

Lion's Gate

CONDOMINIUM DECLARATION

Lion's Gate of Colorado

P.O. Box 113 • Hideaway Park, Colorado 80450 • (303) 726-5771

**CONDOMINIUM DECLARATION
FOR
LION'S GATE PINES LODGE**

Filed for record at 2:45 P.M. on NOV 28 1977
Reception No. 151081
Johnny Lee Foster
BOOK 240 PAGE 905

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Lion's Gate International, Inc., a Colorado corporation, (hereinafter called "Declarant") is the owner of the real property described on Exhibit "A" attached hereto and by reference expressly incorporated herein; and

WHEREAS, Declarant has executed Plans for the construction of building improvements to be constructed on the above described real property, which when completed shall consist of 25 separately designated residential condominium units; and

WHEREAS, Declarant desires to establish a Condominium Project under the Condominium Ownership Act of the State of Colorado and establish a plan for the ownership in fee simple of the real property estates, subject to the easements, restrictions, reservations, conditions, taxes and assessments as set forth in this Declaration, consisting of the area or space contained in each of the air space units in the building improvements and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of which remaining property, is hereinafter defined and referred to as the "common elements".

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

1. Submission to Condominium Ownership. Declarant does hereby submit the real property described on Exhibit A and the improvements situated thereon to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado.

2. Definitions. Unless the context shall expressly provide otherwise:

(a) "Unit" means an individual air space which is contained within the windows, doors and unfinished perimeter walls, floors (or lower most floors, if it is an individual air space unit containing more than one level) and ceilings (or the upper most ceilings, if it is an individual air space unit containing more than one level) of each Unit as shown on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained but not including any of the common elements, if any, located within the Unit.

(b) "Condominium Unit" means the fee simple interest and title in and to a Unit, together with the undivided interest in the common elements appurtenant to such Unit, and all other rights and burdens created by this Declaration.

(c) "Owner" means a person, persons, firm, corporation, partnership, association or other legal entity, or any combination thereof, which own(s) an interest in one or more Condominium Units, but excluding, however, any such person having an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof).

(d) "Common elements" means and includes all of the land described in Exhibit A and all the improvements thereto and thereon and, excluding units. The common elements shall consist of the general Common elements and limited common elements. The common elements shall be owned, as tenants in common, by the owners of the separate Units, each owner of a Unit having an undivided interest in such common elements as is hereinafter provided.

(1) "General common elements" means and includes the land described in Exhibit A; the structural components of the building, including, but not limited to the foundations, girders, beams, supports, roofs, and main walls; the yards, gardens, parking areas and storage spaces; installations of central services such as power, light, gas, hot and cold water, heating and air conditioning, the service roads, if any such improvements and portions of the building and areas therein as are provided for the community use, recreation, utility and common use of all owners; and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in general common use, including the air above such land. General common elements shall include all tangible physical properties of this project except limited common elements and the Units.

(2) "Limited common elements" means those parts of the common elements which are either limited to and reserved for the exclusive use of an Owner of a Condominium Unit or are limited to and reserved for the common use of more than one but fewer than all of the Condominium Unit Owners, which shall include by way of illustration and not limitation, balconies, patios, storage areas and certain parking spaces, which are specifically designated as being appurtenant to a particular Unit.

(e) "Condominium project" means all of the land and improvements submitted by this Declaration and subsequently submitted, if any, as is hereinafter provided.

(f) "Declaration" means this Declaration and amendments and supplements thereto, if any.

(g) "Common expenses" means and includes (i) expenses of administration, operation, management, repair and/or replacement of the common elements; (ii) expenses declared common expenses by the Association; (iii) all sums lawfully assessed against the common elements by the Board of Managers of the Association; and (iv) expenses agreed upon as common expenses by the Association of Unit Owners.

(h) "Association of Unit Owners" or "Association" means the Association formed as a Colorado not-for-profit corporation bearing the name of Lion's Gate Pines Lodge Condominiums, Association, Inc., the Articles of Incorporation and Bylaws of which shall govern the administration of this condominium project, and the members of which Association shall be all of the Owners of the Condominium Units.

(i) "Building" means a single building containing Condominium Units as shown on the Map.

(j) "Map", "Condominium Map" or "Supplemental Map" means and includes the engineering survey of the land depicting and locating thereon all of the improvements; the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land which are included in this condominium project.

(k) "Mortgage" as used herein shall mean any mortgage, deed of trust or other document pledging a Condominium Unit as security for the payment of a debt or obligation.

(l) "Mortgagee" shall mean any person, corporation, partnership, trust, company, association or other legal entity which takes, owns, holds or receives a mortgage.

3. Division of Property into Condominium Units and Covenants of Units.

(a) Division of Property. The real property described on Exhibit A including the improvements thereon is hereby divided into 25 fee simple estates (condominium units). Each such estate shall consist of a separately designated Unit and the undivided interest in and to the common elements appurtenant to such Unit as set forth on Exhibit B attached hereto and incorporated by reference herein.

(b) Right to Combine Condominium Units. Declarant hereby reserves the right to physically combine the area or space of one Unit with the area or space of one or more adjoining Units and in regard to any such combination to redesignate any portion of the common elements needed to physically accomplish such combination either as part of such combined unit, or as Limited Common Elements; provided, however, that Declarant shall not exercise said right without the written consent of any mortgagee having an interest in said Units. In the event of any such physical combining of units to create a combined unit, such combined Unit shall also include the combining of the fixtures and improvements and of the undivided interests in common elements appurtenant to the Units so combined. Declarant reserves the right to designate and convey to any purchaser of any such combined Unit, as additional limited common elements appurtenant thereto, any walls, floors or other structural separations between the units so combined, or any space which would be occupied by such structural separations but for the combination of such units; provided, however, that such walls, floors or other structural separations or such space shall automatically become general common elements if the combined Units become subject to separate ownership in the future. This reserved right in Declarant shall terminate upon the sale of all of the Condominium Units within the project to third party purchasers or January 1, 1980, whichever event occurs first.

4. Limited Common Elements. Subject to the definition thereof, the limited common elements shall be identified on the Map. Any balcony, porch, courtyard or patio which is accessible from, associated with and which adjoin(s) a unit shall, without further reference thereto, be used in connection with such Unit to the exclusion of the use thereof by the other owners of the common elements, except by invitation. Similarly, certain vehicular parking space(s) or garage space(s) and storage area(s) shall be assigned by Declarant and upon such assignment will be appurtenant to the Unit purchased and shall be for the exclusive use of the owner of such Unit. All of the owners of Condominium Units in this condominium project shall have a non-exclusive right in common with all of the other owners to use of sidewalks, streets and drives located within the entire condominium project. In addition to rights of use herein described and elsewhere described in this Declaration, the Association, its Board of Managers and its Managing Agent shall have the unrestricted irrevocable easement to traverse, cross and utilize any portion of the common elements which may be necessary in order to maintain, repair or replace general and/or limited common elements. Except as specifically hereinabove required, no reference thereto, whether such limited common elements are exclusive or non-exclusive, need be made in any instrument of conveyance or other instrument in accordance with paragraph 5 of this Declaration.

5. Description of Condominium Unit.

(a) Every contract for the sale of a Condominium Unit written prior to the recordation of the Map and this Declaration may legally describe a Condominium Unit by its identifying unit designation, followed by the words "Lion's Gate Pine Lodge Condominiums". The location of such Condominium Unit shall be depicted on the Map subsequently recorded. Upon recordation of the Condominium Map in the County of Grand, Colorado, such description shall be conclusively presumed to relate to the thereon described Condominium Units.

(b) After the Condominium Map and this Declaration have been recorded in the Office of the Clerk and Recorder of the County of Grand, Colorado, every contract, deed, lease, mortgage, trust deed, Will or other instrument shall legally describe a Condominium Unit as follows:

Condominium Unit No. _____, Lion's Gate Pines Lodge (a Condominium), in accordance with the Declaration recorded on _____, 19____, in Book _____ at Page _____, and Condominium Map recorded under Reception No. _____ of the Grand County records.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit, but also the undivided interest in common elements appurtenant to said Unit and all other appurtenant properties and property rights, and incorporate all of the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration and Condominium Map. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from an Owner's Unit and the use of all of the limited common elements appurtenant to said Unit as well as all the general common elements.

(c) The reference to the Map and Declaration in any instrument shall be deemed to include any supplements or amendments to the Map or Declaration, without specific reference(s) thereto.

6. Condominium Map. The Map may be filed for record in whole or in parts or sections. Each such Map shall be recorded prior to the conveyance of any of the Condominium Units shown thereon. Each such Map shall depict and show at least the following: the legal description of the land and a survey thereof; the location of the buildings in reference to the exterior boundaries of the land; the floor and elevation plans; the location of the Units within the buildings, both horizontally and vertically; the thickness of the common walls between or separating the Units; the location of any structural components or supporting elements of the buildings located within a Unit; the Condominium Unit designations; and the parking and storage space(s) designations. Each such Map shall contain the certificate of a registered professional engineer, licensed architect or registered land surveyor certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Units, the Unit designations, parking and storage spaces and the elevations of the constructed unfinished floors and ceilings, and that such Map was prepared subsequent to substantial completion of the improvements. In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate and relocate easements, access roads and on-site parking areas.

7. Inseparability of a Condominium Unit. Each Unit, the appurtenant, undivided interest in the common elements, as well as all other appurtenances, rights and burdens, shall together comprise one Condominium Unit; which Condominium Unit shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium Unit. Notwithstanding the above, any Owner shall be entitled to transfer any parking space, garage space and/or storage space which is a limited common element appurtenant to his unit, to any other Owner. Said transfer shall be accomplished by the filing with the Board of Directors of the Association, an affidavit stating that said limited common element has been so transferred. Further, an Owner shall be entitled to lease any parking space, garage space and/or storage space which is a limited common element appurtenant to his Unit to any other Owner, provided, however, that the term of said Lease will expire, if not before, upon the sale of said Owner's Condominium Unit.

8. Separate Assessment and Taxation - Notice to Assessor. Declarant shall give written notice to the Assessor of the County of Grand, Colorado, of the creation of the condominium ownership in this property, as is provided by law, so that each Unit and the undivided interest in the common elements appurtenant thereto shall be deemed a separate parcel for purposes of separate assessment and taxation; and the Association upon the request of any first mortgagee, shall furnish proof that all taxes, real estate assessments and charges shall relate only to the individual Condominium Unit and not to the condominium project as a whole.

9. Form of Ownership - Title. A Condominium Unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado.

10. 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 and each Owner specifically agrees not to institute any action therefor. Further, each Owner agrees that this Paragraph 10 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 Paragraph 3 (b), 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 at least seventy-five percent (75%) of the mortgagees of the individual Condominium Units. Each such mortgagee shall have one vote for each mortgagee owned by it. Any such action without the written consent of said mortgagees shall be null and void.

11. Use of General and Limited Common Elements. Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the appurtenant 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. The Association may adopt rules and regulations governing the use of general and limited common elements, but such rules and regulations shall be uniform and non-discriminatory. Each Owner, by the acceptance of his deed or other instrument of conveyance or assignment, agrees to be bound by any such adopted rules and regulations.

12. Use and Occupancy. The residential Units shall be used and occupied by the Owner, his family, and their guests, or tenants only as and for residential purposes; provided, however, that this restriction as to use shall not apply to the Declarant, its agents, employees, officers and assigns during the sales period. Notwithstanding the above, the Association may use any Condominium Unit which it owns or leases as a business office and/or a residence for any on-site resident manager or custodian.

13. 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: (i) settling of a building; or (ii) alteration or repair to the common elements; or (iii) repair or restoration of a building 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. 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 then 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 does 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 interpreting any and all provisions of the Declaration, subsequent Unit deeds to and mortgages of Units, the actual location of the 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 locations as indicated on the Condominium Map.

14. Termination of Mechanic's Lien Rights and Indemnification. Subsequent to the completion of any alterations, modifications or additions to the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Unit Owner, his agent, his contractor or subcontractor, shall be the basis for filing a lien against the Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against the common elements. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Condominium Unit of any other Owner or against the common elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Condominium Unit at such Owner's request. The provisions herein contained are subject to the rights of the Managing Agent or Board of Managers of the Association as set forth in paragraph 15. Notwithstanding the foregoing, any mortgagee of a Condominium Unit who shall become the owner of such Condominium Unit pursuant to a lawful foreclosure sale or the taking of a deed in lieu of foreclosure shall not be under any obligation to indemnify and hold harmless any other Owner against liability for claims arising prior to the date such mortgagee becomes an owner.

15. Lion's Gate Pines Lodge, Condominiums, Association, Inc.

(a) The interest of all Owners of Condominium Units shall be governed and administered by the Articles of Incorporation and By-Laws of the Lion's Gate Pines Lodge, Condominiums, Association, Inc. An owner of a Condominium Unit, upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership.

(b) The Association shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the project and to perform all of the duties required of it. Notwithstanding the above, unless at least seventy-five percent (75%) of the first mortgagees of Condominium Units (based upon one vote for each first mortgage owned or held) have given their prior written approval, the Association shall not be empowered or entitled to:

- (1) by act or omission, seek to abandon or terminate the condominium regime.
- (2) partition or subdivide any Condominium Unit.
- (3) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements.
- (4) use hazard insurance proceeds for loss to the improvements for other than the repair, replacement or reconstruction of such improvements.

(c) The Association shall grant to each first mortgagee of a Condominium Unit the right to examine the books and records of the Association at any reasonable time. Further, the Association shall notify each first mortgagee of any Condominium Unit of any proposed amendment of the Association's Articles of Incorporation, or Bylaws or any change in the Association's Managing Agent at least ten (10) days prior to the effective date of such amendment or change.

16. Reservation for Access - Maintenance, Repair and Emergencies.

(a) The owners shall have the irrevocable right to be exercised by the Association's Board of Managers or officers, or custodian, or Managing Agent, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the 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.

(b) Damage to the interior or any part of a Unit 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 instance of the Association, shall be a common expense of all of the owners; provided, however, that if the damage needed to be repaired is caused by negligent or tortious acts of a Condominium Unit Owner, members of his family, his agent, employee, invitee, licensee or tenants, then such Unit owner shall be responsible and liable for all of such damage and the cost thereof shall forthwith become said owner's obligation, which must be timely paid. Said obligation shall be a common expense as it relates to said Condominium Unit Owner(s), only, and shall be subject to the provisions elsewhere herein provided. All damaged improvements shall be restored substantially to the extent reasonably practical, to the same condition in which they existed prior to the damage. All maintenance, repairs and replacement of the common elements, whether located inside or outside of Units (unless necessitated by the negligence, misuse or tortious act of a Condominium Unit Owner, in which case such expense shall be charged to such Owner), shall be the common expense of all of the Owners. However, the Association shall not be obligated to seek redress for damages caused by a negligent Owner and this covenant shall not abrogate the insurance provisions of this Agreement.

17. Maintenance and Service Responsibility.

(a) Owner:

(1) For maintenance purposes, an Owner shall be deemed to own the interior non-supporting walls; floors and ceilings of his Unit; the materials such as, but not limited to, plaster, gypsum drywall, paneling, wallpaper, paint, wall and floor tile and flooring, and other materials which make up the finished surfaces of the perimeter walls, ceiling and floors within the Unit; but not including the pipes, wire, conduits or systems (which are general common elements and for brevity are herein and hereafter referred to as "utilities") running through his Unit which serve one or more other Units except as a tenant in common with the other Owners. Such utilities shall not be disturbed or relocated by an Owner without the written prior consent and approval of the Board of Managers, and any such alteration, relocation, enlargement, addition or modification shall be at the Owner's expense, which expense shall include all expenses incurred by the Association in reference thereto.

(2) An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures and utilities located therein to the extent current repair shall be necessary in order to avoid damaging other Condominium Units or the common elements. All fixtures and equipment and utilities installed within the Unit commencing at a point where the fixtures, equipment and utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness of the improvements or impair the proper functioning of the utilities, heating, air conditioning, electrical, plumbing or other mechanical system, or integrity of the buildings or impair any easement or hereditament. An owner shall always keep the balcony, porch, courtyard or patio area adjoining and appurtenant to his unit, and any other limited common elements appurtenant thereto in a clean, orderly and sanitary condition.

(b) Association:

(1) The Association shall have the duty of maintaining and repairing all of the common elements within the projects and the cost of said maintenance and repair shall be a common expense which shall be allocated to the Owners as hereinafter provided. The Association shall not need the prior approval of its members to cause such maintenance or repairs to be accomplished, notwithstanding the cost thereof.

(2) The Association shall provide to the Owners the following services which shall be paid for out of the common expense assessment, to-wit:

- (a) maintenance of the common elements;
- (b) administration and management of the project;
- (c) providing common heating and lighting;
- (d) obtaining the insurance required in Section 22 hereof;
- (e) enforcement of the covenants, conditions and restrictions set forth in the Declaration, enforcement of the Association's rules and regulations, and collection of all obligations owed to the Association by the owner;
- (f) acting as attorney-in-fact in the event of damage or destruction as provided for in Section 27 hereof; and
- (g) performing all other acts required by this Declaration, or the Articles of Incorporation and Bylaws of the Association.

Notwithstanding the above, the Association reserves the right to hire one or more persons or entities including a Managing Agent, contractors, and employees to perform such services.

18. Compliance with Provisions of Declaration, Bylaws of the Association. Each owner shall comply strictly with the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association, and the decisions, resolutions, rules and regulations of the Association adopted pursuant thereto as the same may be lawfully made and amended and/or modified from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Association's Board of Managers or Managing Agent in the name of the Association on behalf of the owners, or, in a proper case, by an aggrieved owner.

19. Revocation or Amendment to Declaration. Except as is otherwise provided, this Declaration shall not be revoked unless all the Owners and all holders of recorded first mortgages or deeds of trust consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the Owners representing an aggregate ownership of at least eighty-five percent (85%) of the common elements and at least eighty-five percent (85%) of the holders of recorded first mortgages or deeds of trust consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the undivided interest in the common elements appurtenant to each Unit, as expressed in the Declaration, shall have a permanent character and shall not be altered without the consent of all of the Unit owners and all of the first mortgagees as expressed in an amended Declaration duly recorded. The consent(s) of any junior mortgagee shall not be required under the provisions of this paragraph. In determining whether the appropriate percentage of mortgagee approval is obtained when so required by the terms of this Declaration, each first mortgagee shall have one (1) vote for each first mortgage owned.

20. Additions, Alterations and Improvements - General and Limited Common Elements. There shall be no capital additions, alterations or improvements, of or to the general or limited common elements by the Association requiring an expenditure in excess of One Thousand Dollars (\$1,000.00) per Condominium Unit in any one calendar year without prior approval of the Owners representing at least eighty-five percent (85%) of the common elements, except in the event of an emergency; the limitations set forth above shall not apply to any expenditures made by the Association for maintenance and repair of the common elements as set forth in Section 17, supra, or for repair in the event of damage, destruction or condemnation as provided in Sections 27 and 28, infra.

21. Assessment for Common Expenses.

(a) All Owners, except Declarant, shall be obligated to pay the estimated common expense assessments (hereinafter sometimes referred to as "assessments") imposed by the Board of Managers of the Association to meet the common expenses and reserves. The assessments shall be apportioned among the Owners as provided in paragraph 21 (d) below. Declarant shall have no obligation to pay the estimated common expense assessment, on Units Owned by Declarant, imposed by the Board of Managers of the Association to meet the common expenses and reserves, but Declarant agrees to pay to the Association a sum equal to the difference between the monthly cost of operating and maintaining the common elements, exclusive of reserves, and the amount of funds payable by the other owners to the Association. This obligation of Declarant to subsidize the operations of the Association shall terminate when Declarant relinquishes his right to elect the Association's Board of Managers or January 1, 1980, whichever event occurs first. Subsequent to the occurrence of either of the aforesaid events, Declarant shall be obligated as any other Owner in reference to Condominium Units then owned by Declarant to pay the estimated common expense assessments imposed by the Board of Managers to meet the common expenses and reserves. Subject to specific provisions elsewhere provided in this Declaration, the limited common elements shall be maintained as general common elements (except, however, this shall not impose upon the Association the obligation to clean balconies, porches, patios, parking spaces and storage lockers), and Owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. Assessments for the estimated common expenses shall be due in advance on the first day of each calendar month. The Association's or Board of Managers shall cause to be prepared, delivered or mailed to each owner at least once each year a payment statement setting forth the estimated common expense assessments. Regarding any special assessments, the Board of Managers may implement such procedure as they deem appropriate.

(b) In the event the ownership of a Condominium Unit, title to which is derived from Declarant, commences on a day other than the first day of the assessment period, the common expense assessments for that period will be prorated.

(c) Common expense assessments shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Managers of the Association shall from time to time determine is necessary to provide for the payment of all estimated expenses growing out of or connected with the administration, maintenance, repair, operation, addition, alteration and improvement of the common elements, the project and personal property owned by the Association. Said sum may include but shall not be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for insurance; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collection; wages, common water and sewer charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Association's Board of Managers on behalf of the Unit Owners under or by reason of this Declaration and the Articles of Incorporation and By-Laws of the Association; for any deficit remaining from a previous period; for the creation of a reasonable contingency, reserve, working capital and sinking funds; and any and all other costs and expenses relating to the common elements, and/or the project.

(d) The Board of Managers of the Association shall allocate all expenses arising out of the administration, maintenance, repair, operation, and improvement of the building to the owners of the residential Units and such costs shall be apportioned among the owners of the residential Units in proportion to their ownership interest in the common elements.

(e) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the owners from their obligations to pay the same.

(f) The Association shall be obligated to establish a reserve fund for the maintenance, repair and replacement of those common elements that must be replaced periodically and such reserve fund shall be funded through the monthly payments of the common expenses and not be extraordinary special assessments.

22. Insurance.

(a) 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 AAA or better, covering the risks set forth below. The Board of Managers of the Association shall not obtain any policy where: (i) under the terms of the insurance company's charter, bylaws or policy, contributions of assessments may be made against the mortgagor or mortgagee's designee; or (ii) 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 (iii) 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:

(1) Fire insurance with extended coverage and standard all 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, 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 full replacement value, without deduction for depreciation. 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 Lion's Gate Pines Lodge, Condominium, Association, Inc. for the use and benefit of mortgagees as their interests may appear.

(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.

(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 all 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".

(4) Workmen'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.

(5) The Association shall purchase, if available at a reasonable cost, 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.

(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.

(b) 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. 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 Lion's Gate Pines Lodge, Condominiums, Association, Inc. 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.

(c) All policies of physical damage insurance shall provide for waivers of the following rights to the extent that the respective insurers would have the same without such waivers.

(1) any defense based on co-insurance;

(2) any right of set-off, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;

(3) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Unit Owner or any tenant of any Unit Owner or arising from any act, neglect or omission of any insured or the respective agents, contractors and employees of any insured;

(4) any right of the insurer to repair, rebuild or replace and, in event the building is not repaired, rebuilt or replaced following total loss, any right to pay under the insurance an amount less than the lesser of the replacement value of the building or the fair market value of the building;

(5) notice of the assignment of any unit owner of its interest in the insurance by virtue of a conveyance of any Unit or Units; and

(6) any right to require any assignment of any mortgage to the insurer.

(d) Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Managers shall obtain an appraisal from a duly qualified real estate appraiser, which appraisal shall reasonably estimate the full replacement value of the entire condominium improvements, without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a co-insurance clause for less than eighty percent (80%) of the full replacement cost. Determination of maximum replacement value shall be made bi-annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost, and each mortgagee shall be furnished with a copy thereof within thirty (30) days after receipt of such written appraisals. Said amounts of insurance shall be contemporized annually in accordance with their currently determined maximum replacement value.

(e) 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.

(f) Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of person 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.

(g) In the event that there shall be any damage or destruction to, or loss to a Unit which exceeds \$1,000.00 or any damage or destruction to, or loss to the common elements which exceeds \$10,000.00, then notice of such damage or loss shall be given by the Association to each first mortgagee of said Condominium Unit within ten (10) days after the occurrence of such event.

23. Owner's Personal Obligation for Payment of Assessment. The amount of the common expenses assessed against each Condominium Unit shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from liability for his contribution for the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit. The Board of Managers shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid for more than twenty (20) days from the due date for payment thereof. In the event of default in the payment of the assessment, the defaulting Condominium Unit Owner shall be obligated to pay interest at the rate of ten percent (10%) per annum on the amount of the assessment from due date thereof, together with all incurred expenses, including attorney's fees, and together with such late charges equal to five percent (5%) of the unpaid assessment. A suit to obtain a money judgment for unpaid common expenses shall be maintainable without constituting an election of remedies or waiving the lien securing said debt.

24. Assessment Lien.

(a) All sums assessed but unpaid for the share of common expenses chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit superior to all other liens and encumbrances, except only for:

(1) real estate taxes and special assessment liens on the Condominium Unit in favor of any public or quasi-public assessing entity; and

(2) all sums unpaid on a first mortgage or first deed of trust of record, including advances and all unpaid obligatory sums as may be provided by such encumbrances.

To evidence such lien, the Board of Managers shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Managers or by one of the officers of the Association and shall be recorded in the office of the Clerk and Recorder of the County of Grand, Colorado. Such lien shall attach on the date the Notice of Assessment is recorded. Such lien may be enforced by the foreclosure of the defaulting owner's Condominium Unit by the Association in like manner as a mortgage on real property.

(b) An Owner shall be required to pay the costs, expenses and attorney's fees incurred by the Association in regard to any such default including the cost of preparation and filing the lien, and, in the event of foreclosure proceedings, all additional costs, expenses and attorney's fees incurred. An Owner of the Condominium Unit being foreclosed shall be required to pay to the Association the monthly common expense assessment for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power and authority to bid for the Condominium Unit at a foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote and the votes appurtenant to, convey or otherwise deal with the same during such proceeding and its ownership thereof.

(c) Any encumbrancer holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such Condominium Unit, and upon such payment, such encumbrancer shall have a lien on such Condominium Unit for the amounts paid of the same rank as the lien of his encumbrance without the necessity of having to record a notice or claim of such lien. Upon request of a mortgagee, the Association shall report to the mortgagee of a Condominium Unit any unpaid assessment remaining unpaid for longer than thirty (30) days after the same is due, or other default of any covenant, condition, obligation or term of this Declaration not cured within thirty (30) days; provided, however, that a mortgagee shall have furnished to the Association, notice of such encumbrance.

(d) Any recorded lien for non-payment of the common expenses may be released by recording a Release of Lien executed by an officer or Manager of the Association.

(e) Declarant states in accordance with the requirements of the Colorado Condominium Ownership Act, that it is possible that liens other than mechanic's liens, assessment liens and taxes liens, may be obtained against the common elements, including judgment liens and purchase money mortgage liens.

25. Liability for Common Expenses upon Transfer of Condominium is Joint.

(a) A grantee of a Condominium Unit, excess for any first mortgagee who falls into possession of a Condominium Unit pursuant to the remedies provided in its mortgage or becomes an owner of a Condominium Unit pursuant to foreclosure of its mortgage or by the taking of a deed in lieu thereof, shall be jointly and severally liable with the grantor for all unpaid common expense assessments against the latter for the unpaid common expense assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefor; provided, however that upon payment of a reasonable fee not to exceed Twenty Dollars (\$20.00), and upon written request, any such prospective grantee shall be entitled to a statement from the Board of Managers or Managing Agent of the Association, setting forth the amount of the current monthly common expense assessment, the date that such assessment becomes due and any credits for any advanced payments of common expenses and prepaid items, such as insurance premiums, but not including accumulated amounts for reserves, if any, which statement shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within ten (10) days from receipt thereof, then such requesting grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien therefor, together with all costs of collection, interest, penalties and reasonable attorney's fees.

(b) Upon payment to the Association of a reasonable fee not to exceed Twenty Dollars (\$20.00), and upon receipt of a written request from an Owner, any mortgagee or prospective mortgagee of a Condominium Unit, the Association, through any officer or the Board of Managers or by its Managing Agent, shall issue a written statement of account setting forth the amount of the unpaid common expenses, if any, with respect to the subject Condominium Unit, the amount of the current monthly common expense assessment and the date that such assessment becomes due, the amount of any credit for any advanced payments of common expense assessments and for prepaid items (such as insurance premiums, but not including accumulated amounts for reserves, if any), which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Such request for a statement of indebtedness shall be issued within ten (10) days from receipt thereof.

(c) Notwithstanding the terms and conditions of paragraph 25(a), supra, in the event of any default on the part of any Owner under any first mortgage or first deed of trust which entitles the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 25(a) relating to the liability of a grantee for the unpaid common expense assessments of his grantor. Further, no first mortgagee shall be liable for any unpaid common expense assessments accruing prior to the time such mortgagee becomes the owner of any Condominium Unit or takes possession of a Condominium Unit pursuant to the remedies provided in its mortgage, whichever event is later.

26. Encumbrances - Leases.

(a) The Owner of the Condominium Unit may create a junior mortgage, liens or encumbrances on his Condominium Unit; provided, however, that any such junior mortgages, lien or encumbrances shall always be subordinate to the prior and paramount lien of the Association for common expenses and all of the terms, conditions, covenants, restrictions, uses, limitations, and obligations under this Declaration, the Association's Articles of Incorporation and Bylaws, and provided further that such junior encumbrancer(s) shall release, for purposes of restoration of any improvements within the project, all of his right, title and interest in and to the proceeds under all insurance policies purchased by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if such request is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgage.

(b) An Owner of a Condominium Unit may lease all or any portion of his Unit to any one or more third parties; provided, however, that ten (10) days prior to the execution of said lease he has furnished to the Board of Managers the following documents and information:

(1) name and address of intended lessee;

(2) copy of proposed lease form to be used;

(3) statement executed and acknowledged by lessee covenanting to be bound by the terms and conditions of this Declaration and the Articles, Bylaws and Regulations of the Association.

In reference to the proposed lease form, each Owner shall incorporate in said lease form all published terms and conditions found in the Association's Rules and Regulations, which the Association in its discretion deems necessary to protect the Association and other Unit Owners against loss, damage, increased common expenses and to insure compliance of the tenant with this Declaration and the Articles, Bylaws and Regulations of the Association. Specimen forms of such terms and conditions shall be available at the Association's offices and shall be provided to an owner upon request.

27. 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 Lions Gate Pines Lodge Condominiums, Association, Inc. 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 of either such event. At such meeting a new attorney-in-fact, to deal with the property upon its destruction, damage, or obsolescence, or condemnation shall be appointed. Said appointment must be approved by the owners representing an aggregate ownership interest of eighty-five percent (85%) or more of the common elements and at least eighty-five percent (85%) 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. 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.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and restoration of the improvement(s). Assessments for common expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than seventy percent (70%) 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. Such special assessment shall be a common expense and made pro rate according to each Owner's interest in the common elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power as attorney-in-fact, to cause the repair, 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 paragraph 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 paragraph. Assessments for 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 12% 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:

- (1) For payment of the balance of the lien of any first mortgage;
- (2) For payment of taxes and special assessments liens in favor of any assessing entity and the customary expenses of sale;
- (3) For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;
- (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the Condominium Unit owner.

(c) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is more than seventy percent (70%) 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 eighty-five percent (85%) or more of the common elements and at least eighty-five percent (85%) 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 paragraph, 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 each separate account the Association, as attorney-in-fact shall forthwith use and disburse the total amount of each of such accounts, without contribution from one account to another, toward the partial or full payment of the lien of any first 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 apportionment shall be based upon each Condominium Unit owner's 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 subparagraph (b) (1) thru (5) of this paragraph. 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.

(d) The owners representing an aggregate ownership interest of eighty-five percent (85%) 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-five percent (85%) 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 twelve percent (12%) 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 subparagraph (b)(1) through (5) of this paragraph.

(e) The owners representing an aggregate ownership interest of eighty-five percent (85%) 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, the 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 such account representing one Condominium Unit. Each such account shall be in the name of the Association and shall be further identified by the Condominium Unit designation and the name of the 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 subparagraph (b)(1) through (5) of this paragraph.

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

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

(b) **Complete Taking.**

(1) In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the owners on the same basis of each Condominium Unit owner's interest in the common elements, provided however, that if a standard different from the value of the value of the property as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

(2) On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the condemnation award to which each owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 27(b)(1) through (5).

(c) **Partial Taking.** In the event that less than the entire condominium project is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall reasonably and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the owners as follows: (a) the total amount allocated to taking of or injury to the common elements, shall be apportioned among the owners on the basis of each owner's interest respectively in the common elements; (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Unit and to the improvements an owner has made within his own Unit shall be apportioned to the particular Unit involved and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Section 27(b)(1) through (5).

(d) The Association shall notify each first mortgagee of any Condominium Unit of the commencement of the condemnation proceedings and shall notify said mortgagees in the event of the taking of all or any part of the common elements, if the value of the common elements taken exceeds \$10,000.00.

29. **Reorganization.** In the event a partial taking results in the taking of a complete Unit, the owner thereof automatically shall cease to be a member of the Association, shall cease to hold any right, title or interest in the remaining common elements and shall execute any and all documents necessary to accomplish the same. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratio in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the owners and of first mortgagees of remaining units for amendment of this Declaration as provided in Section 19.

30. **Reconstruction and Repair.** Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 27.

31. Registration of Mailing Address. Each owner shall register his mailing address and the name and address of his first mortgagee if any, with the Association and notices or demands intended to be served upon an owner shall be sent by mail, postage prepaid, addressed in the name of the owner and first mortgagee at such registered address. Copies of such notices shall be sent to first mortgagees in a like manner, except when such notices pertain to matters specifically relating to mortgagee(s), in which case such notice shall be sent certified, return receipt requested or registered.

32. Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as provided in paragraph 19 of this Declaration or until terminated in the manner and as is provided in paragraphs 27 and 28 of this Declaration.

33. Assessment Reserves. Each owner, other than the Declarant shall be required to deposit at time of initial purchase and thereafter to maintain with the Association the sum of \$50.00, which sum shall be used by the Board of Managers as a reserve for paying such owner's monthly common expense assessment, for capital repairs and/or replacements, purchase of equipment and for extraordinary common expenses. Such advance payment shall not relieve an owner from making the regular monthly common expense assessment as the same come due. Upon the sale of his Condominium Unit, an owner shall be entitled to a credit from his grantee for any unused portion thereof. Failure to so maintain said fund shall constitute a default on behalf of an owner and the Association shall be entitled to proceed under the remedies granted to it in Section 18, supra. Any interest accruing on such deposit shall not be required to be distributed by the Association. However, such interest if any, for tax purposes is hereby recognized and declared to be a constructive receipt received by an owner.

34. Restrictive Covenants and Obligations.

(a) Subject to subparagraph (b) hereof, the project is hereby restricted for residential use and uses related to the convenience and enjoyment of such residential use. No buildings other than buildings shown on the Map shall be erected or constructed on the (sic) are hereby restricted for residential use, and uses related to the convenience and enjoyment of such residential use, and Building C is hereby restricted for commercial office use. No buildings other than buildings shown on the Map shall be erected or constructed on the property except with the approval of the Condominium Unit owners owning eight-five (85%) or more interest. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used or permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently.

(b) Notwithstanding any provisions herein contained to the contrary, it shall expressly be permissible for the Declarant, his agent, employees and contractors to use and maintain, at no cost, during the period of sale of the Condominium Units, upon such portion of the property as Declarant may choose, including any of the recreational facilities, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient, or incidental to the construction and sale or rental of Condominium Units, including, but without limitation, a business office, storage area, construction yards, signs, model units, sales office, construction office, parking areas and lighting.

(c) No animals, livestock or poultry of any kind shall be raised, bred or kept on the property, except that dogs, cats or other household pets may be kept; provided, however, that the right to keep a household pet shall be coupled with the responsibility to pay for any damage caused by an owner's pet. Every owner of a pet shall maintain strict control over his pet and shall prohibit the pet from making loud, disturbing noises or any other behavior reasonably annoying to other owners. The Association may adopt rules and regulations to supplement this covenant.

(d) No advertising signs, (except as permitted in certain areas periodically designated by the Association's Board of Managers) unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any Condominium Unit or any resident thereof. Further no business activities of any kind whatever shall be conducted in Buildings A or B; provided, however, that the foregoing restriction shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings and improvements, if any, of the Declarant, its agents, contractors and assigns during the sale and rental period.

(e) No nuisance shall be allowed on the Condominium property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful enjoyment or possession and proper use of the property by its resident. All parts of property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage be allowed to accumulate nor any fire hazard to exist. No Unit owner shall permit any use of his Unit or make use of the common elements which will increase the rate of insurance upon the condominium property.

(f) No immoral, improper, offensive or unlawful use shall be permitted or made of the Condominium property or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

(g) Except for those improvements erected or installed by the Declarant, no exterior additions to, alterations of or decoration of any buildings, nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained without the prior written approval of the Board of Managers.

(h) No commercial type vehicles, campers, trailers, boats, recreational vehicles and no trucks shall be stored on the common elements nor shall they be parked on any common driveway except while engaged in transport to or from a building.

(i) All unused automobiles or vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any portion of the Project. "Unused vehicle" shall be defined as any vehicle which cannot be driven under its own propulsion. A written notice describing the "unused vehicle" and requesting removal thereof may be personally served upon the owner or posted on the unused vehicle and if such vehicle has not been removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the owner. If such owner shall be a member of the Association, the cost thereof shall be added to his next assessment due.

(j) No Unit Owner or occupant shall commit or permit any violation of the policies of insurance taken out by the Association in accordance with the Declaration or do or permit anything to be done, or keep or permit anything to be kept, or permit any condition to exist, which might (i) result in termination of any such policies, (ii) adversely affect the right of recovery thereunder, (iii) result in reputable insurance companies refusing to provide insurance as required or permitted by the Declaration, or (iv) result in an increase in the insurance rate or premium unless, in the case of such increase, the Unit Owner responsible for such increase shall pay the same. If the rate of premium payable with respect to the policies of insurance taken out by the Association in accordance with the Declaration shall be increased, or shall otherwise reflect the imposition of a higher rather than that applicable to the lowest-rated Unit in the Buildings by reason of anything that is done or kept in a particular Unit, or as a result of the failure of any Unit Owner or any occupant of a Unit to comply with the requirements of the policies of insurance taken out by the Association or as a result of the failure of any such Unit Owner or occupant to comply with any of the other terms and provisions of this Declaration, the Bylaws or the Rules and Regulations, the Unit Owner of that particular Unit shall reimburse the Association and such other Unit Owners respectively for the resulting additional premiums which shall be payable by the Association or such other Unit Owners as the case may be. The amount of any such reimbursement due the Association may without prejudice to any other remedy of the Board be enforced by assessing the same to that particular Unit as a Unit Owner charge under the Declaration.

(k) Additional and supplemental rules and regulations may be adopted by the Board of Managers concerning and governing the use of the general and limited common elements; provided, however, that such rules and regulations shall be furnished to Owners prior to the time that they become effective and that such rules and regulations shall be uniform and non-discriminatory except to the extent the Board has discretionary rights specifically given to it in this Declaration.

35. Association Right to Acquire Additional Property.

(a) The Board of Managers may acquire and hold for the benefit of all of the Condominium Unit owners tangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the Condominium Unit owners in the same proportions as their respective interests in the common elements, and such interest therein shall not be transferable except with a conveyance 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 interest associated with and appurtenant to the subject Condominium Unit.

(b) The owners of the Condominium Units described in Exhibit "B" shall have a perpetual non-exclusive easement in common with all other Condominium Unit owners in this Condominium project, on, over and across driveways and extensions thereof which are located on the Condominium project for purposes of ingress and egress to and from the Units from the public street which adjoins the Condominium project and any other common element (e.g. area and facility) so designated on the Map or Maps; subject, however, to reasonable regulations adopted and amended by the Association.

36. General Reservations.

(a) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or Bylaws of the Association, Declarant reserves the right to elect the Board of Managers of the Association until all of the Condominium Units in the entire project have been sold, or January 1, 1980, whichever occurs first.

(b) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, Declarant reserves the exclusive right to act as or appoint and discharge, from time to time, the Managing Agent until Declarant sells all of said Condominium Units in the condominium project, or January 1 1980, whichever occurs first.

37. Acceptance of Provisions of All Documents. The conveyance or encumbrance of a Condominium Unit shall be deemed to include the acceptance of all of the provisions of this Declaration, the Articles of Incorporation and Association Bylaws and Rules and Regulations and Management Agreement and shall be binding upon each grantee without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

38. General.

(a) 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.

(b) "Declarant" as used herein means the named Declarants, successors and assigns.

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

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

(e) Paragraph titles are for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 1st day of November, A.D., 1977.

LION'S GATE INTERNATIONAL, INC.

BY: Goodwin Gibson

President

ATTEST:

Stanley W. Cazier

Secretary

STATE OF COLORADO

SS

COUNTY OF GRAND

The above and foregoing Declaration was subscribed and sworn to before me this 28th day of November, 1977, by Goodwin Gibson as President and Stanley W. Cazier as Secretary of Lion's Gate International, Inc., the Declarant.

Witness my hand and official seal.

My Commission expires: 9-18-80

Elizabeth A. Woods

Notary Public

EXHIBIT A TO CONDOMINIUM DECLARATION FOR LION'S GATE PINES LODGE

Tracts 5, 6, and 7, Miller Subdivision.

COUNTY OF GRAND
STATE OF COLORADO

EXHIBIT "B" TO CONDOMINIUM DECLARATION OF LION'S GATE PINES LODGE, A CONDOMINIUM

Unit Nos.	Percent of Ownership of Common Elements	Unit Nos.	Percent of Ownership of Common Elements
1	7.700	9	7.32
2	7.700	10	7.32
3	7.575	11	7.32
4	7.575	12	7.32
5	7.575	13	5.04
6	7.575	14	5.04
7	7.62	14	100.00
8	7.32		

This page applies if only Phase I (Units 1-14) are built.

EXHIBIT "B" TO CONDOMINIUM DECLARATION OF LION'S GATE PINES LODGE, A CONDOMINIUM

Unit Nos.	Percent of Ownership of Common Elements	Unit Nos.	Percent of Ownership of Common Elements
1	4.28	14	2.78
2	4.28	15	4.07
3	4.21	16	4.07
4	4.21	17	4.07
5	4.21	18	4.07
6	4.21	19	2.78
7	4.23	20	4.21
8	4.07	21	4.21
9	4.07	22	4.21
10	4.07	23	4.21
11	4.07	24	4.28
12	4.07	25	4.28
13	2.78	25	100%

This page applies if both Phase I (Units 1-14) and Phase II (Units 15-25) are built.

**LION'S GATE PINES LODGE
AMENDMENT TO DECLARATION OF CONDOMINIUM**

KNOW ALL MEN BY THESE PRESENTS:

THAT this Amended Declaration of Condominium of Lion's Gate Pines Lodge is made as of this 4th day of January, A.D., 1978, by the Declarant.

WHEREAS, Declarant did cause to be recorded a Condominium Declaration for Lion's Gate Pines Lodge on November 28, 1977, in Book 240 at Page 905 of the Real Property records of the County of Grand, State of Colorado; and

WHEREAS, the Declarant desires to amend certain of the provisions of said Condominium Declaration; and

WHEREAS, the Undersigned is the sole fee owner of all the Condominium Units (as defined in the Declaration) and there are no mortgagees of said Condominium Units, and is therefore entitled to amend said Declaration pursuant to Article 19 thereof.

NOW, THEREFORE, the Undersigned declare that a certain Condominium Declaration for Lion's Gate Pines Lodge, recorded in Book 240 at Page 905, Grand County, Colorado records, is hereby amended and that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations, and obligations shall be deemed to amend said Declaration and to run with the land described on Exhibit A, attached hereto and incorporated by reference herein, shall be a burden and a benefit and binding upon the Undersigned, their successors, grantees, assigns, heirs, executors, administrators and any other person acquiring or owning an interest in the real property.

1. The legal description as contained in "Exhibit A to Condominium Declaration for Lion's Gate Pines Lodge" is hereby deleted in its entirety and replaced by Exhibit A to this amendment.

2. Exhibit "B" to the Condominium Declaration of Lion's Gate Pines Lodge is hereby deleted in its entirety and replaced by Exhibit B to this Amendment, which is attached hereto and incorporated by reference herein.

3. Paragraph 2, Subparagraph (b) is hereby deleted in its entirety and amended to read as follows:

(b) "Condominium Unit" means the fee simple interest and title in and to a unit, together with the undivided interest in the common elements appurtenant to such Unit.

4. Paragraph 2, Subparagraph (i) is hereby deleted in its entirety and amended to read as follows:

(i) "Building" means a single building containing Condominium Units 1-14 as shown on the map (which are also shown as Units A-1 through A-6, B-1 through B-6, and C-1 and C-2 on the Condominium Site Plat portion of said map.

5. Paragraph 3, Subparagraph (a) is deleted in its entirety and amended to read as follows:

(a) Division of Property: The real property described on Exhibit A including the improvements thereon is hereby divided into 14 fee simple estates (condominium units). Each such estate shall consist of a separately designated Unit and the undivided interest in and to the common elements appurtenant to such Unit as set forth on Exhibit B attached hereto and incorporated by reference herein.

6. Paragraph 5 subparagraphs (b) and (c) are deleted in their entirety and amended to read as follows:

(b) After the Condominium Map and the Declaration and Amendment have been recorded in the Office of the Clerk and Recorder of the County of Grand, Colorado, every contract, deed, lease, mortgage, trust deed, will or other instrument shall legally describe a Condominium Unit as follows:

Condominium Unit No. _____, Lion's Gate Pines Lodge (a condominium), in accordance with the Declaration recorded on _____, 19_____, in Book _____ at Page _____, and the Amendment to said Declaration recorded on _____, 19_____, in Book _____ at Page _____, and Condominium Map recorded under Reception Nos. 147281 and 151080 of the Grand County records.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the undivided interest in the common elements appurtenant to said unit and all other appurtenant properties and property rights, and incorporate all of the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration and Condominium Map. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from an owner's unit and the use of all of the limited common elements appurtenant to said unit, as well as all the general common elements.

(c) If the real property described on Exhibit "C" is submitted to condominium ownership and a supplement to this Declaration and supplement to the Condominium Map is filed with the Clerk and Recorder of the County of Grand, then every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a Condominium Unit as follows:

Condominium Unit No. _____, Lion's Gate Pines Lodge (a condominium), in accordance with the Declaration recorded on _____, 19_____, in Book _____ at Page _____, and the Amendment to said Declaration recorded on _____, 19_____, in Book _____ at Page _____, and Condominium Map recorded under Reception No. _____ of the Grand County records.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also the appurtenant limited common elements, appurtenant undivided interest in the general common elements, and all other appurtenant properties and property rights, and incorporate all the rights and burdens incident to ownership of a condominium unit and all the limitations thereon as described in this Declaration and Condominium Map. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from an owner's unit and use of all of the limited common elements appurtenant to said unit as well as all the general common elements.

7. The Declaration is hereby amended by the addition of the following three paragraphs which read as follows:

39. Reservation to Enlarge and Supplement Condominium Project.

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

(b) Such supplements to this Declaration shall provide for a division of such additionally submitted real property and improvements into condominium units. Each unit shall be separately designated, and each building shall be identified by a symbol or designation dissimilar to any other building in the condominium project. The undivided interest in and to the general common elements appurtenant to each such unit shall not be a part of the general common elements of the condominium units, described and initially created by this Declaration and the Map; provided, however, that all owners of condominium units in this condominium project shall have a non-exclusive right in common with all of the other owners to use the sidewalks, pathways, driveways, recreational facilities and all other general common elements within this entire condominium project so designated on the Map and all amendments and supplements thereto, which easement right in favor of owners of any such units created in the future is hereby reserved for their benefit by Declarant.

(c) Except as may be otherwise provided by the provision of such Supplement(s) to this Declaration, all of the provisions contained in this Declaration shall be applicable to such additional condominium units submitted to this condominium project.

(d) As additional condominium units are submitted to this condominium complex and in order that the common expenses of this condominium project be shared proportionately and equitably by the owners of the initially submitted condominium units and the owners of all subsequently submitted additional condominium units, the common expenses shall be proportionately shared according to the percentages of the individual owners interest in the general common elements, and the aggregate of all of the percentage interests making up the then enlarged condominium project shall be considered one hundred (100%) per cent for the purposes stated. (However, each condominium unit, regardless of the number of owners, shall be entitled to one vote for all purposes hereunder and shall not change by the enlargement of the Condominium Project or otherwise.) The supplements shall set forth the applicable percentage of each condominium unit for the purposes stated herein. In the event that any additionally submitted condominium units differ substantially from the Type of Units which are described herein and in Exhibit "B", such Supplement shall establish a different percentage interest for such unit(s) for the sharing of common expenses and for voting purposes.

(e) Each owner shall have the non-exclusive right, together with all other owners, to use all general common areas, open spaces, recreational facilities, grass and landscaping areas and all other areas in the project which are not herein specifically dedicated to the use of less than all of the owners. This easement shall be irrevocable and shall be for the purposes of ingress and egress, recreational and social use and shall apply to all property hereafter committed to this condominium project.

(f) The land initially committed to this condominium project is contiguous, and it is contemplated that additional lands reflected on Exhibit "C" which is incorporated herein by this reference, will also ultimately be committed to this project, but the Declarant, its appointees, successors and assigns, shall have no affirmative obligation to do so. The rights of the Declarant, its appointees, successors and assigns, as described in Paragraph 36 (a) and (b) hereof, shall apply to all properties which are added to this project in accordance with these provisions relating to enlargement thereof. Therefore, by way of example, the Declarant, its appointees, successors and assigns, shall manage the entire condominium project until such time as all of the condominium units in the entire project as enlarged, from time to time, are sold or January 1, 1980, whichever comes first.

40. Title Subject to Declarant's Reservations.

Title to and ownership of each condominium unit is expressly subject to the reservations set forth in Paragraph 36 and 39.

41. Integration with Declaration.

Except as herein provided and except as to those provisions inconsistent with this Amendment, the original terms of the Condominium Declaration for Lion's Gate Pines Lodge as recorded in Book 240 at Page 905 of the records of the Clerk and Recorder of Grand County, Colorado, shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has duly executed this Amended Declaration of Condominium of Lion's Gate Pines Lodge this _____ day of _____, A.D.,

1978.

LION'S GATE INTERNATIONAL, INC.

BY: _____
President

ATTEST:

Secretary

STATE OF COLORADO }
COUNTY OF GRAND } SS

The above and foregoing instrument was subscribed and sworn to before me this _____ day of _____, 19____, by _____ as President and _____ as Secretary of Lion's Gate International, Inc., the Declarant.

Witness my hand and official seal.

My commission Expires:

Notary Public

**EXHIBIT A
TO
AMENDED DECLARATION OF CONDOMINIUM
OF
LION'S GATE PINES LODGE**

All of Tract 5 and Northerly part of Tract 6 which the present Lion's Gate Condominium is located on. Described as follows:

Beginning at the North East corner of Tract 5, Miller Subdivision in the NE¼NW¼ of Section 33, T-1-S, R-75-W, of the 6th P.M.

Thence S89°48'W a distance of 241.29 feet to the Northwest corner of Tract 5.

Thence S11°13'30"E a distance of 154.04 feet.

Thence N89°48'E along the Southerly end of the existing Unit C-1 of Lion's Gate Condominium, a distance of 255.6 feet to the Easterly Tract line of Tract 6.

Thence N16°20'30"W a distance of 157.4 feet to the point of beginning.

COUNTY OF GRAND,
STATE OF COLORADO.

**EXHIBIT B
TO
AMENDED DECLARATION OF CONDOMINIUM
OF
LION'S GATE PINES LODGE**

Unit Nos.		Percent of Ownership of Common Elements	Unit Nos.		Percent of Ownership of Common Elements
1	(Same as A-6)	7.700	9	(Same as B-4)	7.32
2	(Same as A-5)	7.700	10	(Same as B-3)	7.32
3	(Same as A-4)	7.575	11	(Same as B-2)	7.32
4	(Same as A-3)	7.575	12	(Same as B-1)	7.32
5	(Same as A-2)	7.575	13	(Same as C-2)	5.04
6	(Same as A-1)	7.575	14	(Same as C-1)	5.04
7	(Same as B-6)	7.62			100.00
8	(Same as B-5)	7.32			

**EXHIBIT C
TO
AMENDED DECLARATION OF CONDOMINIUM
OF
LION'S GATE PINES LODGE**

All of Tract 7 and Southerly part of Tract 6, that does not have any part of the existing Lion's Gate Condominium located on it. Described as follows:

Beginning at the South East corner of Tract 7, Miller's Subdivision in the NE¼NW¼ of Section 33, T-1-S, R-75-W of the 6th P.M.

Thence N16°20'30"W a distance of 142.59 feet.

Thence S89°48'W along the Southerly end of the existing Unit C-1 of Lion's Gate Condominium, a distance of 255.6 feet.

Thence S11°13'30"E a distance of 140.52 feet to South West corner of Tract 7.

Thence N89°48'E a distance of 265.95 feet to the point of beginning.

COUNTY OF GRAND,
STATE OF COLORADO.

**FIRST SUPPLEMENTAL DECLARATION
FOR
LION'S GATE PINES LODGE**

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS this First Supplemental Declaration for Lion's Gate Pines Lodge is made this 28th day of December, 1978, by the undersigned, hereinafter collectively referred to as Declarant, to supplement and amend the condominium declaration dated November 28, 1977, recorded at Book 240, Page 905, of the Grand County records, as amended by Declaration dated January 4, 1978, recorded at Book 242, Page 185 of said records.

WHEREAS, said Amended Declaration dated January 4, 1978, expressly provides for the resubmission of Tract B to condominium ownership, and

WHEREAS, said Declaration permits the amendment thereof upon approval of eighty-five percent of the aggregate ownership of the common elements, and

WHEREAS, the undersigned represent more than ninety-five percent of the aggregate ownership of said common elements, and

NOW THEREFORE, pursuant to said declaration, as amended and pursuant to C.R.S. 1973, 38-33-101, et seq., as amended, the Colorado Condominium Ownership Act, the Declarant does resubmit the real property described in Exhibit I, hereto and described herein as "Tract B" and the improvements situated thereon to condominium ownership pursuant to this declaration, and the declaration dated November 28, 1977, as amended, and does hereby amend said declaration as hereinafter more particularly set forth in this First Supplemental Declaration and that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to amend said Declaration and prior amendments thereto and to run with the land described in Exhibit A to the declaration dated November 28, 1977, and shall be a burden and a benefit and binding upon the undersigned, and all successors, grantees, assigns, heirs, executors, administrators and any other person acquiring or owning an interest in the real property.

A. The units shall be renumbered as provided in Exhibits II and IIA of this First Supplemental Declaration.

B. Tract B, including the improvements thereon is hereby divided into eleven fee simple estates (condominium units). Each such estate shall consist of a separately designated Unit and the undivided interest in and to the common elements appurtenant to such Unit in Tract B as set forth in Exhibit III attached hereto and incorporated by reference herein.

C. Paragraph 2, sub-paragraph (i) as set forth in the original Declaration dated November 28, 1977 and as amended in Paragraph 4 of Amendment to Declaration of Condominium of LION'S GATE PINES LODGE dated January 4, 1978, is hereby deleted in its entirety and amended to read as follows:

(i) "Building" means a single building containing condominium units 101 through 125 as shown on the map and Exhibit IIA hereto.

D. Pursuant to Section 39(d) of the declaration as adopted by the amended declaration dated January 4, 1978, Exhibit IV hereto shall determine the proration of common expenses between each of units 101 through 125 and shall be used by the association in determining its assessments.

E. The Declaration is hereby further amended by the addition of the following paragraph which reads as follows:

42. Time Share Ownership.

42.1 The creation of time share estates whether in the form of interval estates or time-span estates is expressly authorized hereby. Such time share estates is expressly authorized hereby. Such time share estates shall constitute for all purposes an estate or interest in real property separate and distinct from all other time share estates in the same unit or any other unit and such estate may be separately conveyed and encumbered.

F. The Declaration is hereby further amended by the addition of the following ten paragraphs, (being paragraphs 43 through 52) as follows:

43. Definitions.

43.1 "Declarant" means parties executing this Agreement.

43.2 "Declaration" means the Condominium Declaration for LION'S GATE PINES LODGE recorded November 28, 1977, Book 240 at page 905, Grand County records and amendments thereto recorded in Book 240, Page 905 and in Book 242, Page 185, of the Grand County records and this First Supplemental Declaration.

43.3 "Interval Ownership Declaration" means this Section F, as it may be amended from time to time.

43.4 The definitions contained in this Paragraph 2 of the Condominium Declaration shall apply herein unless (1) the word or words shall be defined in this Section 43, in which event the definitions contained herein shall control or (2) the context shall require otherwise.

43.5 "Interval Estate" means a combination of:

a. An estate for years terminating on December 31, 2050, during which years title to a time share unit circulates among the interval owners in accordance with a fixed schedule, attached hereto as Exhibit V, vesting in each such interval owner in turn for a period of time established by the schedule, with the series thus established recurring annually until the arrival of the date certain; and,

b. A vested future interest in the same unit, consisting of an undivided interest as tenants in common in the remainder in fee simple, the magnitude of the future interest being established by the time of the creation of the interval estate by this Interval Ownership Declaration, by the deed conveying the interval estate, or by the schedule in Exhibit V attached hereto. The estate for years shall not be deemed to merge with the future interest but neither the estate for years nor the future interest shall be conveyed or encumbered separately from the other.

43.6 "Interval Owner" means a person vested with legal title to an interval estate.

43.7 "Unit Week" or "Interval Week" means a one-week period of ownership in a condominium unit committed to interval ownership. "Unit Weeks" are computed as follows:

Unit Week No. 1 is the seven (7) days commencing at noon the first Friday in each year. Unit Week No. 2 is the seven (7) days next succeeding Unit Week No. 1. Additional unit weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days immediately succeeding the end of Unit Week No. 51 plus any excess days that may be included until the Unit Week No. 1 begins regardless of the month or the year. Unit Weeks run from noon on the first Friday of the interval to noon on the last day of the interval, provided however that the right of possession and occupancy shall not commence until 4:00 P.M. local time on the first Friday of the interval and shall end at 10:00 A.M. local time on the last day.

43.8 "Unit committed to Interval Ownership" or "Interval Unit" shall mean any unit sold under a plan of interval ownership the title to which is or is to be divided into interval estates. The unit shall become a unit committed to interval ownership upon the recording of the first deed in said unit conveying a unit week or weeks. A unit once committed to interval ownership will no longer be committed to interval ownership any time all unit weeks are owned by the same legal entity or entities.

43.9 "Maintenance Weeks" shall mean Interval Weeks owned by the Association in each Unit committed to Interval Ownership, as set forth in Paragraph 48 of this document.

44. Identification of Units committed to Interval Ownership.

44.1 Subsequent to the recording of this instrument, every contract, deed, lease, assignment of lease, sublease, mortgage, deed of trust, encumbrance, will or other instrument shall describe an interval estate according to the following descriptions, to-wit:

Units 101-125

Interval Week(s) _____ Condominium Unit No. _____, Lion's Gate Pines Lodge (a condominium), in accordance with the Declaration dated November 28, 1977, recorded in Book 240, at Page 905, the Amendment to said Declaration dated January 4, 1978, recorded in Book 242, at page 185, and the First Supplement Declaration dated December 28, 1978, recorded in Book _____, at Page _____, and Condominium Map recorded under Reception Nos. 147281 and 151080 of the Grand County records.

44.2 Whenever the term "unit owner" or "unit Owners" is used anywhere in the Condominium Declaration and amendments thereto for LION'S GATE PINES LODGE this instrument or any amendments thereto, it shall be construed to mean all interval owners of interval estates within any unit committed to interval ownership as one unit owner. When an interval estate is subject to a deed of trust or a trust deed, "unit owner" means the person entitled to beneficial enjoyment of the estate and not to any trustee or trustees holding title merely as security for an obligation.

45. Interval Ownership of Common Elements.

45.1 The undivided percentage interest in common elements for each Condominium Unit as provided for in the Condominium Declaration and amendments thereto for Lion's Gate Pines Lodge shall be allocated among the interval owners of each such unit committed to interval ownership in accordance with the undivided percentage interest set forth in Exhibit V of this instrument.

45.2 The fee title to each interval week shall include the unit week(s) and the respective undivided percentage interest as described above. A conveyance or encumbrance of the interval week shall be deemed to include the applicable undivided percentage interest. Any attempt to separate the interval week from its applicable undivided percentage interest shall be null and void.

46. Voting Rights.

46.1 Each interval unit owner in a unit committed to interval ownership shall be entitled to attend meetings of the Association and to cast a fractional vote based upon the undivided percentage interest in the common elements allocated to his interval week(s) in accordance with Paragraph 45.1 above and Exhibit V hereto.

47. Maintenance Fee for Units committed to Interval Ownership.

47.1 All owners of interval weeks in units committed to interval ownership shall pay a maintenance fee. The maintenance fee shall include but not be limited to the following:

1. real estate taxes
2. personal property taxes, if any
3. casualty, liability and contents insurance on the unit
4. utilities for the subject unit
5. snow removal
6. refuse collection
7. firewood
8. janitorial and maid service
9. landscape maintenance
10. repair and replacement of furniture, fixtures, appliances, carpeting and utensils

11. outside fees
12. management fees
13. any other expenses incurred in the normal operation and maintenance of the unit which cannot be attributed to a particular unit week or interval estate owner

47.2 All of the above items shall be paid by the interval week owners as a part of the maintenance fee. The maintenance fee shall be assessed and prorated among the owners of interval weeks in a specific condominium unit on the basis of the undivided percentage interest as set forth in Exhibit V hereto. The foregoing shall not apply to any of the unit weeks which are designated as maintenance weeks. To the extent that expenses are attributable only to units committed to interval ownership, such expenses shall be assessed only against such units.

48. Maintenance Weeks in Units committed to Interval Ownership.

48.1 Six (6) months from the date of the first conveyance under interval ownership in any unit committed to interval ownership, Declarant agrees to convey to the Association one interval week in the spring and one interval week in the Fall in each and every interval unit to be used for maintenance purposes. In the event any one person or other legal entity becomes the owner of all interval weeks in any one unit other than the above-listed maintenance weeks, that person or entity shall have the right to cause the Association to convey said maintenance units to that person or entity. In the event that the Association determines, in its sole discretion, that occupancy of the unit for the entire maintenance period is not required, the owner of the interval week next following the maintenance weeks involved, shall have the right to occupy and use the unit for that portion of the maintenance period not needed for maintenance.

49. Assessments

49.1 The maintenance fees as provided for in Paragraph 47 above shall be paid in advance on a semi-annual basis by assessment determined by the Association. Such assessments shall be made against each interval owner in accordance with Paragraph 47.2 above. Assessments made pursuant to the terms hereof shall be deemed to be assessments made pursuant to the provisions of Paragraph 21 of the Condominium Declaration, except that in the case of a lien against an owner of an interval week(s) in a unit committed to interval ownership, said lien shall be limited to the interval week(s) owned by said owner and shall not encumber the property, real or personal, of any other owner of interval weeks in said unit.

50. Maintenance and Alterations.

Each owner of interval weeks in a unit committed to interval ownership agrees:

50.1 To pay his proportionate share in relation to the other owners of interval weeks within the same unit committed to interval ownership of the cost of the maintenance and repair of all interior and exterior components of said unit, the cost of maintenance, repair and replacement of all appliances, furniture, carpeting, fixtures, equipment, utensils, and other personal property within said unit, and such other costs of repair, maintenance, upkeep and operation of the unit as is necessary to be continued enjoyment of said unit by all said owners of unit weeks therein.

50.2 Not to make, cause, or allow to be made, any repairs, modifications, alterations, or replacements to the general common elements, limited common elements, outside or exterior portion of the buildings whether within a unit or part of the limited or general common elements, exterior or interior of his unit, or of the furnishings, appliances, personal property, or decor thereof, without the prior written consent of the management firm, the Association shall by means of assessment under Paragraph 49.1 have the authority to establish such reserves as it deems necessary and appropriate.

50.3 That expenses of repairs or replacements to the unit or its components, furnishings, carpeting, appliances, or other property, real, personal, or mixed, occasioned by the specific use or abuse of any owner of an interval week(s) in any unit, or any licensee or tenant of said owner, shall be borne in their entirety by said owner.

50.4 That the Association shall determine the interior color scheme, decor and furnishings of each such unit, as well as the proper time for redecorating and replacement thereof.

50.5 To allow the managing agent, the Board of Managers, or the agents or employees of the Association, to enter into any unit for the purpose of maintenance, inspection, repair, or replacement of the improvements within the units, the limited or general common elements, or to determine in case of emergency, circumstances threatening units, limited common elements or general common elements, or to determine in case of emergency, circumstances threatening units, limited common elements or general common elements, or to determine compliance with the provisions of the project instruments including the original Condominium Declaration, Amendments thereto, this Declaration and Amendments thereto, and the By-laws of the Association.

51. Parking

51.1 The use of automobile parking spaces by an interval owner whether a part of the general common elements or specifically appurtenant to a condominium unit, shall be limited to the period of ownership of interval week(s) each year owned by such interval owner.

52. Miscellaneous.

52.1 Remedies for Violations. In addition to other remedies which may exist, the Association may bring a court action to bring about compliance with any law, the Condominium Declaration, this Interval Declaration or Amendments thereto, either for damages or for equitable relief and in any such action, the Association shall be entitled to recover its actual attorneys fees incurred in the bringing of such action, and its costs.

52.2 Notices. Whenever notices are required to be sent hereunder, the same shall be delivered to interval owners either personally or by regular mail, addressed to such interval owner at the condominium unit in which such interval owner owns an interval week(s) unless such owner has, by written notice to the Association, specified a different address.

52.3 Conflict Between Documents. In the event of any conflict in the provisions of this Agreement and the Declaration, the provisions of this Agreement shall control.

52.4 Captions. The captions used in this Agreement are inserted solely as a matter of convenience, and shall not be relied upon or used in construing the effect or meaning of any of the provisions contained herein.

52.5 Acceptance of Agreement. The condominium unit owners, by virtue of their acceptance of the deed of conveyance as to their condominium unit, and other parties by virtue of their occupancy of units hereby accept and approve the foregoing and all of the terms and conditions, duties and obligations of this Agreement.

52.6 Non-Partition Agreement. No interval owner shall bring, or have any right to bring, any action for partition or division of the condominium property or of any interval unit.

52.7 Invalidity of Provisions. If any term, covenant, provision, phrase or other element of this Agreement is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of this Agreement, or any amendments hereto.

52.8 Gender and Plurals. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a Condominium.

52.9 Revocation or Amendment. Except as is otherwise provided, this Declaration shall not be revoked unless all of the interval owners, and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all of the interval weeks in the project consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the interval owners representing an aggregate interval ownership interest of sixty percent, or more, of the general common elements in the interval weeks, and sixty percent of the holders of recorded first mortgages or deeds of trust consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the undivided interests in the general common elements appurtenant to each interval week shall have a permanent character and shall not be altered without the consent of all the interval estate owners, and all of the holders of any recorded mortgage or deed of trust as expressed in an amended Declaration duly recorded.

G. Except as amended herein, and except as to those provisions in the prior amendment and the prior declaration which are inconsistent with this Amendment, the original terms of the Condominium Declarations and the original Amendment thereto shall remain in full force and effect.

IN WITNESS WHEREOF we have executed this agreement this 28th day of December, 1978.

David Burlingame

DAVID BURLINGAME, attorney in fact for the following named persons under powers of attorney dated as set forth opposite each name.

Keith H. Cooper	11/23/78	Michael J. Taylor	11/24/78
Gordon L. Adair	11/23/78	John MacLeod	11/24/78
Edward King	12/7/78	Robert M. Sutherland	11/24/78
Ross Reilly	11/24/78	Edwin J. Grewe	12/21/78
Goodwin Gibson	11/29/78	Donna M. Grewe	12/21/78
Silva Hoff	12/6/78	Patrick Allen	12/21/78
Harry Sowards	11/24/78	E. Joan Allen	12/21/78
Melburn Holmes	11/24/78		

LION'S GATE INTERNATIONAL, INC.
(A Colorado Corporation)

By Donald S. Fowler
Vice President

ATTEST:

David Burlingame
Secretary

STATE OF COLORADO }
CITY AND } ss
COUNTY OF DENVER }

The foregoing First Supplemental Declaration for Lion's Gate Pines Lodge was subscribed and sworn to before me this 28th day of December, 1978, by David Burlingame, attorney in fact

Witness my hand and official seal.

My commission expires October 8, 1982.

Notary Public

STATE OF COLORADO }
CITY AND } ss
COUNTY OF DENVER }

The foregoing First Supplemental Declaration for Lion's Gate Pines Lodge was subscribed and sworn to before me this 28th day of December, 1978, by David Burlingame, Secretary of Lion's Gate International, Inc. and Donald S. Fowler, Vice President of Lion's Gate International, Inc.

Witness my hand and official seal.

My commission expires October 8, 1982.

Notary Public

**EXHIBIT I
TO
FIRST SUPPLEMENTAL DECLARATION
FOR
LION'S GATE PINES LODGE**

All tracts 5, 6, and 7, Miller's Subdivision, Grand County, State of Colorado, except the following described property:

Beginning at the North East corner of Tract 5, Miller Subdivision in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 33, T-1-S, R-75-W, of the 6th P.M.

Thence S89°48'W a distance of 241.29 feet to the Northwest corner of Tract 5.

Thence S11°13'30"E a distance of 154.04 feet.

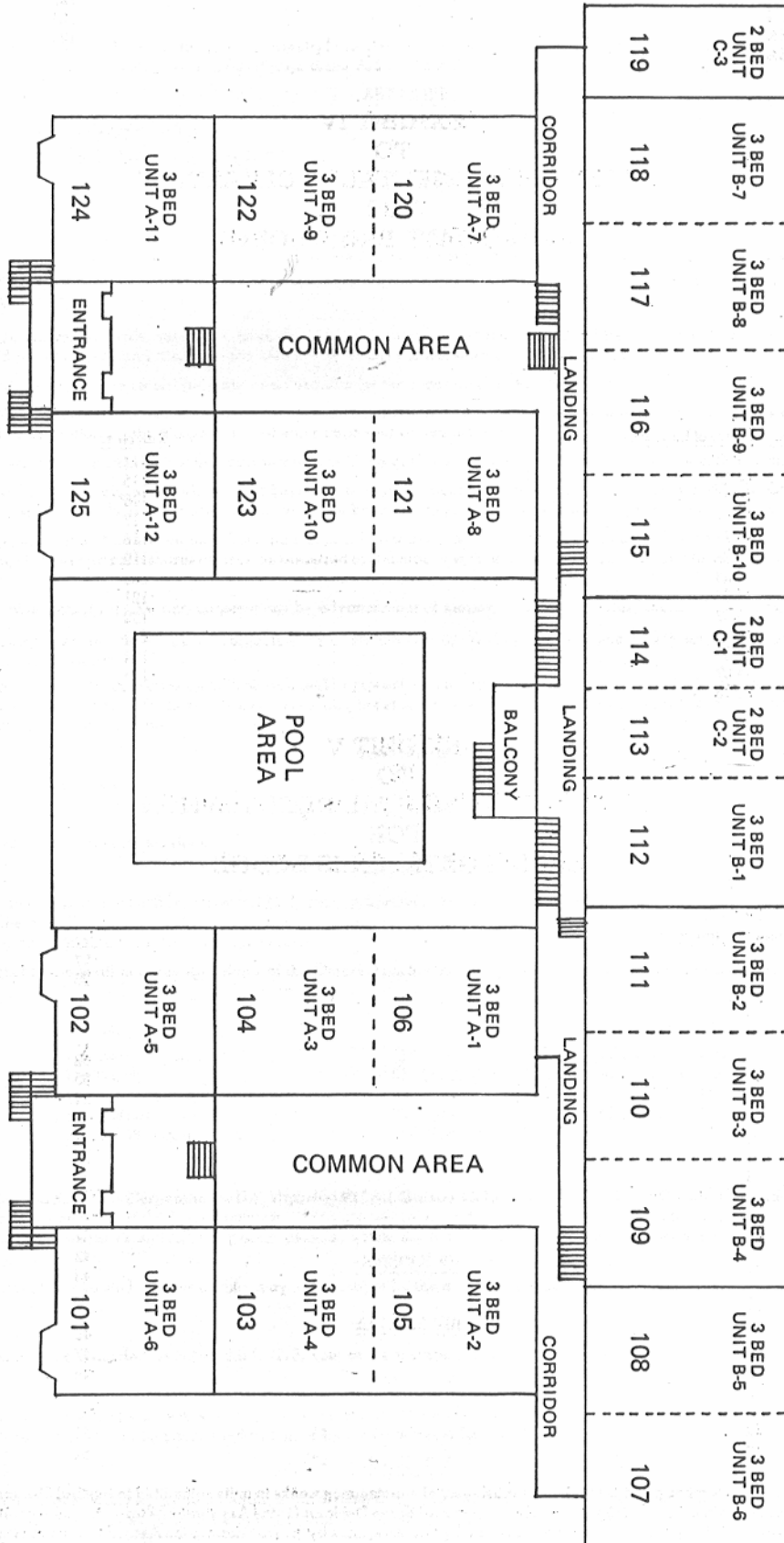
Thence N89°48'E along the Southerly end of the existing Unit C-1 of Lion's Gate Condominium, a distance of 255.6 feet to the Easterly Tract line of Tract 6.

Thence N16°20'30"W a distance of 157.4 feet to the point of beginning, all in the County of Grand, State of Colorado.

**EXHIBIT II
TO
FIRST SUPPLEMENTAL DECLARATION
FOR
LION'S GATE PINES LODGE**

<u>Unit Nos.</u>	<u>Previous No.</u>	<u>Same As</u>	<u>Unit Nos.</u>	<u>Previous No.</u>	<u>Same As</u>
101	1	A-6	114	14	C-1
102	2	A-5	115	15	B-10
103	3	A-4	116	16	B-9
104	4	A-3	117	17	B-8
105	5	A-2	118	18	B-7
106	6	A-1	119	19	C-3
107	7	B-6	120	20	A-7
108	8	B-5	121	21	A-8
109	9	B-4	122	22	A-9
110	10	B-3	123	23	A-10
111	11	B-2	124	24	A-11
112	12	B-1	125	25	A-12
113	13	C-2			

Exhibit II A
 To
 First Supplemental Declaration
 For
 Lion's Gate Pines Lodge



**EXHIBIT III
TO
FIRST SUPPLEMENTAL DECLARATION
FOR
LION'S GATE PINES LODGE**

<u>Unit No.</u>	<u>Percentage of Ownership of Common Elements</u>
115	9%
116	9%
117	9%
118	9%
119	6%
120	9.5%

<u>Unit No.</u>	<u>Percentage of Ownership of Common Elements</u>
121	9.5%
122	9.5%
123	9.5%
124	10%
125	10%

**EXHIBIT IV
TO
FIRST SUPPLEMENTAL DECLARATION
FOR
LION'S GATE PINES LODGE**

<u>Unit Nos.</u>	<u>Percentage Share of Expenses</u>
101	4.28
102	4.28
103	4.21
104	4.21
105	4.21
106	4.21
107	4.23
108	4.07
109	4.07
110	4.07
111	4.07
112	4.07
113	2.78

<u>Unit Nos.</u>	<u>Percentage Share of Expenses</u>
114	2.78
115	4.07
116	4.07
117	4.07
118	4.07
119	2.78
120	4.21
121	4.21
122	4.21
123	4.21
124	4.28
125	4.28
	100.00%

**EXHIBIT V
TO
FIRST SUPPLEMENTAL DECLARATION
FOR
LION'S GATE PINES LODGE**

<u>Interval Week</u>	<u>Undivided Percentage Interest</u>
1	3
2	3
3	3
4	3
5	3
6	3
7	3
8	3
9	3
10	3
11	3
12	3
13	3
14	3
15	1
16	1
17	1
18	1
19	1
20	1
21	1
22	2
23	2
24	2
25	2
26	2

<u>Interval Week</u>	<u>Undivided Percentage Interest</u>
27	2
28	2
29	2
30	2
31	2
32	2
33	2
34	2
35	2
36	1
37	1
38	1
39	1
40	1
41	1
42	1
43	1
44	1
45	1
46	1
47	1
48	1
49	1
50	3
51	4
52	4

Article VI of Section 43 of this Supplemental Declaration provides for the establishment of maintenance weeks in units committed to Interval Ownership. At the time of filing this schedule of undivided percentage interest of interval units, maintenance weeks have not been conveyed by the Declarant to the Association. Two maintenance weeks in each unit are to be conveyed within six (6) months from the date of the first conveyance of any interval week within any unit. Upon conveyance by the Declarant to the Association of two maintenance weeks in each unit, one interval week within weeks 15 through 21 and one interval week within weeks 36 through 49, then upon such conveyance, the undivided percentage interest theretofor attributable to such weeks as scheduled above shall be zero. After conveyance of the two maintenance weeks, the remaining total of undivided percentage interest of interval units will be 100%

**ARTICLES OF INCORPORATION
OF
LION'S GATE PINES LODGE CONDOMINIUM
ASSOCIATION, INC.**

(A Non-Profit Corporation)

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, do hereby form a corporation, not for profit, under and by virtue of the laws of the State of Colorado, and in accordance with the provisions of said State, I do hereby make, execute and acknowledge these Articles of Incorporation.

ARTICLE I

The corporate name and style of the corporation shall be:

LION'S GATE PINES LODGE CONDOMINIUMS, ASSOCIATION, INC.

ARTICLE II

The objects for which this corporation is formed are:

- (1) To buy, sell, lease, let and sublet, hold, deal in and with and subdivide real property wherever situate and all character of interests, rights and estates in or to real property.
- (2) To purchase and otherwise to acquire personal property every class and description, tangible and intangible, and to hold and sell, bail and otherwise dispose of, care for, repair, trade, deal in and deal with them.
- (3) To buy, sell, pledge, encumber, trade, exchange, hold, deal in and deal with interest and dividend bearing securities of all kinds, including bonds, mortgages and all varieties of commercial paper, secured or unsecured, and also with any other thing or right of possible or probable value.
- (4) To lend money and take real or personal property or no security for the repayment of the same.
- (5) To construct or remove improvements on real property, to equip such improvements with fixtures, furniture and personal property, and to manage, use, operate and work all real property owned or otherwise held or controlled by the Corporation, whether improved or unimproved.
- (6) To own real and personal property, both within and without the State of Colorado, and to conduct business in any and all parts of the world.
- (7) To borrow money and obtain credit; to issue bonds or other obligations in payment for property purchased or acquired by the Corporation, or for any other object in or about its business; to mortgage or pledge any stocks, bonds or other obligations by it issued or incurred.
- (8) To buy, sell, pledge, encumber, trade, exchange, hold, deal in and deal with shares of capital stock of any and all corporations, for whatever purpose and under whatever law such corporations may be organized, and whether such shares of stock be preferred or common or with or without voting power, and to exercise all voting rights and other privileges incident to the same.
- (9) To aid and assist other persons, firms, and corporations by advancement of money, guarantee of obligations or contracts, loans of property, or otherwise.
- (10) To conduct any operations within the scope of its objects and powers, either in its own behalf or as agent, and to act as agent of any one or more phases of any business or operations within the scope of its objects and powers.
- (11) The foregoing clauses shall be construed as both objects and as powers, and the statements contained in each clause, except where otherwise expressed, shall be in no wise limited or restricted by reference to or inference from the terms of any other clause, but shall be regarded as independent purposes and powers, and it is expressly declared that all other lawful powers not inconsistent therewith are hereby included.

ARTICLE III

The Corporation is to have perpetual existence.

ARTICLE IV

This Corporation is not for profit and has no capital stock.

ARTICLE V

The initial Board of Directors of the Corporation shall consist of five (5) Directors; however, the number of Directors may be increased or decreased, by amendment of the Bylaws of the Corporation, at any annual or special meeting of the members. Directors must be members of the Association, except for those Directors comprising the initial Board of Directors, who need not be members of the Association as long as they shall hold the office of Director.

The names and addresses of those who shall manage the affairs of the Corporation for the first year of its existence, or until their successors are elected, are:

<u>NAME</u>	<u>ADDRESS</u>
Goodwin Gibson	65 Queen Street W, Suite 1801, Toronto, Ont.
John Hunt	65 Queen Street W, Suite 1800, Toronto, Ont.
Michael Meraw	72 Walmsley Blvd., Toronto, Ont. M4V 1X6
J.R.Y. Hugo	65 Queen Street W, Suite 1800, Toronto, Ont.
Stanley W. Cazier	U.S. Highway 40 East, Box 588, Granby, Colorado 80446

ARTICLE VI

The address of the initial registered office of the Corporation is U.S. Highway 40 East, Granby, Colorado, 80446, in Grand County, Colorado. The name of the initial registered agent at such address is Stanley Cazier. The Corporation may establish and maintain offices elsewhere as its Bylaws may provide and as the Board of Directors may deem advisable. The principal activities and operations of the Corporation may be extended to any other counties within the State of Colorado or to any other states or territories of the United States.

ARTICLE VII

The members shall have the power to make such Bylaws as they may deem proper for the management of the affairs of the Corporation not inconsistent with the laws of the State of Colorado.

ARTICLE VIII

These Articles of Incorporation may be amended by a two-thirds (2/3) vote of the members of the Corporation.

ARTICLE IX

The members of the Corporation shall be those persons who own a condominium unit at Lion's Gate Pines Lodge Condominium, in the County of Grand, State of Colorado. Membership shall only be transferrable in accordance with the Condominium Declaration of Lion's Gate Pines Lodge.

ARTICLE X

No Directors of this Corporation shall receive any salary, remuneration, gift or other thing of value for services connected with the administration of the affairs of the Corporation. Personal expenses incurred in carrying out the duties of an officer or Director may be refunded when authorized by the Directors.

ARTICLE XI

No Dividend or distribution of the property of the Corporation shall be made until all debts are fully paid, and then only upon its final dissolution and surrender of organization and name; nor shall the Corporation be dissolved or distribution be made except upon the two-thirds (2/3) vote of the entire membership.

In the event of dissolution of the Corporation, any assets in the Corporation shall at the time of dissolution be transferred to Lion's Gate International, Inc., a joint venture, or to its successors or assigns.

ARTICLE XII

The operation of the Corporation shall be financed by assessments against the members as provided in the Bylaws of the Corporation. Such assessments shall become a lien against the real estate owned by the members in Lion's Gate Pines Lodge Condominiums, as of May 1st of each year. Any assessment not paid by any member within sixty (60) days after it shall become due and after notice in writing, may be collected by the Corporation; and if necessary, the lien may be foreclosed in the same manner as mortgages are foreclosed in the State of Colorado.

ARTICLE XIII

The name and address of the incorporator is John Hunt Post Office Box 113, Hideaway Park, Colorado, 80450.

WITNESS WHEREOF, I have hereunto set my hand and seal this 15th day of October, 1976.

John Hunt

John Hunt

STATE OF COLORADO }
COUNTY OF GRAND } SS

Personally appeared before me, a Notary Public, for the County and State aforesaid, John Hunt, and individual, personally known me to be the person whose name is subscribed to the foregoing Articles Incorporation as his free and voluntary act and deed for the uses and purpose therein specified.

Witness my hand and notarial seal this 15th day of October, 1976.

My Commission expires: 9-18-80

Elizabeth A. Woods

Notary Public

**BY-LAWS
OF
LION'S GATE PINES LODGE
CONDOMINIUMS ASSOCIATION, INC.**

ARTICLE I

OBJECT

(Plan of Ownership)

1. The purpose for which this non-profit association is formed is to govern the condominium property which has been or will be submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the recording of the Declaration and Supplements thereto and Maps and Supplements thereto bearing the name associated with this Association.
2. All present or future owners or any other person that might use in any manner the facilities of the project located on the property therein described are subject to the regulations set forth in these By-Laws. The mere acquisition by purchase or rental of any of the condominium units (hereinafter referred to as "units") or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified and will be complied with.
3. Any reference to "owner" or "ownership" as used in these By-Laws means and refers to the owner of the condominium or interval unit as the case may be; provided, however, that an interval owner shall have all of the rights, privileges and obligations of a condominium unit owner, including the membership and voting rights in the Association as herein below set forth and shall be considered as the owner. "Declarant" as used herein means the named Declarant in the Condominium Declaration for

LION'S GATE PINES LODGE
(hereinafter "Declaration")

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. **Membership.** Except as is otherwise provided in these By-Laws, ownership of a condominium unit is required in order to qualify for membership in this Association. Any person upon becoming an owner of a condominium or interval unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of ownership and membership in the Association, or impair any rights or remedies which the condominium or interval unit owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.
2. **Voting.** Except as is provided in the Declaration for the purposes stated therein, each owner shall be entitled to cast the votes assigned to his unit as is provided in the Declaration or supplements thereto.
3. **Majority of Unit Owners.** As used in these By-Laws, the term "majority of Unit owners" shall mean those owners of more than fifty percent (50%) of the total votes of members.
4. **Quorum.** Except as otherwise provided in these By-Laws, the presence in person or by proxy or members holding one-tenth of the votes entitled to be cast shall constitute a quorum. An affirmative vote of a majority of the unit owners present, either in person or by proxy, shall be required to transact the business of the meeting.

ARTICLE III

ADMINISTRATION

1. **Association Responsibilities.** The owners of the units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the project through a Board of Managers, hereinafter referred to as the "Board".
2. **Place of Meeting.** Meetings of the Association shall be held at such place within the State of Colorado as the Board may determine.
3. **Annual Meetings.** The first meeting of the Association members shall be held within ninety (90) days following the giving of notice by the Declarant that eight-five percent of the condominium units in the entire Condominium project have been sold. The annual meeting of the Association shall be held during the month of May of each year, commencing in 1980. At such meetings there shall be elected by ballot of the owners a Board in accordance with the requirements of Section 4 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.
4. **Special Meetings.** The President may call a special meeting of the owners upon receipt of a petition signed by at least one-third of the owners. The notice of any special meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds of the owners present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.
5. **Notice of Meetings.** The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each owner of record, at the registered address of each owner, at least five (5) days, but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such Notice shall be considered notice served, and the Certificate of the Secretary that notice was duly given shall be prima facie evidence thereof. A record date may be established by the Board as is provided in the Declaration.
6. **Adjourned Meetings.** If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight hours from time the original meeting was called.
7. **Order of Business.** The order of business at all meetings of the owners of units shall be as follows:
 - (a) Roll call and certifying proxies
 - (b) Proof of notice of meeting or waiver of notice
 - (c) Reading of Minutes of preceding meetings
 - (d) Reports of officers
 - (e) Reports of committees
 - (f) Election of directors
 - (g) Unfinished business
 - (h) New business
 - (i) Adjournment
8. **Performance of Functions by Declarant.** The rights, duties and functions of the Board shall, at the Declarant's option, be exercised by the Declarant by and through those persons named as Directors in the Articles of Incorporation or elected by the Declarant in Paragraph 36 of the Declaration.

ARTICLE IV

BOARD OF MANAGERS

1. **Number and Qualifications.** Consistent with the relevant provisions of the Declaration, the Declarant shall exercise the rights, duties and functions of the Board as provided therein by and through the persons named as the Directors by the Declarant until the meeting of the members in May, 1980. At that meeting there shall be elected any five members of the Association to the Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. The term "manager" is equivalent to "director".
2. **Powers and Duties.** The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first class residential condominium property. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units:
 - (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado and the By-Laws of the Association and supplements and amendments thereto and to provide the services designated in the Declaration.
 - (b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of all of the condominium units with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof.
 - (c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements and all items of common personal property.

(d) To insure and keep insured all of the insurable general common elements and condominium units in an amount equal to the maximum replacement value. To insure and keep insured all of the common fixtures, common equipment and common personal property for the benefit of the owners and Lessees of the condominium units and their first mortgagees. Further, to obtain and maintain insurance as provided in the Declaration.

(e) To prepare a budget for the condominium at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project, and allocate and assess such common charges among the unit owners as provided in the Declaration, and by majority vote of the Board to adjust, decrease or increase the amount of the quarterly or periodic assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies as provided in the Declarations.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws. To enforce a late charge of not more than \$10.00 per month and to collect interest at the rate of twelve percent (12%) per annum in connection with assessments remaining unpaid more than twenty (20) days from due date for payment thereof, together with all expenses, including attorney's fees incurred. The Board shall have the duty, right, power and authority to prohibit use of a condominium unit by an owner, lessee, sublessee, tenant or guest in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

(g) To protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By-Laws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefor. Such indebtedness shall be the several obligation of all of the owners in the same proportion as provided in Paragraph 39d and Exhibit IV of the Declaration. The persons who shall be authorized to execute promissory notes and securing instruments shall be the President and Secretary or Assistant Secretary.

(i) To enter into contracts to carry out their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k) To make repairs, additions, alterations, improvements and renovations to the general common elements consistent with managing the condominium project in a first-class manner and consistent with the best interests of the unit owners.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners.

(m) To prepare and deliver annually to each owner a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least semi-annually and, if a Managing Agent is employed, an employee of the Managing Agent may be in attendance, upon invitation of the Board.

(o) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this condominium property including the designation and removal of personnel necessary for the operation, maintenance and repair of the common elements.

(p) To manage the use of all parking areas under the control of the Association, open spaces, common areas and other property in common use.

(q) To employ for the Association a managing agent to exercise those duties and powers granted to it by the Board, but not those powers which the Board, by law, may not delegate.

3. No Waiver or Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the By-Laws, or the Rules and Regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

4. Election and Term of Office. At the first meeting of the Association after January 1, 1980, the term of office of all Directors shall be fixed for one year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of one year. Except as is otherwise provided by these By-Laws, the Directors shall hold office until their successors have been elected and hold their first meeting.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected.

6. Removal of Directors. Subject to the relevant provisions of the Declaration, at any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners, a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting prior to voting thereon.

7. Organization Meeting. The first meeting of a newly elected Board following each annual meeting of the unit owners shall be held within ten days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

8. Regular Meetings. Regular meetings of the board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone, or telegraph at least seven (7) days prior to the day named for such meeting.

9. Special Meeting. Special meetings of the Board may be called by the President on three days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Directors.

10. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which quorum is present shall be the acts of the Board. If, at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

12. Fidelity Bonds. The Board may require that all officers and employees of the Association and the Managing Agent who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

ARTICLE V FISCAL MANAGEMENT

The provisions for fiscal management of the condominium units for and in behalf of all of the unit owners as set forth in the Declaration may be supplemented by the following provisions:

Accounts. The funds and expenditures of the unit owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be general common expenses.

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence.

ARTICLE VI OFFICERS

1. **Designation.** The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. Such officers except the President need not be members of the Board. The office of President and Treasurer may be held by the same person, and the office of Vice President and Secretary may be held by the same person.

2. **Election of Officers.** The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. **Removal of Officers.** Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or any special meeting of the Board called for such purpose.

4. **President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5. **Vice President.** The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties.

6. **Secretary.** The Secretary shall keep all the minutes of the meeting of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered addresses as shown on the records of the Association. Such list shall also show opposite each member's name, the number or other appropriate designation of the unit owner by such member, the undivided interest in the general common elements. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. In addition, a list of all mortgagees of units shall be maintained. The records referred to in this subsection may be maintained by the Managing Agent.

7. **Treasurer.** The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; provided, however, that the day to day responsibilities for booking and collecting and disbursing funds shall be delegated to a paid employee of the Association or to a Managing Agent. The Treasurer's responsibility shall be to review the accounts not less often than quarter-annually.

ARTICLE VII INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. **Indemnification.** The Association shall indemnify every Director and officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fee, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him as an owner of a condominium unit under and by virtue of the Declaration.

2. **Other.** Contracts or other commitments made by the Board of Directors or officers shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as Provided in Exhibit IV of the Declaration, except that any losses incurred because of an inability to collect such proportionate amount of the total liability owed by an owner shall be shared proportionately by the owners.

ARTICLE VIII AMENDMENTS

1. The Articles of Incorporation may be amended in the manner provided by law.

2. These By-Laws may be amended by a majority of the members based on undivided percentage interests at a duly constituted meeting of the members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation, the Declaration, or with state or federal law.

ARTICLE IX MORTGAGES

1. **Notice to Association.** An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Association Secretary, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

2. **Notice of Unpaid Common Assessments.** The Association, whenever so requested in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner of a mortgaged unit.

3. **Notice of Default.** When giving notice to a unit owner of a default in paying common assessments or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has theretofore been furnished to the board and to the Lessor.

4. **Examination of Books.** Each unit owner, each mortgagee of a condominium unit and the Lessor shall be permitted to examine the books of account of the Association at reasonable times on business days, but not more than once each month.

ARTICLE X EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

1. **Proof of Ownership.** Except for those owners who initially buy a condominium unit from Declarant, any person acquiring an interest in a condominium unit shall furnish to the Board and to the Lessor a copy of the recorded instrument vesting that person with an interest in the condominium unit. The copy furnished to the Association shall be maintained in the files of the Association.

2. **Registration of Mailing Address.** The owners or several owners of each condominium unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Managing Agent or Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in writing and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interest of (all of) the owners thereof.

3. **Designation of Voting Representative - Proxy.** If the record interest in a condominium unit is owned by one person, his right to vote shall be established by the record title thereto. If the record interest in a condominium unit is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty days after such revocation, amendment or termination, the owner shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

The requirements herein contained in this Article X shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XI
OBLIGATION OF THE OWNERS

1. Assessments. All owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses and to maintain the reserves as provided in the Declaration. Assessments shall be due in advance. A member shall be deemed in good standing and entitled to vote at any annual or at a special meeting of members within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Notice of Lien or Suit. An owner shall give notice to the Association of every lien or encumbrance upon his condominium unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his condominium unit, and such notice shall be given in writing within five days after the owner has knowledge thereof.

3. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners and the Lessor harmless from any and all claims of mechanic's lien filed against other condominium units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's condominium unit. In the event such lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten (10) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year together with a sum equal to ten percent of the amount of such claim, but not less than One Hundred Fifty Dollars, which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in the Declaration. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such owner(s), and the owner shall be liable to the Association for the payment of interest at the rate of twelve percent per annum on all such sums paid or incurred by the Association. The provisions in this Section 3 shall supplement the relevant provisions of the Declaration.

4. Maintenance and Repair.

(a) Every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit which, if omitted, would affect the appearance of the aesthetic integrity of part or all of the condominium project.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common elements damaged by his negligence or by the negligence of his tenants or agents or guests.

5. General.

(a) Each owner shall comply strictly with the provisions of the recorded Declaration and these By-Laws and amendments thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

6. Uses of Units - Internal Changes.

(a) All units shall be utilized only for the purposes as is provided in the Declaration.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without the written approval of the Board and the Lessor. The Board and the Lessor shall be notified in writing of the intended modifications through the Managing Agent or, if no Managing Agent is employed, then through the President of the Board. The Association shall have the obligation to answer an owner's request within thirty (30) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

7. Use of General Common Elements and Limited Common Elements.

Each owner may use the general common elements, the limited common elements, sidewalks, pathways, roads and streets and other common elements located within the entire condominium project in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other owners, and subject to the rules and regulations contained in these By-Laws and established by the Board as is provided in Section 9 of this Article. The major recreational facilities shall consist of men's and women's locker rooms, showers, whirlpool, swimming pool lounge area and a laundry room. All recreation facilities shall be open to all owners, their guests and other invitees. The maintenance of the same shall be covered by the regular assessment.

8. Right of Entry.

(a) An owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board in case of an emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An Owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other units, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

9. Rules and Regulations

(a) The initial rules and regulations, which shall be effective until amended or supplemented by the Board, are annexed hereto and made a part hereof as Schedule A.

(b) The Board reserves the power to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

10. Destruction. Each owner, upon becoming an owner of a condominium unit, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon its damage or destruction, as is provided in the Declaration.

ARTICLE XII
ABATEMENT AND ENJOINTMENT OF VIOLATIONS BY UNIT OWNERS

Abatement and Enjoinment. The violation of any rule or regulation adopted by the Board, or the breach of any By-Laws, or the breach of any provision of the Declaration, shall give the Board or the Managing agent the right, in addition to any other rights set forth therein, (i) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XIII
COMMITTEES

1. Designation. The Board may, but shall not be required to, appoint an executive committee, and it may designate and create standing committees and appoint persons to all such committees.

2. Executive Committee. The executive committee shall consist of two persons who are members and who shall be appointed by the President. The executive committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Directors at each meeting of the Board. The executive committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either by telephone, telegraph, mail or personally, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the Board may appoint a committee of three members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee prior or at the annual meeting of the Board.

4. Vacancies. A vacancy in any committee shall be filled by the President until the next meeting of the Board.

ARTICLE XIV
ASSOCIATION - NOT FOR PROFIT

Association - Not for Profit. This Association is not organized for profit. No member, member of the Board, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board, officer or member; provided, however, always (i) that reasonable compensation may be paid to any member, Director or officer while acting as an agent or employee of the Association, for services rendered in effecting one or more of the purposes of the Association, and (ii) that any member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association. The provisions herein are not applicable to the Managing Agent who shall perform its manager's duties and functions according to written agreement for the compensation stated therein.

ARTICLE XV
MORTGAGEES AS PROXIES

Mortgagees as Proxies. Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed, mortgage or other instrument which encumbers the owner's record interest their true and lawful attorney to vote their unit membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as unit owners under the Articles of Incorporation and By-Laws of this Association or by virtue of the recorded Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the unit owners to carry out their duties as set forth in the Declaration. A release of the beneficiary's encumbrance shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, of their duties and obligations as condominium unit owners or to impose upon the beneficiary of the encumbrance the duties and obligations of a unit owner.

ARTICLE XVI
PROHIBITION

The Association shall have no right or authority to, and is prohibited from engaging in, the sale, lease or rental of a condominium unit or any part thereof; provided, however, that this prohibition shall not affect the right and duty of the Association to enforce its right to a lien for the non-payment of an Association assessment against a condominium unit and the right to sell, lease or dispose of such condominium unit as provided in the Declaration.

SCHEDULE A
RULES AND REGULATIONS

1. Any common sidewalks, driveways, entrances and passageways shall not be obstructed or used by any unit owner for any other purpose than ingress and egress from the units.
2. Except as to the areas termed limited common elements, no articles shall be placed on or in any of the general common elements except for those articles of personal property which are the common property of all of the unit owners.
3. No vehicle belonging to or under the control of a unit owner or a member of the family or a guest, tenant, lessee or employees of a unit owner shall be parked in such manner as to impede or prevent ready access to any part of the project. Vehicles shall be parked within designated parking areas. Any traffic flow markings and signs regulating traffic on the premises shall be strictly observed.
4. No owner, resident or lessee shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, machines or air conditioning units be installed on the exterior of the project, including any part of the balcony, or that protrude through the walls or the roof of the condominium improvements except as may be expressly authorized by the Association.
5. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants or occupants of other units.
6. Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of common trash and garbage facilities.
7. The Association assumes no liability for nor shall it be liable for any loss or damage to articles left or stored in any common or other area.
8. Any damage to the general common elements or common personal property caused by the owner or a child or children of a unit owner or their guests or the guests of a unit owner shall be repaired at the expense of that unit owner.
9. The resident manager, the managing agent or the Board of Directors shall retain a pass key to each unit. No owner shall alter any lock or install a new lock on any door leading into the unit without prior consent, and, if such consent is given, the owner shall provide a key for the managing agent's or the Board of Directors' use.
10. The balconies and terraces, decks or patios shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rungs, household articles or other items. No rugs or other materials shall be dusted from windows, balconies, decks or patios by beating or shaking. Outdoor cooking on such areas shall be permitted only if such cooking can be accomplished without smoke.
11. No cats, dogs or other animal or bird or reptile (hereinafter for brevity termed "animal") shall be kept, maintained or harbored on any part of the condominium property and unit unless the same in each instance is expressly permitted in writing by the managing agent, resident manager or by the Board of Directors. Where such written permission is granted, such permission is revocable if the animal becomes obnoxious to other owners, in which event the owner or person having control of the animal shall be given a written notice to correct the problem, or if not corrected, the owner, upon written notice, will be required to remove the animal from the project and unit. The written notices provided for herein shall be issued by the managing agent or resident manager or by one or more of the members of the Board of Directors.
12. Fireworks of any kind, whether explosive or non-explosive, shall not be stored, carried or brought or permitted on any part of this project, including within a unit, nor shall any fireworks be ignited, displayed or exploded on any part of the project.
13. Persons under the age of 14 years of age shall not be permitted to use the swimming pool unless accompanied by an adult. The owners, their guests and all other persons using the pool area shall abide by the swimming pool rules as posted in the pool area. Under no circumstances shall glass containers, of any kind, be permitted in the pool area.
14. The swimming pool and any other recreational facilities shall be used (only) by the owners, the members of their families and their guests.
15. Parking spaces may not be used for storage of boats and other recreational equipment belonging to an owner.
16. The resident manager, members of his family, and their guests shall not have any of the privileges (of use) of any of the recreational facilities on the project.
17. Management personnel and staff are adequately compensated and no gratuities are to be given. This does not preclude appropriate remembrances on particular occasions or on a birthday.
18. The provisions of Article 8 of the Declaration are incorporated herein by this reference.
19. The foregoing Rules and Regulations are subject to amendment and to promulgation of further Rules and Regulations.