached hereto.

2.9.2 The structural components of the buildings including the foundations, columns, girders, beams and supports of the buildings.

2.9.3 The exterior walls of the buildings, the main or bearing walls within the buildings and the main or bearing sub-flooring and roofs of the buildings.

2.9.4 All sidewalks, roads, driveways, yards, gardens and all automobile parking areas.

2.9.5 Any installations consisting of equipment and materials making up any central utility services.

2.9.6 In general, all apparatus and installations existing or provided for common use.

2.9.7 All other parts of the project, real property, and improvements necessary or convenient to its existence, maintenance and safety which are normal and reasonable in common use.

2.9.8 All property owned by the Association.

* 2.10 LIMITED COMMON ELEMENTS-means any common element designated and reserved for the exclusive

use by the owner of a particular condominium unit or units, but less than all of the condominium units. By way of illustration, but not limitation, any balcony, terrace, porch, patio, stairs and storage area which is identified on the condominium map with the same designation by which a condominium unit is identified shall be a limited common element for the exclusive use of that condominium unit or units.

2.11 MORTGAGE-means any real estate mortgage, deed of trust, or security instrument by which a condominium unit is encumbered.

2.12 OWNER-means a person, firm, corporation, partnership, association, or other entity, or any number of combinations thereof, owning a condominium unit.

2.13 PROJECT-means the real property and the buildings and all improvements and structures thereon, together with all rights, easements and appurtenances belonging thereto, submitted to condominium ownership by this Declaration and which may be subsequently submitted to condominium ownership under the terms of this Declaration or any Supplemental Declaration as is hereinafter provided.

2.14 REAL PROPERTY-means the real property situate in Gunnison County, Colorado as described in attached exhibit "A" and incorporated herein by reference.

2.15 UNIT-means an individual air space unit, contained within the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows and doors of an air space unit as reflected on and described in the Condominium Map, together with all fixtures and improvements therein contained except for common utility facilities, the interior decorated or finished surfaces of such unit's interior walls, floors, ceilings, windows and doors, and the interior non-supporting or non-load bearing walls within the unit. The interior surfaces of a window or door means the points at which such surfaces are located when such windows or doors are closed. The term does not include the undecorated or unfinished surfaces of the perimeter walls, floors or ceilings of a unit, any utility facilities running through the unit that serve more than one unit, any structural component of the building, or any other common element or part thereof located within the unit.

3. ESTABLISHMENT OF CONDOMINIUM OWNERSHIP. The project is hereby divided into six (6) condominium units as follows:

3.1 Six (6) fee simple estates, each consisting of a separately designated unit, together with an undivided interest in the common elements appurtenant to such unit, and any limited common elements designated and reserved to such unit, as

set forth on attached exhibit "B", and incorporated herein by reference.

3.2 Subject to the limitations herein contained, any owner shall have the non-exclusive right to use and enjoy the general common elements and shall have the exclusive right to use and enjoy any limited common elements which may be designated on the condominium map for that owner's condominium unit.

3.3 The undivided interest in the general common elements is subject to the right of the Declarant to enlarge and supplement the project.

4. INSEPARABILITY OF A CONDOMINIUM UNIT.

4.1 Each unit and the undivided interest in the common elements, the easements appurtenant thereto and the exclusive use of the limited common elements designated for such unit shall together comprise one condominium unit which shall be inseparable and may be conveyed, leased, devised or encumbered only as a unit.

5. CONDOMINIUM MAP.

5.1 The Condominium Map shall be filed for record prior to the first conveyance of a condominium unit shown thereon. Such map shall consist of and set forth the following:

5.1.1 The legal description of the real property and a survey thereof.

5.1.2 The linear measurements and locations, with reference to the exterior boundaries of the land, of the buildings and all other improvements built on said real property.

5.1.3 The floor and elevation plans of the buildings.

5.1.4 The appropriate designation and identification of all general common elements and limited common elements.

5.2 Declarant reserves the right to amend the condominium map, and any supplement thereto, from time to time, to conform the same according to the actual location of any of the improvements and to establish, relocate and vacate easements, access roads and parking areas. Declarant's right under this paragraph shall terminate upon the conveyance of all of the condominium units set forth on the condominium map to which reference is made, or within one year of the date of filing said condominium map.

5.3 As a part of the condominium map, there shall be filed for record a certificate of a registered land surveyor of the State of Colorado, certifying that the improvements as constructed conform substantially to the map, and that the map fully and accurately depicts the layout, measurements and location of all of the improvements on the real

property; the condominium unit designations, the dimensions of such units and the elevations of the unfinished floors and ceilings.

5.4 In interpreting the condominium map or any part thereof, the existing physical boundaries of the units shall be conclusively presumed to be its boundaries.

5.5 Supplemental condominium maps shall be filed prior to the conveyance of any condominium units shown thereon and any supplemental map shall contain the same requirements as set forth for the original condominium map.

6. DESCRIPTION OF CONDOMINIUM UNIT.

6.1 Every instrument affecting the title to a condominium unit may describe that condominium unit as follows:

Condominium Unit , Building to the Fairway Condominiums according to the Condominium Map bearing reception number 352653 of the records of Gunnison County, Colorado and the Condominium Declaration pertaining thereto recorded in Book 554 at page 464 of the records of Gunnison County Colorado.

6.2 Such method of description shall be sufficient for all purposes to sell, convey, transfer, and encumber or otherwise affect the condominium unit and the undivided interest in the common elements appurtenant to the condominium unit and all other appurtenant properties and property rights and incorporates all of the rights, duties, limitations and burdens incident to ownership of a condominium unit as described in this Declaration.

6.3 The reference to the Condominium Map and the Condominium Declaration in any instrument shall be deemed to include any supplements or amendments to the Condominium Map or the Condominium Declaration, whether or not specific reference is made thereto.

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

8. TERM OF OWNERSHIP. The separate estate of an owner of a condominium unit created by this Declaration shall continue until revoked in the manner contained in this Declaration or by operation of law.

9. NON-PARTITIONABILITY AND TRANSFER OF COMMON ELEMENTS. The common elements shall be owned in common by all of the owners of the units and shall remain undivided. By the acceptance of his deed or other instrument of conveyance or assignment, each owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the common elements. Each owner specifically agrees not to institute any action therefore. Furthermore, each owner agrees that this Section 9 may be pleaded as a bar to the maintenance of such an action. A

violation of this provision shall entitle the Association to personally collect, jointly and severally, from the parties violating the same, the actual attorney fees, costs and other damages the Association incurs in connection therewith. Further, all owners, and the Association, covenant that, except as provided in Section 30, they shall neither by act nor omission, seek to abandon, subdivide, encumber, sell or transfer the common elements without first obtaining the written consent of 80% of the first mortgagees of the individual condominium units. Each such mortgagee shall have one vote for each mortgage owned by it. Any such action without the written consent of said mortgagees shall be null and void.

10. USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. Each owner shall be entitled to exclusive ownership and possession of his condominium 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.

11. USE AND OCCUPANCY. The condominium units in the project shall be used and occupied solely for residential purposes by the owner, his family, guests, invitees and tenants. Such use and occupancy shall be subject to the provisions contained herein. This restriction as to residential use only, shall not apply to the Declarant, its agents, employees, invitees and assigns during the period of construction and sale of the condominium units. Specifically, and in addition thereto, the association may use any condominium unit which it owns or leases as a business office and/or a residence for any resident manager, or employee of the association.

12. EASEMENTS FOR ENCROACHMENTS. In the event that any portion of the common elements encroaches upon any unit or units, or in the event that any portion of a unit encroaches upon any other unit or units or upon any portion of the common elements, or in the event any encroachment shall occur in the future as a result of: (1) settling of a building; or (2) alteration or repair to the common elements; or (3) repair or restoration of a building(s) and/or a unit(s) after damage by fire or other casualty, or condemnation or eminent domain proceedings; a valid easement shall exist for the encroachment and for the maintenance of the same so long as the building(s) stands or encroachment exists. In the event that any one or more of the units or buildings or other improvements comprising part of the common elements are partially or totally destroyed and are subsequently rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements or on the units for purposes of marketability of title or other purposes. In the interpreting any and all provisions of the Declaration, subsequent deeds to and/or mortgages relating to condominium units, the actual location of a unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally, vertically or laterally from the location of such unit indicated on the condominium map.

13. RESERVATION FOR ACCESS-MAINTENANCE, REPAIR AND EMERGENCIES.

13.1 The owner of a unit shall have the irrevocable right, to be exercised by the Association, its officers, agents and employees, to have access to each unit and all common elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom, or at any hour for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the common elements or to another unit.

13.2 Damage to the interior or any part of a unit, except for owner installed or constructed improvements, resulting from the maintenance, repair, emergency repair or replacement of any of the common elements or as a result of emergency repairs within another unit at the direction of the Association, shall be a common expense of all of the owners; provided, however, that if such damage is caused by the negligence of the owner of the unit, his agents, employees, invitees or tenants then such owner shall be responsible and liable for all of such damage and the cost thereof shall be the owner's obligation and shall be immediately paid upon demand therefor.

13.3 All damaged improvements shall be restored substantially, to the extent reasonably practical, to the same condition in which they existed prior to such damage.

13.4 All maintenance, repairs and replacement of the common elements, whether located inside or outside of any unit (unless caused by the negligence, misuse or deliberate act of an owner, in which case such expense shall be charged to such owner), shall be the common expense of all of the owners.

14. SEPARATE ASSESSMENTS AND TAXATION - NOTICE TO ASSESSOR. The Declarant shall give written notice to the Assessor of the County of Gunnison, Colorado, of the creation of condominium ownership of this project, as provided by the Condominium Ownership Act of the State of Colorado, so that each condominium unit, together with its undivided interest in the common elements and limited common elements appurtenant thereto, shall be deemed a separate parcel and subject to separate assessment and taxation.

15. ASSESSMENTS AND TAXATION. Each condominium unit shall be separately assessed for all taxes and assessments of the State of Colorado, the County of Gunnison or any other political subdivision or district having authority to tax. For the purpose of such assessment, the valuation of the common elements shall be apportioned among the condominium units in proportion to the undivided interest in the common elements appurtenant to such condominium units.

16. ASSOCIATION AS ATTORNEY-IN-FACT. This Declaration does hereby make mandatory and does constitute the irrevocable appointment of the Association as attorney-in-fact for the owner of every condominium unit for all purposes with respect to the project upon its damage, destruction or obsolescence.

17. AUTHORITY OF FAIRWAY CONDOMINIUMS ASSOCIATION.

17.1 The title to any condominium unit is hereby declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or any prior owner shall constitute the appointment of the Association as the owner's attorney-in-fact for the purposes expressly set forth in this Declaration.

17.2 The Association, as attorney-in-fact, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other document with respect to the interest of the owner of a condominium unit for the purposes expressly set forth in this Declaration.

17.3 Each owner shall comply strictly with the provisions of this Declaration, any supplement or amendment hereto, the Articles of Incorporation and Bylaws of the Association and all decisions, resolutions, rules and regulations of the Association adopted in accordance with this Declaration and the Articles of Incorporation and Bylaws of the Association. Failure to comply with any of the same shall be grounds for an action to recover any amounts due, for damages or injunctive relief or both, together with reasonable attorneys' fees and costs, incurred in connection therewith, brought by the Association on behalf of the owners, or, in a proper case, by any aggrieved owner.

17.4 The Association shall have the duty of maintaining and repairing all of the common elements within the project. The cost of all such maintenance shall be a common expense of all of the owners. The Association shall not be required to obtain the prior approval of the owners to cause such maintenance or repairs to be accomplished, regardless of the cost thereof.

17.5 In addition to all other rights, duties privileges and liabilities of the Association, as provided by this Declaration and its Articles of Incorporation and amendments, the Association shall provide to the owners the following duties and services, all of which shall be paid as a part of the common expense assessments:

17.5.1 Maintenance, repair and restoration of the common elements, except only as otherwise provided.

17.5.2 Administration and management of the project.

17.5.3 The heating, lighting and other utility services for all common areas.

17.5.4 The obtaining and maintaining of all required insurance as hereafter provided.

17.5.5 The enforcement of all of the provisions of this Declaration and the Association's rules and regulations and the

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collection of all obligations and assessments owed to the Association by the owners.

17.5.6 To act as attorney-in-fact for the owners in accordance with this Declaration.

17.5.7 To perform all other acts required by this Declaration, or the Articles of Incorporation and Bylaws of the Association, or any amendments thereto.

17.5.8 In addition to the foregoing, the Association shall have the right to hire one or more persons including a managing agent to perform such services. No contract or agreement for the employment of a managing agent or professional manager for the project shall be for a term in excess of three years and any such agreement shall provide that the same may be terminated with or without cause and without payment of any termination fee on 90 days written notice.

17.6 The Bylaws of the Association shall provide, without limitation, for the following:

17.6.1 The election from among the unit owners of a board of managers, the number of persons constituting such board, and that the terms of at least one-third of the members of the board shall expire annually; the powers and duties of the board; the compensation, if any, of the members of the board; the method of removal from office of members of the board; and whether or not the board may engage the services of a manager or managing agent, or both, and specifying which of the powers and duties granted to the board may be delegated by the board to either or both of them; however, the board when so delegating shall not be relieved of its responsibility under the declaration;

17.6.2 The method of calling meetings of the unit owners; the method of allocating votes to unit owners; what percentage of the unit owners, if other than a majority, constitutes a quorum; and what percentage is necessary to adopt decisions binding on all unit owners;

17.6.3 The election of a president from among the board of managers, who shall preside over the meetings of the board of managers and of the unit owners;

17.6.4 The election of a secretary, who shall keep the minutes of all meetings of the board of managers and of the unit owners and who, in general, shall perform all the duties incident to the office of secretary;

17.6.5 The election of a treasurer, who shall keep the financial records and books of account. The treasurer may also serve as the secretary.

17.6.6 The authorization to the board of managers to designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the common elements;

17.6.7 A statement that the unit owners and their mortgagees, if applicable, may inspect the records of receipts and expenditures of the board of managers pursuant to section 38-33-107 C.R.S. 1973 at convenient weekday business hours, and that, upon ten days' notice to the manager or board of managers and payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner;

17.6.8 A statement as to whether or not the Association is a not for profit corporation, an unincorporated association, or a corporation;

17.6.9 The method of adopting and of amending administrative rules and regulations governing the operation and use of the common elements;

17.6.10 The percentage of votes required to modify or amend the bylaws, but each one of the particulars set forth in this section shall always be embodied in the bylaws;

17.6.11 The maintenance, repair, replacement, and improvement of the general and limited common elements and payments therefor, including a statement of whether or not such work requires prior approval of the Association when it would involve a large expense or exceed a certain amount;

17.6.12 The method of estimating the amount of the budget; the manner of assessing and collecting from the unit owners their respective shares of such estimated expenses and of any other expenses lawfully agreed upon; and a statement concerning the division, if any, of the assessment charged between general and limited common elements and the amount or percent of such division;

17.6.13 A list of the services provided by the Association which are paid for out of the regular assessment;

17.6.14 A statement clearly and separately indicating what assessments, debts, or other obligations are assumed by the unit owner on his condominium unit;

17.6.15 A statement as to whether or not additional liens, other than mechanics' liens, assessment liens, or tax liens, may be obtained against the general or limited common elements then existing in which the unit owner has a percentage ownership;

17.6.16 Such restrictions on and requirements respecting the use and maintenance of the units and the use of the general and limited common elements as are designed to prevent unreasonable interference with the use of their respective units and said common elements by the several unit owners;

17.6.17 Such restrictions on and requirements concerning the sale or lease of a unit including rights of first refusal on sale and any other restraints on the free alienability of the unit;

17.6.18 A statement listing all major recreational facilities and to whom they are available and clearly indicating whether or not fees or charges, if any, in conjunction therewith, are in addition to the regular assessment;

17.6.19 A statement relating to new additions of general and limited common elements to be constructed, including but not limited to:

17.6.19.1 The effect on a unit owner in reference to his obligation for payment of the common expenses, including new recreational facilities, costs, and fees, if any;

17.6.19.2 The effect on a unit owner in reference to his ownership interest in the existing general and limited common elements and new general and limited common elements;

17.6.19.3 The effect on a unit owner in reference to his voting power in the Association.

18. ADMINISTRATION AND MANAGEMENT BY THE ASSOCIATION.

18.1 The administration and management of this project shall be governed by this Declaration and the Articles of Incorporation and the Bylaws of the Fairway Condominiums Association, hereafter referred to as the "Association".

18.2 The owner of a condominium unit, upon becoming such owner, shall be entitled and required to be a member of the Association and shall remain a member for the period of his ownership.

18.3 There shall be one membership in the Association for each condominium unit. Such membership shall be appurtenant to the condominium unit and shall be transferred automatically by a conveyance of the condominium unit to the new owner.

18.4 Each membership in the Association shall be entitled to cast a vote in accordance with the ownership interest of the general common elements appurtenant to that condominium unit as is provided in exhibit "B" to this Condominium Declaration.

18.5 No person other than an owner may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the condominium unit; provided however, that such membership may be assigned to the holder of a mortgage as further security for the loan secured by the lien of the mortgage holder upon the condominium unit.

18.6 The Association shall have the full power and authority to make all certifications required by

the Federal Home Loan Mortgage Corporation regarding the extent of, and limitation upon, the rights, powers, and privileges of the Association hereunder.

19. OWNERS' MAINTENANCE RESPONSIBILITY OF UNIT.

19.1 The owner of a condominium unit shall keep and maintain the interior of his unit, including, but without limitation, the interior walls, ceilings, floors, windows, glass and all permanent fixtures and appurtenances thereto in a good and proper state of repair and in a clean and attractive condition.

19.2 The owner shall not be deemed to own any utilities running through his unit which serve one or more other units except as tenants in common with the other owners. No utilities shall be altered, changed, relocated or disturbed without the prior written consent of the Association.

19.3 Such right to repair, alter and remodel shall carry the obligation to replace any finished materials removed with similar or other types or kinds of finishing materials.

19.4 All fixtures and equipment installed within the unit commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are referred to as "utilities") enter the unit shall be maintained and kept in repair by the owner thereof.

19.5 An owner shall neither perform nor permit any act or work that will impair the structural soundness or integrity of the building or impair any easement or utility.

20. REVOCATION OR AMENDMENT OF DECLARATION.

20.1 This Declaration shall not be revoked unless all of the owners and all of the holders of any recorded first mortgage covering or affecting any or all of the units consent to such revocation by an instrument(s) duly recorded in the records of Gunnison County, Colorado; except only as otherwise provided in paragraph 16 pertaining to the appointment of the Association as attorney-in-fact in the event of damage, destruction, obsolescence or condemnation of the project.

20.2 This Declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five (75%) or more of the general common elements, and the holders of any recorded first mortgages representing an aggregate of eighty (80%) of such first mortgages covering or affecting any or all units consent to such amendment by an instrument(s) duly recorded in the records of Gunnison County Colorado; provided, however, that 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 owners and all of the holders of first mortgages, as

above defined, as expressed in an amended Declaration duly recorded in Gunnison County, Colorado.

20.3 The consent(s) of any junior mortgage holders shall not be required under the provisions of this paragraph.

20.4 In determining the appropriate percentage approval of the holders of first mortgages, each first mortgage shall have one vote for each first mortgage owned by it.

20.5 Notwithstanding the foregoing paragraphs, the Declarant hereby reserves and is hereby granted the right and power, until such time as all of the condominium units within the project have been conveyed to third person purchasers, to record a special amendment to this Declaration:

20.5.1 To comply with any requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any successor thereto.

20.5.2 To induce any such agency or entity to make, purchase, sell, insure or guarantee first mortgages pertaining to any condominium unit in the project.

Such amendment shall only be effective upon compliance with the requirements of Section 20.2 hereof, and no such amendment made by the Declarant shall in any manner affect or impair the lien of a first mortgage upon a unit within the project or any warranty made by an owner or a holder of a first mortgage in order to induce any of the above named agencies or entities to make, purchase, insure, or guarantee the first mortgage on any owner's unit.

20.6 The provisions of paragraph 20.2 shall not be deemed to prohibit the right of the Declarant to supplement and enlarge the project and modify the undivided interest in the general common elements.

21. ASSESSMENT FOR COMMON EXPENSES BY THE ASSOCIATION.

21.1 The Declarant, for each condominium unit owned by it, and each owner of a condominium unit by the acceptance of a deed therefore shall be deemed to covenant and agree and shall be obligated to pay to the Association all assessments made by the Association for the purposes provided in this Declaration.

21.2 The assessments and expenses pertaining to the common elements and to the project as a whole shall be apportioned among all of the owners of condominium units, in accordance with their undivided interest in the general common elements as set forth on attached Exhibit "B". The limited common elements shall be maintained as general common elements and the owners having use thereof shall not be subject to any separate charge or assessment therefor.

21.3 During the period of development of the project and until the sale of a condominium unit by the Declarant to a third person, the monthly assessments to be paid by the Declarant on such condominium units shall be based upon the

actual cost and expense required to maintain that condominium unit's required share of the common expenses and shall not include any amounts necessary for contingencies, reserves or other funds not required for the cost of operating and maintaining the common elements on a day by day basis.

22. AMOUNT OF ASSESSMENTS FOR COMMON EXPENSES.

22.1 The annual assessments made for common expenses shall be based upon the advance estimate of the cash requirements by the Association to provide for the payment of all common expenses growing out of or connected with the maintenance and operation of the common elements, which sums may include, among other things, expenses of management, taxes and special assessments until the condominium units are separately assessed, premiums for all insurance which the Association is required or permitted to maintain, landscaping and care of grounds, common lighting and heating, repairs and renovations, trash collection, water and sewer charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the Articles of Incorporation and the Bylaws of the Association, any deficit remaining from a previous assessment, the creation of a reasonable contingency or other reserve or surplus fund and any other expenses and liabilities which may be incurred by the Association for the benefit of the owners.

22.2 The omission or failure of the Association to fix such assessment for any period shall not be deemed a waiver, modification or release of the owners from their obligation to pay the same.

22.3 In the event that the Association fails to pay any service charges imposed by a district providing services to it, each owner shall be personally responsible and liable for the required payments to such district, and the fact that the owner has already paid the Association therefor shall not exempt the owner from liability.

22.4 Each owner shall be obligated to pay all charges for any separately metered utilities servicing his condominium unit. In the event that any utility is master metered to the Association, then such utility service shall be a part of the common assessments as above provided.

22.5 The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of the common elements. The amount of such fund shall be determined by the Association and shall be funded through monthly payments of the common assessments and shall be held by the Association in a separate account, which may be an interest-bearing account.

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22.6 In addition to assessments for common expenses as above set forth, the Association may at any time and from time to time determine, levy and assesses any special assessment for the purpose of paying, in whole or in part, the costs fees or expenses of any construction, reconstruction, repair, replacement or maintenance of the common elements or the project or any facilities located thereon. Such special assessment shall be assessed to each owner in accordance

with his ownership interest in the common elements as set forth in attached exhibit "B" and shall be due and payable in the manner set forth in the notice of such special assessment.

23. TIME OF PAYMENTS OF ASSESSMENTS FOR COMMON EXPENSES.

Assess?

23.1 The assessments of the Association shall be computed and determined on a fiscal year basis.

23.2 Assessments shall be payable monthly in advance on or before the tenth day of each month by the owners of the units.

23.3 The Association shall give written notice to the owners of the units of the annual assessment and shall further prepare and deliver to each owner itemized monthly statements.

23.4 If any such monthly statement is not paid within ten days after the date that it becomes due and payable, the Association may assess a "late charge" thereon in an amount not exceeding \$10.00 per month to cover the extra costs and expense involved in handling such delinquent statement. In addition, the Association may provide that any assessment shall bear interest at a rate two points over the prime commercial rate charged to proffered customers by the United Bank of Denver on the 10th day after the date the delinquent statement becomes due and payable. In the event the United Bank of Denver does not quote such a prime commercial rate of interest on said date, the rate of interest shall be the maximum rate of interest permitted by law on said date.

24. LIEN FOR NON-PAYMENT OF COMMON EXPENSES.

*60 days - lien on debt
70 days - lien on debt
120 days - lien on debt*

24.1 All sums assessed to any condominium unit and not paid within 30 days from the date of assessment, together with interest thereon as herein provided, shall constitute a lien on such condominium unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such condominium unit except only:

24.1.1 Tax and assessment liens on the condominium unit by any governmental authority.

24.1.2 All sums unpaid on a first mortgage of record, including all unpaid obligatory advances made pursuant to such mortgage.

24.2 To evidence such lien, the Association, by the board of directors, officers or manager may prepare a written notice of lien setting forth the amount of the assessment, the amount remaining unpaid, the name of the owner of the condominium unit and a description thereof. Such notice shall be signed by the Association and may be recorded in the records of Gunnison County, Colorado. Such lien shall attach from the date of the failure of payment of the assessment and shall continue as a lien until all sums with interest and other charges thereon, including the Association's attorney's fees and costs in the drafting and recording of said notice of lien and release thereof, have been fully paid, and such lien shall not be extinguished nor annulled by the foreclosure of any other lien.

24.3 Such lien may be enforced by foreclosure by the Association in the same manner as a foreclosure of a mortgage. In such foreclosure, the owner shall be required to pay the costs and expenses for such proceedings, the cost and expenses for filing the notice of claim of lien and all reasonable attorneys' fees. The owner shall also be required to pay to the Association the monthly assessments for the 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 unit at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

24.4 Any mortgagee holding a lien on a condominium unit may pay, but shall not be required to pay, the amount secured by such lien, and upon such payment said mortgagee shall have a lien on such unit for the amounts paid of the same rank as the lien of its mortgagee.

24.5 The Association shall report to any mortgagee of a condominium unit any unpaid assessments remaining unpaid for more than 30 days after the date of assessment, provided that such mortgagee shall have made written request therefor.

25. OWNERS' 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 or owners thereof at the time the assessment is made. Suit to recover a money judgment for such unpaid debt shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No owner may exempt himself from the liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or abandonment of his unit.

26. STATEMENT OF ACCOUNT.

26.1 Upon payment of a reasonable fee, and upon the written request upon any owner, prospective owner, or holder of a mortgage 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 the subject unit, the amount of the current monthly assessment and the date that such assessments become due, including but not limited to insurance premiums, 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 shall be complied with within twenty days of such request, then such requesting party shall not be liable for, nor shall the unit if conveyed, be subject to any lien for any unpaid assessments against the subject unit. The provisions contained in this paragraph shall not apply upon the initial transfer of the unit by the Declarant.

26.2 The grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore, subject only to the limitations set forth in paragraph 26.1. The term "Grantee" as used in this section shall

not apply to the holder of any first mortgage upon a condominium unit, or to any person or entity acquiring title to a condominium unit by either sheriff's or public trustee's deed through foreclosure, or who acquires title by a deed given in lieu of foreclosure of a mortgage, deed of trust, or other security instrument encumbering such condominium unit.

27. TERMINATION OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION.

27.1 Subsequent to the completion of the improvements described on the Condominium Map, no labor performed or materials furnished and incorporated into 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 condominium unit of another owner not expressly consenting to or requesting the same, or against the common elements, except as to the undivided interest to the unit of the owner for whom such labor shall have been furnished.

27.2 The provisions herein contained are subject to the rights of the Association, as set forth herein.

27.3 Each owner shall indemnify and hold harmless each of the other owners from and against liability or loss arising from the claim of any lien against the condominium unit or any part thereof, of any other owner for labor performed, or for materials furnished in work on such owner's unit.

28. MORTGAGING A UNIT - PRIORITY. Any owner shall have the right from time to time to mortgage or encumber his interest in a condominium unit by mortgage. A first mortgage shall be one which has first and paramount priority under applicable law and a mortgage imposed against the condominium unit by virtue of the first sale of such unit by the Declarant shall be construed and presumed to be a first mortgage. The owner of a condominium unit may create junior mortgages on the following conditions:

28.1 That any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, liens for common expenses and other obligations created by this Declaration, the Articles of Incorporation and Bylaws of the Association.

28.2 That the holder of any junior mortgage shall release, for the purpose of restoration of any improvements upon the project, all of his right, title and interest in and to the proceeds under insurance policies upon said project wherein the Association is named insured. Such release shall be furnished upon written request by the Association.

29. INSURANCE:

29.1 The board of managers of the Association shall obtain and maintain at all times, to the extent obtainable, policies involving standard premium rates, established by the Colorado Insurance Commissioner, and written with companies licensed to do business in

Colorado and having a Best's Insurance Report rating of Class VI or better, covering the risks set forth below. The board of managers of the Association shall not obtain any policy where: (1) under the terms of the insurance company's charter, bylaws or policy, contributions or assessments may be made against the Mortgagor or Mortgagee's designee; or (2) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the company's board of directors, policyholders or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds. The types of coverages to be obtained and risks to be covered are as follows, to-wit:

29.1.1 Fire insurance with extended coverage and standard risk endorsements, which endorsements shall include endorsements for vandalism and malicious mischief. Said casualty insurance shall insure the entire condominium project and any property, the nature of which is a common element (including all of the units and fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by Unit owners) together with all service equipment contained therein in an amount equal to the maximum replacement value, without deduction for depreciation of such coverage is available. All policies shall contain a standard non-contributory mortgage clause in favor of each mortgagee of a Condominium unit, which shall provide that the loss, if any, thereunder, shall be payable to the Fairway Condominium Association for the use and benefit of mortgagees as their interests may appear.

29.1.2 If the condominium project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project in an amount which is the lesser of the maximum amount of insurance available under the act or the aggregate of the unpaid principal balances of the mortgages on the condominium units comprising the condominium project.

29.1.3 Public liability and property damage insurance in such limits as the board of managers of the Association may from time to time determine, but not in an amount less than \$500,000.00 per injury, per person, per occurrence and umbrella liability limits of \$1,000,000.00 per occurrence, covering claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest" endorsement.

29.1.4 Worker's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

29.1.5 The Association shall purchase adequate fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

29.1.6 The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the project, including plate or other glass insurance and any personal property of the Association located thereon.

29.2 All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days prior written notice to all of the insureds, including mortgagees. If requested in writing by one or more of the mortgagees, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all mortgagees at least ten (10) days prior to expiration of the then current policies. The insurance shall be carried in blanket form naming the Fairway Condominium Association as 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 and unit number designation) and first mortgagee. Further, the Association shall require the insurance company or companies providing the insurance coverages described herein to provide each owner and mortgagee a certificate of insurance in regard to such owner's individual condominium unit.

29.3 Condominium unit owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the board of managers shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

29.4 Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of personalty or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the board of managers, the Association and/or the managing agent shall have no responsibility therefor.

29.5 In the event that there shall be any damage or destruction to, or loss of or taking of a unit which exceeds \$1,000.00 or any damage or destruction to, or loss to or taking of the common elements which exceeds \$10,000.00, then notice of such damage or loss or taking shall be given by the Association to each first mortgagee of said condominium unit within ten (10) days after the occurrence of such event and the cost of repair is determined.

30. DESTRUCTION, DAMAGE OR OBSOLESCENCE - ASSOCIATION AS ATTORNEY-IN-FACT. This declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the project in the event of its destruction, damage, obsolescence or condemnation, including the repair, replacement and improvement of any condominium units, buildings, common elements or other portion of the project which has been so destroyed, damaged, condemned or becomes obsolete. 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 the Fairway Condominium Association as their true and lawful attorney in their name, place and stead, for the purpose of dealing with the project upon its damage, destruction, obsolescence or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary or assistant secretary or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. In the event that the Association is dissolved or becomes defunct, a meeting of the condominium unit owners shall be held within thirty (30) days after either such event. At such meeting a new attorney-in-fact, to deal with the project upon its destruction, damage, obsolescence, or condemnation shall be appointed. Said appointment must be approved by the owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the common elements and at least seventy-five percent (75%) of the first mortgagees of the condominium units. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which they 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, and all improvements being reconstructed or repaired in substantial conformance with the project's original architectural plan and scheme to the extent then reasonably and economically feasible. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, reconstruction or replacement unless all of the owners and all first mortgagees agree not to rebuild in accordance with the provisions hereinafter set forth.

30.1 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 improvement(s). Assessments for common expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

30.2 If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than seventy-five percent (75%) of the total replacement cost of all of the condominium

the assessment for common expenses by the Association as set forth in paragraph 21.2 hereof, shall be determined in accordance with the undivided fractional interests in all common elements of the entire project as set forth in said supplemental condominium declaration. The revision of the undivided fractional interest in the common elements appurtenant to each unit, when revised by the filing of such supplemental condominium declaration, shall not be deemed an amendment or revocation of this Declaration or any previously executed and recorded supplemental declaration within the meaning of paragraph 21 hereof. Such recording shall also operate to vest in any then mortgagee of any condominium unit in the Project as it existed before such enlargement a security interest in the undivided interests so acquired by the owner of the condominium unit encumbering the new common elements added to the Project as a result of such enlargement.

39.5 Any such new condominium units shall be subject to all the terms and conditions of this Declaration and of such supplemental declaration or declarations, and the condominium units shall be subject to new condominium ownership with all the incidents pertaining thereto as specified herein, upon placing the supplemental condominium map or maps and supplemental condominium declaration or declarations of record in the office of the Clerk and Recorder of Gunnison County, Colorado.

39.6 The appurtenant undivided interests of all owners in the common elements, whether under the original buildings included in the Project, or as expanded, shall be expressed as a fraction, the numerator of which shall be the number 1, and the denominator of which shall be the total number to condominium units within the then existing Project, as set forth in this Declaration and any supplemental declaration or declarations so recorded.

40. GENERAL.

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

40.2 The provisions of this Declaration shall be in addition and supplemental to the condominium Ownership Act of the State of Colorado, and to all other provisions of law.

40.3 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.

40.4 Any and all sums, amounts, expenses, assessments or any funds due and payable as provided in this Declaration which are not paid within thirty (30) days of the date that the same are due and payable shall bear interest at the rate of one percent (1%) per month from the date that the same were first due and payable to the

Declarant specifically reserves unto itself, its successors and assigns the following rights:

38.1 To elect and appoint the board of managers of the Association and to appoint the managing agent until ninety percent (90%) of the condominium units have been sold and conveyed by the Declarant or for a period of three (3) years after the first sale and conveyance of a condominium unit, whichever occurs first in time.

39. RESERVATION TO ENLARGE AND SUPPLEMENT CONDOMINIUM PROJECT:

39.1 Notwithstanding any other provisions expressed or implied in this declaration or the Articles of Incorporation and the Bylaws of the Association, the Declarant specifically reserves unto itself, its successors and assigns, the right to expand the condominium units set forth in paragraph 3 of this Declaration. Such condominium units shall be located on the real property set forth in exhibit "C" attached hereto and incorporated herein be reference. The total number of units in the Project, as enlarged, shall not exceed Fifty-four (54) units.

39.2 Such enlargement may be accomplished by filing for record in the office of the Clerk and Recorder of Gunnison County, Colorado, not more than seven years from the date of this Declaration, a supplement or supplements to this Declaration containing a legal description of the site or sites for the new condominium units together with a supplemental condominium map containing the same information with respect to the new condominium units as was required on the original condominium map with respect to the original condominium units or by such other method as may be required under the laws of the State of Colorado. The enlargement may be accomplished in stages by successive amendments.

39.3 In the event of such enlargement, the definitions used in this Declaration automatically shall be enlarged to encompass and refer to the Project as so enlarged. Thus, for example, Real Property shall mean the real property described in Exhibit "A" attached hereto plus any additional real property added by a supplemental declaration or declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of condominium units after such enlargement shall be effective to transfer rights in the Project as enlarged, by use of the form of description set forth in Paragraph 6 hereof, with additional references to the supplemental declaration and the supplemental condominium map.

39.4 The recording in the office of the Clerk and Recorder of Gunnison County, Colorado of a supplemental condominium map and supplemental condominium declaration incident to any enlargement shall operate automatically to grant, transfer and convey to all owners of condominium units in the entire Project, both as originally included under this Declaration and as enlarged, those undivided fractional interests in all common elements of the entire Project as shall be set forth in said supplemental condominium declaration. Upon such enlargement of the project, both the voting rights in the Association as set forth in paragraph 18.4 hereof, and

transfer of a condominium unit. A conveyance of a condominium unit shall transfer to the grantee ownership of the grantor's beneficial interest in all such property acquired and held by the Association.

35. REGISTRATION BY OWNER OF MAILING ADDRESS:

35.1 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 an 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 by certified mail, postage prepaid, to the address of the Association as designated in the Articles of Incorporation and Bylaws of the Association.

35.2 All notices or demands intended to be served shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address.

36. RULES AND REGULATIONS: The Association may make reasonable rules and regulations governing the use of units and of the common elements, which rules and regulations shall be consistent with the rights and duties established in this Declaration. Such rules and regulations shall be binding upon all owners and the Association may take such action, including judicial action as may be necessary to enforce compliance with such rules and regulations and to obtain damages and reasonable attorney's fees for noncompliance to the extent permitted by law.

37. ADDITIONAL RIGHTS OF HOLDERS OF FIRST MORTGAGE: In addition to any other rights provided in this condominium declaration, any first mortgage holder who shall make a request in writing to the Association, shall have the following additional rights:

37.1 To be furnished a copy of the annual financial statement and audit of the Association, such statement to be furnished at the time the same is furnished to the owners.

37.2 To be given written notice by the Association of any meeting of the Association called for the purpose of considering any amendment, revocation or change to the Condominium Declarations or Articles of Incorporation of the Association. Such notice shall state the nature of any such change being proposed.

37.3 To be given written notice of any default by an owner of a unit encumbered by the first mortgagee in the performance of any duty or obligation required hereunder, if the same is not cured within thirty (30) days.

37.4 Upon reasonable notice to examine the books and records of the Association during normal business hours.

38. RESERVATIONS BY DECLARANT. Notwithstanding any other provisions expressed or implied in this Declaration or the Articles of Incorporation and Bylaws of the Association, the

32.5 The decision of a majority of the Board of Arbitrators shall be the decision of the Board of Arbitrators as to the fair and reasonable market value of the condominium unit.

32.6 The Board of arbitrators shall render its decision in writing within 30 days from the date the Board of Arbitrators is constituted.

32.7 The owner and the Association agree that they shall be bound and will abide by said decision and that said decision and award may be filed with the Clerk of the District Court of Gunnison County, Colorado, as the basis of a judgment.

32.8 In the event there are not sufficient licensed real estate brokers in Gunnison County, Colorado, to provide the necessary appraisers and nominees herein set forth, then licensed real estate salesmen of the State of Colorado, residing in Gunnison County, Colorado, may be used.

32.9 The sale shall be consummated within fifteen days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds as provided in paragraph 30.2.1 through 30.2.5.

33. SALE UPON OBSOLESCENCE:

33.1 The owners representing an aggregate ownership interest of 75% or more of the general common elements may agree that the units are obsolete and that the same should be sold. Such plan must have the approval of 80% of the holders of first mortgages.

33.2 In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the entire project shall be sold by the Association, as attorney-in-fact for all of the owners free and clear of the provisions contained in this Declaration, the Map and the Articles of Incorporation and Bylaws of the Association.

33.3 The sale proceeds shall be apportioned between the owners on the basis of each owner's undivided interest in the general common elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one 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 of such accounts, without contribution from one account to the other, for the same purposes and in the same order as provided in paragraph 30.2.1 through 30.2.5.

34. PROPERTY FOR COMMON USE:

34.1 The Association may acquire and hold for the use and benefit of all of the owners, real and personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned by the owners in the same proportion as their respective interests in the general common elements and shall not be transferable except with a

32. ADOPTION OF OBSOLESCENCE PLAN.

32.1 The owners representing an aggregate ownership interest of 75% or more of the general common elements may agree that the condominium units are obsolete and adopt a plan for the renewal and reconstruction of the project, which plan shall have the approval of 80% of the holders of first mortgages.

32.2 If a plan for the renewal or reconstruction is adopted, then the expense thereof 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 that such condominium unit shall be purchased by the Association for the fair and reasonable market value thereof. The Association shall then have fifteen days within which to cancel such plan. If such plan is not cancelled, then the condominium unit 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 sixty days thereafter.

32.3 If the owner or the Association is unable to agree as to the determination of the fair and reasonable market value of the condominium unit the same shall be submitted to arbitration in accordance with Rule 109 Colorado Rules of Civil Procedure as now in effect or as may hereafter be amended.

32.4 The Board of Arbitration shall be appointed in the following manner:

32.4.1 Within ten days after the failure to agree on the fair and reasonable value, the owner shall nominate and appoint in writing, with written notice to the Association, his arbitrator who shall be a licensed real estate broker residing in Gunnison County, Colorado.

32.4.2 Within ten days after the failure to agree on the fair and reasonable value, the Association shall nominate and appoint in writing, with written notice to the owner, his arbitrator who shall be a licensed real estate broker residing in Gunnison County, Colorado.

32.4.3 Within ten days after the appointment, the arbitrator for the owner and the arbitrator for the Association shall jointly nominate and appoint a third arbitrator who shall be a licensed real estate broker residing in Gunnison County, Colorado.

32.4.4 If the owner fails to nominate and appoint his arbitrator within the time limit above provided or if the Association shall fail to nominate and appoint its arbitrator within the time herein provided or if the arbitrators appointed fail to nominate and appoint a third arbitrator, in that event the arbitrator or arbitrators not so nominated and appointed shall be nominated and appointed by a judge of the District Court of Gunnison County, Colorado, upon the application of the party or parties that have properly nominated and appointed their arbitrator.

30.5 The owners representing an aggregate ownership interest of eighty percent (80%) or more, of the common elements may agree that the condominium units are obsolete and that the same should be sold. Such plan or agreement must have the approval of all of the first mortgagees of the condominium units. 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 project shall be sold by the Association, as attorney-in-fact, for all of the owners, free and clear of the provisions contained in this Declaration, map, the Articles of Incorporation and the Bylaws. The sale proceeds shall be apportioned among the owners on the basis of each owner's interest in the common elements, and such apportioned proceeds shall be paid into separate accounts, each 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 designated and the name of the owners. 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 subsection (b) (1) through (5) of this section.

31. PLAN OF RECONSTRUCTION:

31.1 If the owners representing an aggregate ownership interest of 75% or more of the general common elements adopt a plan for reconstruction, which plan has the approval of the holders of 80% of the first mortgages, then all the owners shall be bound by the terms and other provisions of such plan.

31.2 Assessments made in connection with such plan shall be a common expense and made pro rata according to each owner's undivided 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 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 improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment.

31.3 The assessment provided for herein shall be a debt of each owner and a lien on his unit and may be enforced and collected as provided in paragraphs 24 and 25.

31.4 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 proceeds derived from the sale of such 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 30.2.1 through 30.2.5.

seventy-five percent (75%) or more of the common elements and at least seventy-five percent (75%) of the first mortgagees of record may agree not to repair or reconstruct the improvements; and in such event, 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 project shall be sold by the Association pursuant to the provisions of this section, as attorney-in-fact, for all of the owners, free and clear of the provisions contained in this declaration, the map, Articles of Incorporation and Bylaws. Assessments for common expenses shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each owner's interest in the 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 such 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 lien of any first mortgagee encumbering the condominium unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property. Such interest in the common elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subsection (b) (1) through (5) of this section. In the event that the damage is to be repaired or reconstruction is to be made then the provisions of Section 27(b) shall apply.

30.4 The owners representing an aggregate ownership interest of eighty percent (80%) or more, of the common elements in this project may agree that the common elements are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of at least eighty percent (80%) of the 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 plans shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the owners as a common expense, whether or not they have previously consented to the plan of renewal and reconstruction. 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 ten percent (10%) per annum, 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 subsection (b) (1) through (5) of this section.

units in this project, not including land, such damage or destruction shall be promptly repaired and reconstruction by the Association as attorney-in-fact, using the proceed of the insurance and the proceeds of a special assessment to be made against all of the owners and their condominium units. Such special assessment shall be a common expense and made pro rata according to each owner's percentage of responsibility 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, replacement 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 Section 24. 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 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 section. Assessments for the common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notice, interest at a rate of ten percent (10%) 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, in the following order:

30.2.1 For payment of the balance of the lien of any first mortgage;

30.2.2 For payment of taxes and special assessments liens in favor of any assessing entity and the customary expenses of sale;

30.2.3 For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;

30.2.4 For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

30.2.5 The balance remaining, if any, shall be paid to the condominium unit owner.

30.3 If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is more than seventy-five percent (75%) of the total replacement cost of all of the condominium units in this project, 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 a special assessment to be made against all of the owners and their condominium units, provided, however, that owners representing an aggregate ownership interest of

EXHIBIT "A" CONTINUED

together with a non-exclusive easement and right-of-way for access and utilities from Fairway Condominiums, Buildings C, E, and F, to Shavano Drive, described as follows:

BEGINNING at the N 1/4 Corner of said Section 10 from whence the Northwest Corner of said Section 10 bears S89°58'34"W a distance of 2630.74 feet;
 HENCE S44°39'11"W a distance of 462.84 feet to a point on the southerly R.O.W. line of Colorado State Highway 50, the TRUE POINT OF BEGINNING;
 HENCE S27°11'00"E a distance of 9.47 feet;
 HENCE S21°16'38"E a distance of 132.95 feet;
 HENCE S6°42'48"E a distance of 7.95 feet to a point on the northerly boundary of the tract for Building B;
 HENCE S20°47'14"E a distance of 174.33 feet;
 HENCE N69°12'46"E a distance of 21.30 feet;
 HENCE S20°47'14"E a distance of 16.15 feet;
 HENCE on a curve to the left a distance of 7.85 feet, said curve having a radius of 50.00 feet and a chord which bears S65°47'14"E a distance of 7.07 feet;
 HENCE N69°12'46"E a distance of 54.79 feet to a point on the east boundary of the tract for Building B;
 HENCE S20°21'51"E along said east boundary a distance of 56.37 feet;
 HENCE S8°28'57"W a distance of 20.73 feet;
 HENCE N78°42'19"W a distance of 133.25 feet;
 HENCE N83°24'10"W a distance of 7.28 feet, more or less, to a point on the westerly boundary of Tract for Building A;
 HENCE N82°25'39"W a distance of 26.17 feet;
 HENCE S84°36'24"W a distance of 177.03 feet;
 HENCE S55°51'23"W a distance of 11.90 feet;
 HENCE S62°38'58"W a distance of 129.67 feet;
 HENCE N27°15'03"W a distance of 20.53 feet to a point on the southerly R.O.W. line of Shavano Drive;
 HENCE N62°44'57"E along said southerly R.O.W. line a distance of 169.68 feet;
 HENCE on a curve to the left along the southerly and easterly R.O.W. line for Shavano Drive a distance of 99.10 feet, said curve having a radius of 68.24 feet and a chord which bears N21°08'23"E a distance of 90.62 feet;
 HENCE on a curve to the left a distance of 23.83 feet, said curve having a radius of 50.00 feet and a chord which bears S64°58'42"E a distance of 21.40 feet;
 HENCE N69°38'09"E a distance of 61.72 feet;
 HENCE on a curve to the left a distance of 7.85 feet, said curve having a radius of 50.00 feet and a chord which bears N24°38'09"E a distance of 7.07 feet;
 HENCE N20°21'51"W a distance of 199.79 feet;
 HENCE N62°49'00"E along the southerly R.O.W. line for Colorado State Highway 50 a distance of 73.15 feet to the TRUE POINT OF BEGINNING, containing 1.07 acres, more or less.

Reserving unto the declarant the right to relocate said easement and right-of-way, provided only that such relocation shall not bring about any impairment of the means of access or provision of utilities to either Buildings A, B, C, E, or F, Fairway Condominiums.

EXHIBIT "A"

Two tracts of land located in the N1/2NW1/4 of Section 10, Township 49 N, Range 1 W, N.M.P.M., more particularly described as follows:

TRACT for BUILDING C

BEGINNING at the N1/4 Corner of said Section 10 from whence the Northwest Corner of said Section 10 bears S89°58'34"W a distance of 2630.74 feet;
 THENCE S23°51'15"W a distance of 481.27 feet to the Southeast Corner of the Tract for Building C, which is a point on the west line of a tract of land described in Book 371 at page 170 on file in the Gunnison County Clerk and Recorder's office, being the TRUE POINT OF BEGINNING;
 THENCE S69°12'44"W a distance of 127.67 feet along the north line of Tract for Building E to the Northwest Corner of said tract;
 THENCE N22°29'57"W a distance of 144.61 feet along the west line of Tract for Building C to a point on the south right-of-way of State Highway 50;
 THENCE N62°49'00"E 134.00 feet along said south right-of-way to a point on said west line of said tract of land described in Book 371 at page 170;
 THENCE S20°21'51"E 159.48 feet along said west line to the TRUE POINT OF BEGINNING, containing 0.46 acres more or less.

TRACT for BUILDINGS E AND F

BEGINNING at the N1/4 Corner of said Section 10, from whence the Northwest Corner of said Section 10 bears S89°58'34"W a distance of 2630.74 feet;
 THENCE S39°39'15"W a distance of 974.45 feet to the Northwest Corner of Tract for Building E and F, which is the TRUE POINT OF BEGINNING;
 THENCE N62°44'57"E along the southerly right-of-way line of Shavano Drive a distance of 211.62 feet;
 THENCE on a curve to the left along the southeasterly right-of-way line of Shavano Drive a distance of 73.28 feet, said curve having a radius of 68.24 feet and a chord which bears N31°58'54"E a distance of 69.81 feet;
 THENCE S70°06'51"E a distance of 159.36 feet to the Northwest Corner of the Tract for Building A;
 THENCE S22°23'39"E along the westerly boundary of Tract for Building A a distance of 5.71 feet;
 THENCE S11°17'41"W along the said westerly boundary a distance of 107.72 feet;
 THENCE S85°45'58"W along the northerly boundary of the parcel of land described in Book 405 at Page 283 of the Gunnison County Records a distance of 151.09 feet;
 THENCE S56°12'16"W along the northerly boundary of said parcel a distance of 136.29 feet;
 THENCE N43°49'18"W along the easterly boundary of Dos Rios Condominiums Building C, a distance of 133.02 feet to the TRUE POINT OF BEGINNING, containing 1.04 acres more or less.

EXHIBIT "A" CONTINUED

together with a non-exclusive easement and right-of-way for access and utilities from Fairway Condominiums, Buildings C, E, and F, to Shavano Drive, described as follows:

BEGINNING at the N 1/4 Corner of said Section 10 from whence the Northwest Corner of said Section 10 bears S89°58'34"W a distance of 2630.74 feet;
 HENCE S44°39'11"W a distance of 462.84 feet to a point on the southerly R.O.W. line of Colorado State Highway 50, the TRUE POINT OF BEGINNING;
 HENCE S27°11'00"E a distance of 9.47 feet;
 HENCE S21°16'38"E a distance of 132.95 feet;
 HENCE S6°42'48"E a distance of 7.95 feet to a point on the northerly boundary of the Tract for Building B;
 HENCE S20°47'14"E a distance of 174.33 feet;
 HENCE N69°12'46"E a distance of 21.30 feet;
 HENCE S20°47'14"E a distance of 16.15 feet;
 HENCE on a curve to the left a distance of 7.85 feet, said curve having a radius of 100 feet and a chord which bears S65°47'14"E a distance of 7.07 feet;
 HENCE N69°12'46"E a distance of 54.79 feet to a point on the east boundary of the Tract for Building B;
 HENCE S20°21'51"E along said east boundary a distance of 56.37 feet;
 HENCE S8°28'57"W a distance of 20.73 feet;
 HENCE N78°42'19"W a distance of 133.25 feet;
 HENCE N83°24'10"W a distance of 7.28 feet, more or less, to a point on the westerly boundary of Tract for Building A;
 HENCE N82°25'39"W a distance of 26.17 feet;
 HENCE S84°36'24"W a distance of 177.03 feet;
 HENCE S55°51'23"W a distance of 11.90 feet;
 HENCE S62°38'58"W a distance of 129.67 feet;
 HENCE N27°15'03"W a distance of 20.53 feet to a point on the southerly R.O.W. line of Shavano Drive;
 HENCE N62°44'57"E along said southerly R.O.W. line a distance of 169.68 feet;
 HENCE on a curve to the left along the southerly and easterly R.O.W. line for Shavano Drive a distance of 99.10 feet, said curve having a radius of 68.24 feet and a chord which bears N21°08'23"E a distance of 90.62 feet;
 HENCE on a curve to the left a distance of 23.83 feet, said curve having a radius of 100 feet and a chord which bears S64°58'42"E a distance of 21.40 feet;
 HENCE N69°38'09"E a distance of 61.72 feet;
 HENCE on a curve to the left a distance of 7.85 feet, said curve having a radius of 100 feet and a chord which bears N24°38'09"E a distance of 7.07 feet;
 HENCE N20°21'51"W a distance of 199.79 feet;
 HENCE N62°49'00"E along the southerly R.O.W. line for Colorado State Highway 50 a distance of 73.15 feet to the TRUE POINT OF BEGINNING, containing 1.07 acres, more or less.

reserving unto the declarant the right to relocate said easement and right-of-way, provided that such relocation shall not bring about any impairment of the means of access or provision of utilities to either Buildings A, B, C, E, or F, Fairway Condominiums.

EXHIBIT "B"

<u>UNIT NUMBER</u>	<u>BUILDING</u>	<u>APPURTENANT FRACTIONAL INTEREST</u>
A-1	A	1/33
A-2	A	1/33
A-3	A	1/33
A-4	A	1/33
A-5	A	1/33
A-6	A	1/33
B-1	B	1/33
B-2	B	1/33
B-3	B	1/33
B-4	B	1/33
B-5	B	1/33
B-6	B	1/33
B-7	B	1/33
B-8	B	1/33
C-1	C	1/33
C-2	C	1/33
C-3	C	1/33
C-4	C	1/33
C-5	C	1/33
C-6	C	1/33
E-1	E	1/33
E-2	E	1/33
E-3	E	1/33
E-4	E	1/33
E-5	E	1/33
E-6	E	1/33
E-7	E	1/33
E-8	E	1/33
F-1	F	1/33
F-2	F	1/33
F-3	F	1/33
F-4	F	1/33
F-5	F	1/33

EXHIBIT "B"

<u>Unit Number</u>	<u>Undivided Interest</u>
Unit A-1, Building A	1/14
Unit A-2, Building A	1/14
Unit A-3, Building A	1/14
Unit A-4, Building A	1/14
Unit A-5, Building A	1/14
Unit A-6, Building A	1/14
Unit B-1, Building B	1/14
Unit B-2, Building B	1/14
Unit B-3, Building B	1/14
Unit B-4, Building B	1/14
Unit B-5, Building B	1/14
Unit B-6, Building B	1/14
Unit B-7, Building B	1/14
Unit B-8, Building B	1/14

Filed for record the 20th day of May, 1981, at 8:45, by A. Joanne M. Reiting, Recorder, Gunnison County, Colorado. Reception No. 359216

SECOND SUPPLEMENT TO CONDOMINIUM DECLARATION FOR FAIRWAY CONDOMINIUMS

This Second Supplement to the Condominium Declaration for Fairway Condominiums is executed this 11th day of May, 1981 by Water Wheel Investment Company, a Colorado general partnership, as follows:

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

A. Water Wheel Investment Company, a Colorado general partnership, hereafter termed the "Declarant" has heretofore recorded the Condominium Declaration for Fairway Condominiums, Building A, on the 27th day of August, 1980 in Book 554 at page 464 of the records of Gunnison County, Colorado.

B. Paragraph 39 of said Condominium Declaration, entitled Reservation to Enlarge and Supplement Condominium Project expressly reserves the right to expand and enlarge the condominium project by constructing additional buildings upon additional property therein described. Such expansion and enlargement shall be accomplished by the filing for record of a supplement to said Condominium Declaration, and a supplemental condominium map.

C. The Declarant has now completed the construction of three additional buildings and other improvements on said real property, which property is the subject matter hereof and is set forth on attached Exhibit "A" and incorporated herein by reference, which property is depicted on the Condominium Map of Fairway Condominiums, Buildings C, E, and F.

2. Declaration. Declarant hereby declares that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the project and shall be binding upon and accrue to the Declarant, its successors and assigns and any person acquiring and holding an interest in the project, its grantees, successors, heirs, personal representatives, or assigns.

3. Division of Property into Condominium Units. The real property described on Exhibit "A" and the improvements constructed thereon are hereby divided into nineteen (19) condominium units consisting of separately designated condominium units, together with an undivided interest in the general common elements appurtenant to each such unit, and any limited common elements designated and reserved to such unit, as set forth on attached Exhibit "B", which exhibit also sets forth the undivided interest in the general and limited common elements appurtenant to those six (6) units of Building A, and those eight (8) units of Building B, Fairway Condominiums, amended in accordance with paragraph 39 of the Condominium Declaration for Fairway Condominiums.

4. Supplement to Condominium Map. The Condominium Map of Fairway Condominiums, Buildings C, E, and F, is recorded on May 10, 1981, and bears reception No. 359215 of the records of Gunnison County, Colorado, depicting the location of each unit, both horizontally and vertically, together with the requirements of paragraph 5 of the recorded Declaration.

5. Description of Condominium Unit. Every instrument effecting the title to a condominium unit in the project as enlarged hereunder may describe that condominium unit as follows:

Condominium Unit _____, Building _____, Fairway Condominiums according to the Condominium Map bearing reception No. 359215 of the records of Gunnison County, Colorado and the Second Supplement to Condominium Declaration for Fairway Condominiums pertaining thereto recorded in Book 566 at page 573 of the records of Gunnison County, Colorado.

6. Reservation. The Declarant specifically reserves the right to additionally enlarge said condominium project, as provided in paragraph 39 of said Condominium Declaration.

7. General. The following provisions shall apply to this second Supplement:

7.1 This Second Supplement shall be in addition and supplemental to the provisions contained in the Condominium Declaration for Fairway Condominiums, Building A.

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

In Witness Whereof, the Declarant has executed this instrument on the day and year first above written.

WATER WHEEL INVESTMENT COMPANY,
a Colorado general partnership

By Corb S. Bedell
Corb S. Bedell, general partner

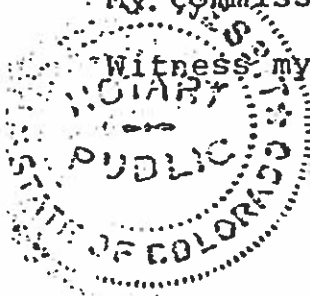
STATE OF COLORADO)
) ss
County of Gunnison)

The foregoing instrument was acknowledged before me this 11th day of May, 1981 by Corb S. Bedell as general partner of Water Wheel Investment Company, a Colorado general partnership.

My commission expires: My Commission expires Jan. 28, 1984

Witness my hand and official seal.

Sammy R. Nesbit
Notary Public



3.3 Fairway Condominium Association, a Colorado nonprofit corporation, as the association that is responsible for administration of Fairway Condominiums pursuant to the Condominium Declaration.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

FAIRWAY CONDOMINIUM ASSOCIATION, a Colorado nonprofit corporation, individually and as Attorney in Fact for the persons set forth on Exhibit A attached hereto

By: Richard W. Harper
Richard W. Harper, President

ATTEST:

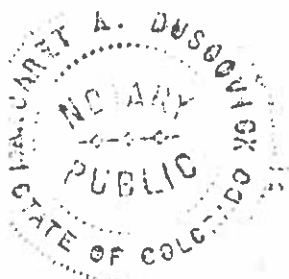
Lorna R. Dotts
Lorna R. Dotts, Secretary

STATE OF COLORADO)
) ss.
County of Gunnison)

The foregoing instrument was acknowledged before me this 20th day of June, 1993, by Richard W. Harper as President and Lorna R. Dotts as Secretary of Fairway Condominium Association, a Colorado nonprofit corporation, individually and as attorney in fact for the persons set forth on Exhibit A attached hereto.

Witness my hand and official seal.
My commission expires: 8-17-96

Margaret A. Buscoid
Notary Public



**AMENDMENT TO CONDOMINIUM DECLARATION
FOR FAIRWAY CONDOMINIUMS**

This Amendment to Condominium Declaration for Fairway Condominiums (this "Amendment") is executed this 28th day of June, 1993, in Gunnison County, Colorado as follows:

1. Facts and Purposes. The following facts and purposes apply to this Amendment:

1.1 Fairway Condominiums was established as a condominium project in Gunnison County, Colorado pursuant to the Condominium Declaration for Fairway Condominiums recorded in Book 554 at page 464 (the "Condominium Declaration") and the Condominium Map bearing Reception No. 352653; the First Supplement to Condominium Declaration for Fairway Condominiums recorded in Book 554 at page 501 and the Condominium Map bearing Reception No. 352656; and the Second Supplement to Condominium Declaration for Fairway Condominiums recorded in Book 566 at page 573 and the Condominium Map bearing Reception No. 359215, all of the records of Gunnison County, Colorado.

1.2 Paragraph 39 of the Condominium Declaration reserves unto the Declarant the right to enlarge Fairway Condominiums, but Paragraph 39.2 limits such right of enlargement to no more than seven years after August 27, 1980.

1.3 The undersigned wish to amend Paragraph 39.2 of the Condominium Declaration and waive the seven year limitation upon the Declarant's right to enlarge Fairway Condominiums.

2. Waiver and Amendment. The seven year limitation upon the Declarant's right to enlarge Fairway Condominiums contained in Paragraph 39.2 of the Condominium Declaration is hereby waived, and Paragraph 39.2 of the Condominium Declaration is hereby amended to read as follows:

39.2 Such enlargement may be accomplished by filing for record in the office of the Clerk and Recorder of Gunnison County, Colorado a supplement or supplements to this Declaration containing a legal description of the site or sites for the new condominium units together with a supplemental condominium map containing the same information with respect to the new condominium units as was required on the original condominium map with respect to the original condominium units or by such other method as may be required under the laws of the State of Colorado. The enlargement may be accomplished in stages by successive amendments.

Except as provided above, all other terms and conditions of the Condominium Declaration shall remain unchanged.

3. Signatories. Pursuant to Paragraph 20.2 of the Condominium Declaration, this Amendment has been executed by the following:

3.1 Certain of the owners of units in Fairway Condominiums (constituting owners representing an aggregate ownership interest of at least 75 percent of the general common elements of Fairway Condominiums).

3.2 Certain of the holders of first mortgages covering units in Fairway Condominiums (constituting the holders of recorded first mortgages representing an aggregate of at least 80 percent of such first mortgages covering or affecting the condominium units in Fairway Condominiums).

3.3 Fairway Condominium Association, a Colorado nonprofit corporation, as the association that is responsible for administration of Fairway Condominiums pursuant to the Condominium Declaration.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

FAIRWAY CONDOMINIUM ASSOCIATION, a Colorado nonprofit corporation, individually and as Attorney in Fact for the persons set forth on Exhibit A attached hereto

By: Richard W. Harper
Richard W. Harper, President

ATTEST:

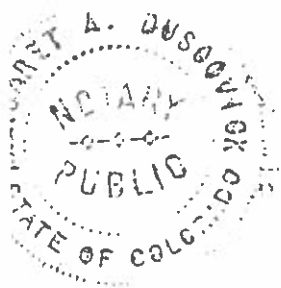
Lorna R. Dotts
Lorna R. Dotts, Secretary

STATE OF COLORADO)
) ss.
County of Gunnison)

The foregoing instrument was acknowledged before me this 28th day of June, 1993, by Richard W. Harper as President and Lorna R. Dotts as Secretary of Fairway Condominium Association, a Colorado nonprofit corporation, individually and as attorney in fact for the persons set forth on Exhibit A attached hereto.

Witness my hand and official seal.
My commission expires: 8-17-96

Margaret A. Buscoid
Notary Public



5. Description of Condominium Unit. Every instrument affecting the title to a condominium unit in the project as enlarged hereunder may describe that condominium unit as follows:

Condominium Unit _____, Building _____, Fairway Condominiums according to the Condominium Map bearing reception No. 359215 of the records of Gunnison County, Colorado and the Second Supplement to Condominium Declaration for Fairway Condominiums pertaining thereto recorded in Book 566 at page 573 of the records of Gunnison County, Colorado.

6. Reservation. The Declarant specifically reserves the right to additionally enlarge said condominium project, as provided in paragraph 39 of said Condominium Declaration.

7. General. The following provisions shall apply to this Second Supplement:

7.1 This Second Supplement shall be in addition and supplemental to the provisions contained in the Condominium Declaration for Fairway Condominiums, Building A.

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

In Witness Whereof, the Declarant has executed this instrument on the day and year first above written.

WATER WHEEL INVESTMENT COMPANY,
a Colorado general partnership

By Corb S. Bedell
Corb S. Bedell, general partner

STATE OF COLORADO)
) ss
County of Gunnison)

The foregoing instrument was acknowledged before me this 11th day of May, 1981 by Corb S. Bedell as general partner of Water Wheel Investment Company, a Colorado general partnership.

My commission expires: My Commission expires Jan. 28, 1984

Witness my hand and official seal.

Sammy R. Nesbit
Notary Public

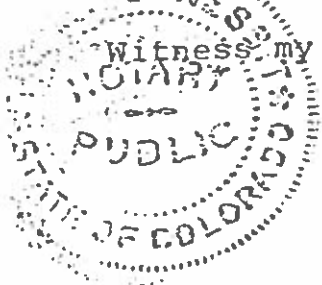


Exhibit "A"

A TRACT OF LAND LOCATED IN THE N 1/2 OF SECTION 10, T. 49 N., R. 1 W., OF THE N.M.P.M., COUNTY OF GUNNISON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE N 1/4 CORNER OF SAID SECTION 10, A BRASS CAP IN PLACE;

THENCE S 08° 38' 24" W 685.47' TO A POINT ON THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 371 AT PAGE 170 ON FILE IN THE GUNNISON COUNTY RECORDS OFFICE, BEING THE POINT OF BEGINNING;

THENCE N 78° 35' 28" W 142.56' ALONG THE SOUTH LINE OF SAID TRACT TO THE SW CORNER OF SAID TRACT;

THENCE N 22° 16' 48" W 176.15' ALONG THE WEST LINE OF SAID TRACT TO THE NW CORNER OF SAID TRACT;

THENCE N 69° 19' 37" E 127.57' ALONG THE NORTH LINE OF SAID TRACT TO THE NE CORNER OF SAID TRACT;

THENCE S 20° 15' 00" E 251.35' ALONG THE EAST LINE OF SAID TRACT TO THE POINT OF BEGINNING, CONTAINING 0.61 ACRES MORE OR LESS.

TOGETHER WITH A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY FOR ACCESS AND UTILITIES FROM FAIRWAY CONDOMINIUMS, BUILDING 8 TO SHAVANO DRIVE, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SE CORNER OF SAID REAL PROPERTY LAID OUT AND PLATTED HEREON AS FAIRWAY CONDOMINIUMS, BUILDING B DESCRIBED ABOVE:

THENCE N 20° 15' 00" W 56.37' TO A POINT ON THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 371 AT PAGE 170 ON FILE IN THE GUNNISON COUNTY RECORDS OFFICE;

THENCE S 69° 19' 37" W 54.79' TO A POINT OF CURVE;

THENCE 7.85' ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 90° 00' 00", A RADIUS OF 5.00' AND A CHORD BEARING OF N 65° 40' 23" W 7.07' TO A POINT OF TANGENCY;

THENCE S 20° 40' 23" W 16.15' TO A POINT;

THENCE S 69° 19' 37" W 21.30' TO A POINT;

THENCE N 20° 40' 23" W 18.10' TO A POINT;

THENCE CONTINUING N 20° 40' 23" W 155.17' TO A POINT ON THE NORTH LINE OF SAID REAL PROPERTY LAID OUT AND PLATTED HEREON AS FAIRWAY CONDOMINIUMS, BUILDING B;

Exhibit "A" continued

THENCE S $69^{\circ} 19' 37''$ W 74.00' ALONG SAID NORTH LINE TO A POINT; ✓

THENCE S $20^{\circ} 15' 00''$ E 57.87' TO A POINT OF CURVE;

THENCE 7.85' ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF $90^{\circ} 00' 00''$, A RADIUS OF 5.00' AND A CHORD BEARING OF S $24^{\circ} 45' 00''$ W 7.07' TO A POINT;

THENCE S $69^{\circ} 45' 00''$ W 61.72' TO A POINT OF CURVE;

THENCE 23.56' ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF $90^{\circ} 00' 00''$, A RADIUS OF 15.00' AND A CHORD BEARING OF N $65^{\circ} 15' 00''$ W 21.21' TO A POINT OF COMPOUND CURVE;

THENCE 67.28' ALONG THE ARC OF A CURVE TO THE RIGHT, ALONG SAID SOUTH RIGHT OF WAY OF SHAVANO DRIVE, HAVING A DELTA OF $56^{\circ} 29' 31''$, A RADIUS OF 68.24' AND A CHORD BEARING OF S $07^{\circ} 59' 46''$ W 64.59' TO A POINT;

THENCE S $77^{\circ} 04' 25''$ E 165.94' TO A POINT;

THENCE S $83^{\circ} 17' 19''$ E 7.33' TO A POINT;

THENCE S $78^{\circ} 35' 28''$ E 133.25' TO A POINT;

THENCE N $08^{\circ} 35' 48''$ E 20.73' TO THE POINT OF BEGINNING, CONTAINING 0.65 ACRES MORE OR LESS.

date until paid, unless any other rate of interest is specified by the Association.

41. APPLICABLE LAW. This Declaration is filed in the records of Gunnison County, Colorado and it is agreed that the proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Declaration shall be in the District Court of Gunnison County, Colorado.

42. ATTORNEYS' FEES. It is agreed that if any action is brought in a court of law by either party to this Agreement as to the enforcement, interpretation or construction of this Declaration or any document provided for herein, the prevailing party in such action shall be entitled to reasonable attorneys' fees as well as all costs incurred in the prosecution or defense of such action.

43. BINDING AGREEMENT. It is understood and agreed that this Declaration shall be binding upon the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the Declarant has executed this Condominium Declaration the date first written.

WATER WHEEL INVESTMENT COMPANY,
a Colorado partnership

By *Carb S. Bedell*
General Partner

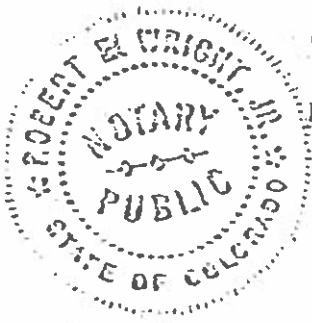
STATE OF COLORADO)
)SS
County of Gunnison)

The above and foregoing Condominium Declaration has been acknowledged by me this 27th day of August, 1980, by Carb S. Bedell as general partner for Water Wheel Investment Company, a Colorado partnership.

Witness my hand and official seal.

My commission expires: June 8, 1983.

Robert E. Wright
Notary Public



PREPARED BY:

Russell, Angelo & Wright P.C.
Attorneys at Law

Filed for record (as) 27th day of August, A. D. 1980, at 3:15 o'clock P. M. Joanne M. Reitinge
 INDEXED No. 352655 By Joanne M. Reitinge DEPUTY

FIRST SUPPLEMENT TO CONDOMINIUM DECLARATION
 FOR FAIRWAY CONDOMINIUMS

This First Supplement to the Condominium Declaration for Fairway Condominiums is executed this 27th day of August, 1980 by Water Wheel Investment Company, a Colorado general partnership, as follows:

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

A. Water Wheel Investment Company, a Colorado general partnership, hereafter termed the "Declarant" has heretofore recorded the Condominium Declaration for Fairway Condominiums, Building A, on the 27th day of August, 1980 in Book 554 at page 464 of the records of Gunnison County, Colorado.

B. Paragraph 39 of said Condominium Declaration, entitled Reservation to Enlarge and Supplement Condominium Project expressly reserves the right to expand and enlarge the condominium project by constructing additional buildings upon additional property therein described. Such expansion and enlargement shall be accomplished by the filing for record of a supplement to said Condominium Declaration, and a supplemental condominium map.

C. The Declarant has now completed the construction of one additional building and other improvements on said real property, which property is the subject matter hereof and is set forth on attached Exhibit "A" and incorporated herein by reference, which property is depicted on the Condominium Map of Fairway Condominiums, Building B.

2. Declaration. Declarant hereby declares that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the project and shall be binding upon and accrue to the Declarant, its successors and assigns and any person acquiring and holding an interest in the project, its grantees, successors, heirs, personal representatives, or assigns

3. Division of Property into Condominium Units. The real property described on Exhibit "A" and the improvements constructed thereon are hereby divided into eight (8) condominium units consisting of separately designated condominium units, together with an undivided interest in the general common elements appurtenant to each such unit, and any limited common elements designated and reserved to such unit as set forth on attached Exhibit "B", which exhibit also sets forth the undivided interest in the general and limited common element appurtenant to those six (6) units of Building A, Fairway Condominiums, amended in accordance with paragraph 39 of the Condominium Declaration for Fairway Condominiums.

4. Supplement to Condominium Map. The Condominium Map of Fairway Condominiums, Building B, is recorded on August 27, 1980, and bears reception No. 352655 of the records of Gunnison County, Colorado, depicting the location of each unit, both horizontally and vertically, together with the requirements of paragraph 5 of the recorded Declaration.

5. Description of Condominium Unit. Every instrument effecting the title to a condominium unit in the project as enlarged hereunder may describe that condominium unit as follows:

Condominium Unit _____, Building B, Fairway Condominiums according to the Condominium Map bearing reception No. 352656 of the records of Gunnison County, Colorado and the First Supplement to Condominium Declaration for Fairway Condominiums pertaining thereto recorded in Book 554 at page 501 of the records of Gunnison County, Colorado.

6. Reservation. The Declarant specifically reserves the right to additionally enlarge said condominium project, as provided in paragraph 39 of said Condominium Declaration.

7. General. The following provisions shall apply to this First Supplement:

7.1 This First Supplement shall be in addition and supplemental to the provisions contained in the Condominium Declaration for Fairway Condominiums, Building A.

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

In witness whereof, the Declarant has executed this instrument on the day and year first above written.

WATER WHEEL INVESTMENT COMPANY,
a Colorado general partnership

by Perry Browder
Perry Browder, General Partner

STATE OF COLORADO)
) ss
County of Gunnison)

The foregoing instrument was acknowledged before me this 27th day of August, 1980, by Perry Browder as general partner of Water Wheel Investment Company, a Colorado general partnership.

My commission expires: June 8, 1983

Witness my hand and official seal.

Robert E. Wright
Notary Public

