

VILLAGE CENTER
CONDOMINIUM ASSOCIATION DOCUMENTS
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CONDOMINIUM DECLARATION

FOR

VILLAGE CENTER

RECITALS

T-H LAND COMPANY, a Colorado partnership ("Declarant"), is the owner of the real property situate in the County of La Plata, State of Colorado, described as Lot 8, Phase 1, Purgatory Village PUD (the "Real Property"). A building known and referred to as Village Center ("Village Center" or the "Building") is located on a portion of the Real Property.

Declarant desires to establish a condominium project under the Colorado Condominium Ownership Act (the "Act") and to define the character, duration, rights, obligations, and limitations of condominium ownership. Declarant has executed plans for the construction of separately designated condominium units within Village Center. A condominium map (the "Map") will be filed showing the location of the condominium project on the portion of the Real Property which is hereby made subject to this Declaration.

Declarant does hereby establish a plan for the ownership of real property estates in fee simple consisting of the air space contained in each of the units in Village Center and the co-ownership, by the individual and separate owners thereof, as tenants in common, of certain portions of the remainder of Village Center and the Real Property.

DECLARATION

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

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

(a) "Association" means the Purgatory Village Center Condominium Association, a Colorado nonprofit corporation.

(b) "Building" means the building improvement known as Village Center located on the Premises.

(c) "Commercial Unit" means those Units designated as C-1 through C-__ inclusive on the Map.

(d) "Common Expenses" mean (i) all expenses expressly declared to be common expenses by this Declaration or by the bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the General Common Elements; (iii) insurance premiums for the insurance carried under Paragraph 11; and (iv) all expenses lawfully determined to be common expenses by the board of directors of the Association.

(e) "Condominium" means a Unit together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or non-exclusive use of Limited Common Elements associated therewith.

(f) The "Condominium Units" subject to this Declaration shall be known as the Village Center Condominiums.

(g) "Corporation" means Durango Ski Corporation, a Colorado corporation.

(h) "Declaration" means this instrument and all amendments or supplements hereto, hereafter recorded in the records of La Plata County, Colorado.

(i) "District" means the Purgatory Metropolitan Service District.

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

(k) "General Common Elements" mean (i) the land included in the real property which at any time is

subject to this Declaration; (ii) the foundations, columns, girders, beams, supports, perimeter and supporting walls, roofs, balconies, halls, corridors, lobbies, elevators, stairs, stairways, fire escapes, entrances and exits of the Building; (iii) the installations, equipment and materials making up the central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; (iv) the tanks, pumps, motors, fans, compressors, ducts and in general, all apparatus and installations existing for common use; and (v) all other parts of the property which is subject to this Declaration but which is not part of a Unit, and may be designated on the Map as "G.C.E."

(l) "Limited Common Elements" means any part of the General Common Elements assigned for the exclusive or non-exclusive use and enjoyment of the Owner or Owners of Commercial and/or Residential Units including Limited Common Elements - Commercial, Limited Common Elements - Residential, Special Limited Common Elements - Commercial (as defined below) and Special Limited Common Elements - Residential (as defined below).

(m) "Limited Common Elements - Commercial" means the part of the General Common Elements assigned for the exclusive use and enjoyment of all the Owner of Commercial Units and may be designated on the Map as "LCEC."

(n) "Limited Common Elements - Residential" means the part of the General Common Elements assigned for the exclusive use and enjoyment of all the Owners of Residential Units and may be designated on the Map as "LCER".

(o) "Map" means the condominium map described in Paragraph 4.

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

(q) "Pedestrian Easement" means the right of pedestrians and skiers for ingress to and egress from the Premises.

(r) "Premises" means that portion of the Real Property subject to this Declaration, which is described in Paragraph 2 below.

(s) "Project" and "Condominium Project" collectively mean the Premises and the Building and other improvements located on the Premises.

(t) "Purgatory Association" means the Purgatory Village Owner's Association, a Colorado non-profit corporation, describe in the Land Use Declaration for Purgatory Village (the Land Use Declaration") dated November 22, 1982, and recorded on November 24, 1982 at Reception No. 476568, of the La Plata County, Colorado records.

(u) "Recreational Facilities" mean the sauna, steam room, jacuzzi, and sundeck located on Level 6 of the Building.

(v) "Residential Unit" means those Units designated as R-301 through R-306, R-401 through R-406, R-411 through R-414, R-501 through R-506, R-511 through R-514 inclusive, and R-611, R-612 and R-614 on the Map.

(v) "Road Easement" means any right granted to the Village Association or to the District by Declarant to use a portion of the Premises for road purposes.

(x) "Ski Facility Easement" means the right granted to the Village Association or to the Corporation by Declarant to use a portion of the air space over the Premises for cables, trams, ski lifts and other facilities relating to the operation of a ski area.

(y) "Special Limited Common Element - Commercial" means the part of the General Common Elements assigned for the exclusive use and enjoyment of the Owner of Owners of one or more, but less than all, of the Commercial Units and may be designated on the map as "SLCEC."

(z) "Special Limited Common Element - Residential" means the part of the General Common Elements assigned for the exclusive use and enjoyment of the Owner of Owners of one or more, but less than all, of the Residential Units and may be designated on the map as "SLCER."

(aa) "Unit" means an individual air space unit contained within the perimeter walls, floors, ceilings, windows and doors of a unit in Village Center which is subject to the provisions of this Declaration, and as shown and described in the Map, together with (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such Unit's perimeter walls, floors and ceilings;

(iii) the doors and windows of the Unit; and (iv) the interior non-supporting walls within the Unit. The term does not include, however, the undecorated or unfinished surfaces of the perimeter walls, floors, or ceilings of a Unit, any utilities running through the Unit which serve more than one Unit, or any other General Common Element or part thereof located within the Unit.

2. Grant and Submission. Declarant hereby grants, conveys and submits to Condominium ownership a tract of land located in Section 24, Township 39 North, Range 9 West of the New Mexico Principal Meridian, La Plata, County, Colorado (the Premises"), as set forth in Exhibit A attached hereto.

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

(a) The Building is hereby initially divided into _ Condominiums numbered C-1 through C, R-301 through R-306, R-401 through R-406, R-411 through R-414, R-501 through R-506, R-511 through R-514 inclusive, and R-611, R-612 and R-614, each consisting of a Unit, together with an undivided interest in the General Common Elements appurtenant to such Unit, and the exclusive or non-exclusive right to use and enjoy Limited Common Elements, as set forth on Exhibit B attached hereto.

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

(c) Any contract of sale, deed, lease, deed of trust, mortgage, will, or other instrument affecting a Condominium may describe it by its Unit number as shown on the Map, followed by the name of the Condominium and reference to this Declaration and to the Map.

(d) Declarant shall give written notice to the assessor of La Plata County, Colorado in the manner provided in the Act so that each Condominium will be separately assessed and taxed.

(e) Any Residential Unit shall be used and occupied solely for dwelling or lodging purposes, except that any one of such Units may be used from time to time as a manager's Unit. Owners of such Units may rent or lease such Units to others for these purposes.

(f) Any Commercial Unit shall be used and occupied solely for service and retail business purposes, including, but not limited to, retail stores, offices, restaurants and other food and beverage operations. Subject to obtaining the approval of the Association pursuant to Paragraph 23, the Owner of two or more of such Units which have adjoining walls shall have the right to remove or relocate any interior non-supporting wall within such Units.

(g) The Limited Common Elements designated on the Map as "LCEC" shall be used exclusively as corridors. Such use may only be changed by approval of the Declarant and the Owners of Commercial Units having the right to vote at least two-thirds of the total vote of all Owners of Commercial Units.

(h) The Limited Common Elements designate on the 3rd, 4th, and 5th floors of the Map as "LCER" shall be used exclusively as corridors. The Limited Common Elements designed on the 6th floor of the Map as "LCER" shall be used exclusively as Recreation Facilities. Such uses may only be changed by approval of Declarant and the Owners of the Residential Units having the right to vote at least two-thirds of the total vote of all Owners of Residential Units.

4. Condominium Map. Upon substantial completion of the Building, and prior to any conveyance by Declarant of a Condominium therein, Declarant shall cause to be filed for record in La Plata County, Colorado, the condominium Map which shall contain: (a) the legal description of the surface of the Premises; (b) the linear measurements and location, with reference to the exterior boundaries of the Premises, of the Building; (c) the floor plans and linear dimensions of the interior of the Building including the Units, the General Common Elements which are not a part of any Unit and the Limited Common Elements; (d) the designation by number or other symbol of each Unit; (e) the elevation plans of the Building; and (f) the elevation of the unfinished interior surfaces of the floors and ceilings of the Building, including the Units, as established from a datum plane, the distances between floors and ceilings, and the

linear measurements showing the thickness of the perimeter walls of the Building. Declarant reserves the right to amend the Map from time to time to conform it to the actual location of the Building including all parts thereof and to establish, vacate and relocate easements.

5. Easements. Each Owner of a Condominium Unit understands and agrees that Declarant has reserved certain rights pursuant to Paragraph 24 and that Declarant has the power to grant a Road Easement and one or more Pedestrian Easements and Ski Facilities Easements on or over the Premises and the Real Property.

6. General Common Elements; Encroachments.

(a) The General Common Elements shall be owned in common by all the Owners and shall remain undivided. No Owner shall assert any right of partition with respect to the General Common Elements. Each Owner waives any and all rights of partition he may hold by virtue of his ownership of an undivided interest in the General Common Elements as a tenant-in-common with the other Owners. This paragraph shall not, however, limit or restrict the right of partition of a single Condominium among the Owners thereof, but such partition shall not affect any other Condominium.

(b) Each Owner shall be entitled to use the General Common Elements (other than the Limited Common Elements) in accordance with the purpose for which they are intended, without hindering, impeding or imposing upon the rights of the other Owners and in accordance with rules and regulations duly established from time to time by the Association.

(c) If any portion of the General Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the General Common Elements, as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, a valid easement for the encroachment and for the maintenance of the same so long as the Building stands, shall exist. In the event the Building, any Unit, any adjoining Unit, or any adjoining General Common Element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the General Common Elements, due to such rebuilding, shall be permitted, and valid easements

for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

7. Mechanic's Liens; Indemnification.

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

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

8. Administration and Management. The Village Center Condominiums shall be administered and managed pursuant to this Declaration and the articles of incorporation and bylaws of the Association. Each Owner shall be a member of the Association and shall remain a member until he ceases to be an Owner. Each member shall comply strictly with the provisions of this Declaration and the articles of incorporation and bylaws of the Association. Each member shall be bound by and shall comply with rules, resolutions and decisions

of the Association duly made or adopted in the manner set forth in the articles of incorporation or bylaws. Failure of a member to comply with such provisions, rules, resolutions, or decisions shall be grounds for an action to recover damages or to obtain injunctive relief, or both, maintainable by the Association on behalf of the other Owners or, in a proper case, by an aggrieved Owner. In addition, the Association's bylaws may authorize the Association, during the period of any delinquency, (a) to revoke a delinquent Owner's right to use General Common Elements, (b) to cause utility service to a delinquent Owner's Condominium to be suspended, and (c) to suspend a member's voting privileges; however, no such suspension shall affect the rights of a First Lienor.

9. Maintenance and Repairs.

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

(b) Except as provided below in this Paragraph 9, the General Common Elements (including the Limited Common Elements) shall be administered, conserved, managed, maintained, repaired and replaced by the Association, which may have access to any Unit from time to time during reasonable hours for such purposes, or at any time for the purpose of making emergency repairs therein necessary to prevent damage to the General Common Elements, to Limited Common Elements or to another Unit or Units. The costs of repairing any damage to a Unit resulting from entry therein for any such purpose shall be a common expense of all the Owners. However, if the need to make such entry results from the negligence or intentional act of any Owner, such owner shall reimburse the Association for all the costs of repairing such damage and shall be liable to the other owners for all additional losses or damages suffered, including reasonable attorneys' fees. If, in the sole judgment of Declarant, the Association has failed to maintain the General Common Elements in good order and repair, Declarant may, after five days' notice to the Association, perform all work necessary to maintain the General Common Elements in good order and repair and Declarant shall have access to any Unit for such purposes. The Association shall reimburse Declarant for the

cost of such work, which shall be a Common Expense of all Owners payable as set forth herein.

(c) All maintenance and repairs of the exterior of the Building shall be provided by the Association at such time and such cost as in the judgment of the Association is necessary to maintain the exterior of the Building in good order and repair. Such maintenance and repair shall include, but not be limited to, painting, staining, or other application of materials to the exterior of the Building, cleaning and snow removal. The cost of such work shall be a Common Expense of all Owners payable as set forth herein, except that to the extent that such maintenance and repairs relate specifically to improvements permitted by Paragraph 16 hereof, then in such event the Association may charge the costs associated with maintaining such improvements to the Owner of the Unit requesting such improvements pursuant to Paragraph 16.

(d) Each Owner shall pay all costs of repairing any damage to the General Common Elements (including the Limited Common Elements) or to any Condominium Unit other than his own, resulting from the intentional act or negligence of such Owner.

(e) Notwithstanding the foregoing, each owner having an interest in Limited Common Elements shall pay the proportion of the costs and expenses of maintaining, repairing and replacing any Limited Common Elements of which such Owner has any use and enjoyment, the numerator of which is his percentage in General Common Elements and the denominator of which is the total percentage interest in General Common Elements of all persons having any use and enjoyment of such Limited Common Elements.

(f) If, in the reasonable judgment of the Board of Directors of the Association, the allocation of expenses as set forth above is clearly unfair or inequitable, the Board of Directors may allocate such expenses in a manner which the Board of Directors determines is fair and equitable.

10. Assessments for Common Expenses.

(a) Common Expenses shall be allocated among the Owners pursuant to Column I below, unless otherwise provided in the following subsections of this Paragraph 10.

Unit No.	Square Footage of Unit	I Expenses Allocated to all Owners	II Expenses Allocated to Owners of Commer- cial Units	III Expenses Allocated to owners of Resi- dential Units
C-101	707	.0111	.0240	N/A
C-102	802	.0126	.0273	N/A
C-103	1051	.0165	.0357	N/A
C-104	525	.0083	.0178	N/A
C-105	778	.0122	.0264	N/A
C-106	746	.0117	.0253	N/A
C-107	788	.0124	.0268	N/A
C-108	723	.0114	.0246	N/A
C-109	622	.0098	.0211	N/A
C-110	714	.0112	.0243	N/A
C-111	200	.0031	.0068	N/A
C-112	572	.0090	.0194	N/A
C-201	781	.0123	.0265	N/A
C-202	576	.0091	.0196	N/A
C-203	904	.0142	.0307	N/A
C-204	714	.0112	.0243	N/A
C-205	772	.0122	.0262	N/A
C-206	788	.0124	.0263	N/A
C-207	792	.0125	.0269	N/A
C-238	383	.0060	.0130	N/A
C-209	355	.0056	.0121	N/A
C-210	438	.0069	.0149	N/A
C-211	134	.0031	.0066	N/A
C-212	312	.0049	.0106	N/A
C-213	120	.0019	.0041	N/A
C-21.4	182	.0029	.0062	N/A
C-215	427	.3067	.0145	N/A
C-216	90	.0014	.0030	N/A
C-217	236	.0037	.0080	N/A
C-218	237	.0037	.0081	N/A
C-219	247	.2039	.0084	N/A
C-220	397	.0062	.0135	N/A
C-221	568	.0089	.0193	N/A
C-222	571	.0090	?????.	N/A
C-223	344	.0054	.0117	N/A
C-224	729	.0115	.0248	N/A
C-225	312	.0049	.0106	N/A
C-226	195	.0031	.0066	N/A
C-227	186	.0029	.0063	N/A

Unit No.	Square Footage of Unit	I Expenses Allocated to all Owners	II Expenses Allocated to Owners of Commercial Units	III Expenses Allocated to Owners of Residential Units
C-228	1320	.0208	.0449	N/A
C-229	377	.0059	.0128	N/A
C-301	1185	.0186	.0403	N/A
C-302	929	.0146	.0316	N/A
C-303	933	.0147	.0317	N/A
C-304	690	.0109	.0234	N/A
C-305	752	.0118	.0256	N/A
C-306	569	.0090	.0193	N/A
C-307	793	.0125	.0269	N/A
C-308	1128	.0178	.0383	N/A
C-309	656	.0103	.0223	N/A
Totals for Commercial Units				
	29,430	.4630	100%	N/A
Residential Units				
R-300	114	.0018	N/A	.0033
R-301	1179	.0186	N/A	.0345
R-302	490	.0077	N/A	.0144
R-333	1178	.0185	N/A	.0345
R-304	1169	.0184	N/A	.0343
R-305	?	.0186	N/A	.0347
R-306	1134	.0186	N/A	.0347
R-401	1172	.0184	N/A	.0343
R-402	1177	.0185	N/A	.0345
R-403	1111	.0185	N/A	.0345
R-404	1174	.0185	N/A	.0344
R-405	1179	.0186	N/A	.0346
R-406	1184	.0186	N/A	.0347
R-411	1163	.0183	N/A	.0341
R-412	1185	.0187	N/A	.0347
R-413	1183	.0186	N/A	.0347
R-414	1184	.0186	N/A	.0347
R-501	1189	.0187	N/A	.0348
R-502	1185	.0187	N/A	.0347

Unit No.	Square Footage of Unit	I Expenses Allocated to all Owners	II Expenses Allocated to Owners of Commercial Units	III Expenses Allocated to Owners of Residential Units
R-503	1183	.0186	N/A	.0347
R-504	1180	.0186	N/A	.0346
R-505	1200	.0189	N/A	.0352
R-506	1186	.0187	N/A	.0348
R-511	1191	.0187	N/A	.0349
R-512	1185	.0187	N/A	.0347
R-513	1187	.0187	N/A	.0348
R-514	1175	.0185	N/A	.0344
R-611	1620	.0255	N/A	.0475
R-612	1184	.0186	N/A	.0347
R-614	1179	.0186	N/A	.0345
Totals for Residential Units	34,119	.5370	N/A	100%
Totals for Residential and Units	63,549	100%		

(b) (i) Commercial Electricity. If the electricity used in the corridors on the 1st and 2nd floors of the Building (including the Special Limited Common Elements-Commercial on the 2nd floor of the Building designated on the Map) is separately metered, the charges for such electricity shall be billed by the Association in accordance with the percentage share of the expenses shown in Column II. Electricity used within each Commercial Unit and electricity used in the corridors on the 1st and 2nd floors of the building (including the Special Limited Common Elements-Commercial on the 2nd and 3rd floors of the Building as designated on the Map) if not separately metered, shall be billed by the Association in accordance with the percentage share of expenses shown in Column II

(ii) Residential Electricity. If each Residential Unit is separately metered, the charges for such electricity shall be paid by the Owner of each Residential Unit directly to the utility company providing such electricity. If electricity used within the

Residential Units is not separately metered, the charges for such electricity shall be billed by the Association in accordance with the percentage share of expenses shown in Column III. Electricity used in connection with the residential lobbies on Levels 3, 4, 5 and 6 of the Building and electricity used in connection with the Recreational Facilities shall be separately metered and the charges for such electricity shall be billed by the Association in accordance with the percentage share of expenses shown in Column III. All electricity provided to the Building which is not separately metered ("common electricity") shall be charged to and paid by the Association as a Common Expense. The Association shall bill each Owner for the common electricity in accordance with the percentage share of expenses shown in Column I.

(c) Water used within the Restaurant Unit and the Commercial Units shall be separately metered to such Units and the charges for such water shall be paid by the Owner of such Unit directly to the utility company providing such water. Water used by Residential Units and water used with respect to the Recreational Facilities shall be separately metered and the charges for such water shall be billed by the Association in accordance with the percentage share of expenses shown in Column III.

(d) All sewer fees attributable to the Building shall be billed to and paid by the Association. The Association shall allocate the sewer charges among the Restaurant Unit (if any), the Commercial Units, and the Residential Units on some reasonable basis and shall bill each Owner for his share of such fees. Each Owner shall pay the Association for his share of such sewer fees, as determined by the Association.

(e) All trash disposal fees attributable to the Building shall be billed to and paid by the Association. The Association shall allocate the trash disposal charges among the Restaurant Unit (if any), the Commercial Units, and the Residential Units on some reasonable basis and shall bill each Owner for his share of such fees. Each Owner shall pay the Association for his share of such fees, as determined by the Association.

(f) All firewood provided to the Building shall be billed to and paid by the Association. The Association may allocate firewood expenses to the Owners of Residential Units in accordance with the percentage share of expenses shown in Column III.

(g) The bylaws of the Association shall

empower its board of directors to fix, determine, levy, and collect periodic and special assessments to be paid by the Owners to meet the Common Expenses and to create a contingency reserve therefor. The bylaws also shall establish the procedures by which the assessments shall be made known to and paid by the Owners. An action may be brought by the Association to recover unpaid Common Expenses from the Owner liable for payment thereof, with or without foreclosing or waiving the lien described in the following paragraph;

(h) All sums assessed but unpaid for the share of Common Expenses assessed to any Condominium Unit shall constitute a lien on such Unit in favor of the Association prior to all other liens and encumbrances, except: (i) liens for taxes and special assessments; and (ii) the lien of any first mortgage or first deed of trust of record encumbering such Condominium. The Association's lien shall attach from the date when the unpaid assessment shall become due and may be foreclosed by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof executed by the Association setting forth the amount of the unpaid indebtedness, the name of the Owner of the Condominium, and a description of the Condominium. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorneys' fees. During the period of foreclosure, the Owner of the Condominium subject to such action shall be required to pay a reasonable rental to the Association. The Association shall be entitled to purchase the Condominium at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same.

(i) No Owner shall exempt himself from liability for payment of his share of the Common Expenses either by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Condominium.

(j) In case of sale or other transfer of a Condominium with respect to which sums assessed for Common Expenses shall be unpaid, except transfers to a First Lienor in connection with a foreclosure of its lien, the purchaser or other transferee of an interest in such Condominium shall be jointly and severally liable with the seller or transferor thereof for such unpaid assessments.

(k) Upon ten days' written request of any Owner, mortgagee, prospective mortgagee, purchaser or other prospective transferee of a Condominium, the Association shall

issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to such

Condominium, the amount of the current monthly assessment, the date on which such assessment became or shall become due and the amount of any credit for prepaid expenses. Such statement, for which a reasonable fee may be charged, is binding upon the Association in favor of any person who may rely thereon in good faith. Unless a request for such statement shall be complied with within fifteen days after receipt thereof_, all unpaid Common Expenses which became due prior to the date of making such request shall be subordinated to the lien or other interest of the person requesting such statement.

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

(m) The Association may at any time provide for one or more managers for all or any number of the Units and the Limited Common Elements allocated to such Units and may provide services for the direct benefit of less than all Units and the Limited Common Elements allocated to such Units. The cost for such manager(s) or services shall be allocated fairly among those Units directly benefited by such services or managed by such manager or managers and may be charged to such Owners as a direct expense and not as a Common Expense.

11. Insurance.

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

(i) keep the Building (including all of the Units and all fixtures therein, but not including furniture, furnishings or other personal property supplied or installed by Owners) insured against loss or damage by fire, with extended coverage (including insurance against loss or damage by vandalism or malicious mischief), in approximately the amount of the maximum replacement value thereof, determined in accordance with Paragraph 11(c);

(ii) provide and keep in force, for the protection of the Association, its officers and

directors, and all the Owners and First Lienors,
general public liability and property damage

insurance against claims for bodily injury or death or property damage occurring upon or in the General Common Elements, in limits of not less than \$500,000 in respect of bodily injury or death to any one person and not less than \$5,000,000 for bodily injury or death to any number of persons arising out of one accident or disaster, and in limits of not less than \$50,000 for damage to property, and if higher limits shall at any time be customary to protect against possible tort liability, such higher limits shall be carried; and

(iii) carry insurance in such amounts as the Association may consider necessary or advisable against such other insurable hazards as may from time to time be commonly insured against in the case of similar property in similar locations elsewhere.

(b) The cost of obtaining and maintaining all insurance required to be carried under this Paragraph 11 shall be a Common Expense to be prorated among all Owners as set forth in this Declaration notwithstanding the fact that the Owners may have disproportionate liability or that some Units may have greater risks of loss than others. All insurance required to be carried under this paragraph shall be carried in favor of the Association, the Owners and all First Lienors, as their respective interests may appear. Each policy of insurance shall contain a standard mortgagee clause in favor of each First Lienor of a Condominium which shall provide that the loss, if any, thereunder shall be payable to such First Lienor, as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All policies of insurance against damage to the Building and fixtures shall provide that losses shall be payable to and adjusted with the Association, as attorney-in-fact for the Owners. The Association shall hold and apply the proceeds of such insurance as set forth in this Declaration. Each insurance policy shall provide that no cancellation thereof may be made by the insurance carrier without having first given 30 days' prior written notice thereof to the Association, the Owners, and all First Lienors. Each insurance policy also shall provide that in case of violation of any provision thereof by one or more (but less than all) of the Owners, the coverage of such policy shall be suspended or invalidated only as to the interest of the Owner or Owners committing the violation and not as to the interest of any other Owner. All policies of physical damage insurance shall

contain waivers of subrogation and of any defense based on co-insurance. Duplicate originals of all policies of physical

damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all First Lienors requesting the same in writing at least ten days prior to expiration of the then current policies.

(c) The maximum replacement value of the Building, without deduction for depreciation, shall be determined by the Association prior to obtaining any policy of fire insurance or any renewal thereof by means of one or more written appraisals made by competent, disinterested appraisers; however, appraisals need not be obtained more frequently than at three-year intervals. Copies of such appraisals shall be furnished to each Owner and each First Lienor of a Condominium requesting the same in writing.

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

12. Appointment of Attorney-in-Fact. Each Owner by his acceptance of the deed or other conveyance vesting in him an interest in a Condominium Unit does irrevocably constitute and appoint (a) the Association with full power of substitution as his true and lawful attorney in his name, place and stead to deal with such interest upon damage to or destruction, obsolescence or condemnation of the Building as hereinafter provided, and (b) Declarant with full power of substitution as his true and lawful attorney in his name, place, and stead to deal with such interest; with full power, right and authorization to execute, acknowledge and deliver any contract, deed, proof of loss, release or other instrument affecting the interest of such Owner, and to take any other action, which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Declaration. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written instrument confirming such appointment. The action of the Association in settling any damage or condemnation claim shall be final and binding on all Owners. No Owner shall have any rights against the Association or any of its officers or directors with respect thereto except in the case of fraud or gross negligence.

13. Damage or Destruction. In case of damage or destruction of the Building or any part thereof by any cause whatever:

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

(b) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the Building, and if the excess of such costs over the anticipated insurance proceeds, is less than 25% of the maximum replacement value last determined under Paragraph 11(c), then the Association (as attorney-in-fact for the Owners) shall promptly cause the Building to be repaired and restored, and the difference between the insurance proceeds and the costs of repair and restoration shall be a Common Expense, to be assessed and paid as provided in Column I of Paragraph 10.

(c) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the Building, and if the excess of such costs over the anticipated insurance proceeds is 25% or more of the maximum replacement value last determined under Paragraph 11(c), then (unless within 100 days after the date of such damage or destruction a plan for repairing and restoring the Condominium property shall be approved by the Owners of Units to which 80% or more of the total interests in General Common Elements are appurtenant and by all First Lienors) the Association (as attorney-in-fact for the Owners) shall execute and record in the La Plata County, Colorado real estate records a notice of such facts, and thereafter shall sell the Building together with reasonable easements for ingress and egress, if required, as designated by the Association, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire with respect to such property upon the closing of such sale. The proceeds of insurance and the proceeds of such sale of the Building collected by the Association shall be applied first to the payment of expenses of the sale, and then divided among the Owners and paid into separate accounts, each representing one Condominium. The insurance proceeds shall be divided according to such Owners' respective percentage interest therein as shown by the insurance policies, if so shown, otherwise according to such Owners' interest in General Common Elements. The funds in each account (without contribution from one account to another) shall be applied by the Association for the following purposes in the order

indicated: (i) for payment of the balance of the lien of any first mortgage or deed of trust on the Condominium; (ii) for payment of taxes and special assessment liens in favor of any assessing entity; (iii) for payment of unpaid Common Expenses; (iv) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and (v) the balance remaining, if any, shall be paid to the Owner. The provisions of this paragraph shall not be construed as limiting in any way the right of a First Lienor (in case the proceeds allocated under (i) above shall be insufficient to pay the indebtedness secured by his lien) to assert and enforce the personal liability for such deficiency of the person or persons responsible for payment of such indebtedness. If within 100 days after the date of such damage or destruction a plan for repairing and restoring the damaged or destroyed Building shall be approved by the Owners of Units to which 80% or more of the General Common Elements are appurtenant and by all First Lienors, the Association (as attorney-in-fact for such Owners) shall promptly cause such repairs and restoration to be made according to such plan. All Owners shall be bound by the terms of such plan, and the difference, if any, between the amount of the insurance proceeds and the costs of repair and restoration shall be an expense of the Owners and shall be assessed and paid by such Owners in proportions to their respective percentage interests in General Common Elements.

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

14. Obsolescence.

(a) If at any time Owners of Units to which 80% or more of the total interest in General Common Elements are appurtenant and all First Lienors shall agree that the Building has become obsolete and shall approve a plan for its renovation or restoration, the Association (as attorney-in-fact for the Owners) shall promptly cause such renovation or restoration to be made according to such plan. All Owners shall be bound by the terms of such plan, and the costs of the work shall be an expense of Owners and shall be assessed and paid by the Owners in proportions to their respective percentage interests in General Common Elements.

(b) If at any time the Owners of Units to which 80% or more of the total interest in General Common Elements are appurtenant and all First Lienors shall agree

that any portion of the Building has become obsolete and should be sold, the Association (as attorney-in-fact for the Owners) shall promptly record in the real estate records of La Plata County, Colorado a notice of such facts, and shall sell that portion of the Building, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire upon the closing of such sale. The proceeds of such sale shall be collected, applied, and divided among the Owners by the Association in the manner provided in Paragraph 13(c).

15. Condemnation.

(a) If the entire Building shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by purchase in lieu thereof, or if any part of the Building shall be so taken, and the part remaining shall be insufficient for continuation of the activities carried on in the Village Center Condominiums prior to such taking, the Association (as attorney-in-fact for the Owners) shall collect the award made in such taking and shall sell the part of the Premises remaining after the taking, if any, free and clear of the provisions of this Declaration and the Map. Such provisions shall wholly terminate and expire upon the recording of a notice by the Association setting forth all of such facts. The award and the proceeds of such sale, if any, shall be collected, applied, and divided among the Owners by the Association in the manner provided in Paragraph 13(c).

(b) If such taking shall be partial only, and if the remaining part of the Building shall be sufficient for continuation of the activities carried on in the Village Center Condominiums prior to such taking, the Association (as attorney-in-fact for the Owners) shall collect the award and shall promptly and without delay cause the portion of the Building not so taken to be restored as nearly as possible to its condition prior to the taking, applying the award to that purpose. Any part of the award not required for such restoration shall be divided by the Association among the Owners in proportion to their respective percentage interests in the General Common Elements.

16. Rights of Commercial Owners. Subject to the provisions of Paragraph 23, each Owner of a Unit numbered C-__ through C-- shall have the right, at his own expense, (a) to install a doorway in the portion of his Unit adjacent to the Mall or any other appurtenant public thoroughfare for the purposes of providing pedestrian access to such Unit, and (b) to construct an exterior facade for the portion of the Building which is assigned as a Special

Limited Common Element - Commercial (as set forth on the Map) to such Unit, which facade may include signs, window and door trim and other types of exterior decorations. The costs of maintaining such improvements may be charged by the Association directly to Owners of such Units in accordance with Paragraph 9(c).

17. Transactions with Declarant. All transactions between the Association and Declarant whereby Declarant is to provide goods and services to the Association or the Condominium Project shall be on terms comparable to similar transactions in similar areas.

18. Quality of Work. Any repairs, renovation, or restoration of the Building by the Association as attorney-in-fact for the Owners shall be done in such manner as to make the Building at least as valuable after such work as it was immediately before the occurrence requiring the work to be done.

19. Amendment or Revocation. This Declaration may be amended or revoked (a) by Declarant at any time prior to the filing of the Map, and (b) upon the written approval in recordable form of (i) Owners having the right to vote 80% or more of the total votes of all Owners of Residential Units, and (ii) Owners having the right to vote 80% or more of the total votes of all Owners of Commercial Units. It shall be revoked only upon sale of all or part of the Building pursuant to Paragraphs 13(c), 14(b) or 15(a), or upon the unanimous written approval in recordable form of all Owners.

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

(b) The Association may acquire and hold for the use and benefit of all Owners of Residential Units, personal property related to the Recreational Facilities and may dispose of the same by sale or otherwise and the beneficial interest in any such property shall be owned by the Owners of Residential Units in the same proportion as their respective interests are set forth in Column III of Paragraph 10(a). A transfer of a Residential Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner of a Residential Unit may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners of Residential Units. The transfer of title to a Residential Unit under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Condominium.

21. Registration by Owner of Mailing Address.

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

22. Duration of Condominium Ownership.

The separate estates created by this Declaration and the Map shall continue until this Declaration shall be revoked or until its provisions shall terminate as provided herein.

23. Architectural Control. (a)

No exterior addition to or change or alteration to the Building shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Purgatory Village Design Review Board (referred to in the Land Use Declaration) and the Board of Directors of the Association (or by an architectural committee composed of three or more representatives appointed by the Board). No relocation shall be made pursuant to Paragraph 3(f) until the plans for such relocation have been approved in writing as to the appropriateness of the proposed relocation in relation to existing and proposed uses of the affected Units

by the Board of Directors of the Association or the architectural committee. No owner of a Commercial Unit shall be entitled to install a doorway or construct an exterior facade of his Unit pursuant to the rights granted in Paragraph 16 without first complying with the provisions of this Paragraph. In the event the Board, or its designated committee, fails to approve or disapprove any matter required to be approved by the Board pursuant to this paragraph within thirty days after said plans and specifications have been submitted to it, approval will not be required and this paragraph will be deemed to have been fully complied with.

(b) After receiving the approval of the Board of Directors of the Association or the architectural committee appointed by the Board of Directors required by Paragraph 23(a), the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by the Land Use Declaration and by any governmental or quasi-governmental body having jurisdiction over the Condominium Project.

24. General Reservations. Declarant reserves (i) the right to dedicate any access roads and streets serving this Condominium Project for and to public use; and (ii) the right to establish easements and right-of-way over and through those portions of Village Center Condominiums designated on the Map as pedestrian and Skier Easements, GCE, LCEC, LCER, SLCEC and SLCER, which easements may be used by persons using the Recreation Facilities provided by the declarant, its successor and assigns, and by pedestrian traffic, and for the construction, operation and installation of sidewalks, corridors, and other improvements consistent with such use; (iii) the right to establish easements, reservations, exceptions and exclusions consistent with the Condominium ownership of the Condominium Project and for the best interests of the Condominium Unit Owners and the Association including Road Easements, Ski Facilities Easements and Pedestrian Easements.

25. Purgatory Village Matters. Each Owner, by accepting a deed to a Unit, recognizes that (a) the Project is located within Purgatory Village and is subject to the Land Use Declaration, (b) by virtue of his ownership, he has become a member of the Village Association, (c) such Owner is subject to any rules and regulations of the Village Association, and (d) pursuant to Article VI of the Village Association's Articles of Incorporation, Owner is either a Class A member or a Class C member of the Village Association and is entitled to all of the benefits and is subject

to all of the burdens of such membership. Each Owner, by accepting a deed to a Unit, acknowledges that he has received a copy of the Articles of Incorporation and Bylaws of the Village Association. Owner agrees to perform all of his obligations as a member of the Village Association as they may from time to time exist, including, but not limited to, the obligation to pay Property, Sales and Special Assessments (including any Village Association Real Estate Transfer Assessment which constitutes a Special Assessment).

26. No Use of Trademark. Durango Ski Corporation owns the service marks "Purgatory Village," "Purgatory Ski Area" and derivatives therefrom. Without first obtaining written authorization or a license from Durango Ski Corporation, no Owner shall use the "Purgatory Village," "Purgatory Ski Area" trade name or trademark or other derivatives therefrom in any manner.

27. Access. Each Owner acknowledges that the roads within Purgatory Village are private, limited access roads constructed by the District, a quasi-municipal corporation, or the Village Association, on non-exclusive easements granted by Declarant to the District or the Village Association. Each Owner accepting a deed to a Unit, acknowledges that he has reviewed a copy of such easements governing the use of private roads.

28. Limit On Timesharing. No Owner of any Unit shall offer or sell any interest in such Unit under a "time sharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Village Association.

29. Retail Operations. Each Owner of a Commercial Unit must comply with the operating rules and regulations for retail establishments adopted by the Village Association. Each Owner of such a Unit, by his acceptance of a deed thereto, acknowledges his receipt of the current operating rules and regulations for retail establishments and his agreement to abide therewith.

30. General.

(a) If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such

EXHIBIT A

(Attached to and made a part of the Condominium
Declarations for the VILLAGE CENTER CONDOMINIUMS)

LEGAL DESCRIPTION OF THE PREMISES

A tract of land located in Section 24. T 39 N. R. 9 W.
N.M.P.M. in La Plata County, Colorado being Purgatory Village
P.U.D., LOT 8 OF PHASE 1. as filed in the La Plata County,
Colorado Clerk and Recorder's office on August 24, 1983,
under Reception Number 488070, and being more particularly
described as follows:

Beginning at a point whence the South 1/4 corner of said
Section 24 bears S 45° 40' 30" E, 2338.80 feet:

Thence	S	11°	22'	00"	W.	56.60 feet;
Thence	S	56°	22'	00"	W.	131.01 feet;
Thence	N	33°	38'	00"	W.	193.17 feet;
Thence	N	78°	38'	00"	W.	68.66 feet;
Thence	N	11°	22'	00"	E.	159.63 feet;
Thence	S	78°	38'	00"	E.	169.90 feet;
Thence	S	11°	22'	00"	W.	19.00 feet;
Thence	S	33°	38'	00"	E.	181.00 feet;

to the point of beginning.

Contains 1.2539 acres more or less.

Together with access and utility easements as shown on sheets
1 through 8 of the said PURGATORY VILLAGE P.U.D. LOT 8 OF
PHASE 1 plat.

EXHIBIT B

(Attached to and made a part of the Condominium Declaration
for VILLAGE CENTER CONDOMINIUMS)

Interests in General Common Elements

<u>Unit No.</u>	<u>Percentage Ownership in General Common Elements Appurtenant to the Unit</u>
C-101	.0111
C-102	.0126
C-103	.0165
C-104	.0083
C-105	.0122
C-106	.0117
C-107	.0124
C-108	.0114
C-109	.0098
C-110	.0112
C-111	.0031
C-112	.0090
C-201i	.0123
C-202	.0091
C-203	.0142
C-204	.0112
C-205	.0122
C-206	.0124
C-207	.0125
C-208	.0060
C-209	.0055
C-210	.0069
C-211	.0031
C-212	.0049
C-213	.0019
C-214	.0029
C-215	.0057
C-216	.0014
C-217	.0037
C-218	.0039
C-219	.0039
C-220	.0362
C-221	.0089
C-222	.0093
C-223	.0054
C-224	.0115
C-225	.0049

C-226	.0031
C-227	.0029
C-228	.0208
C-229	..059
C-301	.0186
C-302	.0146
C-303	.0147
C-304	.0109
C-305	.0118
C-306	.0090
C-307	.0125
C-308	.0178
C-309	.0103
Totals for Commercial Units	.4630

Residential Units

R-300	.0018
R-301	.0186
R-302	.0077
R-303	.0185
R-304	.0184
R-305	.0186
R-306	.0186
R-401	.0184
R-402	.0135
R-403	.0185
R-404	.0125
R-405	.0186
R-406	.0186
R-411	.0183
R-412	.0197
R-413	.0186
R-414	.0186
R-501	.0187
R-502	.0187
R-503	.0196
R-504	.0186
R-505	.0189
R-506	.0187
R-511	.0187
R-512	.0187
R-513	.0187

R-514	.0185
R-611	.0255
R-612	.0186
R-614	.0186
Totals for	
Residential Units	.5370

Interest in Limited Common Elements

1. Any Owner of a Commercial Unit shall have the right to the exclusive use of the non-supporting portion of the perimeter wall of the Building which is adjacent to his Unit.

2. Any Owner of a Commercial Unit shall have the right to use in common with all other Owners of Commercial Units the Limited Common Elements designated on the Map as "LCEC."

3. Any Owner of a Commercial Unit shall have the right to the exclusive use of any Limited Common Elements designated on the Map as "SLCEC" which are attached to a particular Commercial Unit, include the decks appurtenant to that particular Commercial Unit and are intended for the exclusive use by the Owner of that particular Commercial Unit.

4. Any Owner of a Residential Unit shall have the right to use in common with all other owners of such Residential Units the Limited Common Elements designated on the Map as "LCER". The Recreational Facilities shall constitute a portion of such Limited Common Elements and shall also be designated on the Map as "LCER".

5. Any Owner of a Residential Unit shall have the right to the exclusive use of any Limited Common Elements designated on the Map as "SLCER" which are attached to a particular Residential Unit, include the decks appurtenant to that particular Unit, and are intended for the exclusive use by the Owner of that particular Unit.

6. Any other item shown on the Map as being a Limited Common Element and as being attached to a particular Unit or for use by the Owner of a particular Unit shall be a Limited Common Element appurtenant to such Unit.

AMENDMENT

TO CONDOMINIUM DECLARATION
FOR VILLAGE CENTER

WHEREAS, under date of December 22, 1983, Durango Ski Corporation, a Colorado corporation, executed as "Declarant" a certain Condominium Declaration for Village Center, hereinafter called the "Declaration", applicable to certain real property located in La Plata County, Colorado, and recorded the Declaration in the real property records of La Plata County, Colorado on December 27, 1983, under Reception Number 493312; and

WHEREAS, 80% or more of the Owners of Residential Units and 80% or more of the Owners of Commercial Units (as those terms are defined in the Declaration) desire to amend the Declaration;

NOW, THEREFORE, the undersigned, as owner of more than 80% of the Residential Units and as owner of more than 80% of the Commercial Units hereby amends the Declaration as follows:

Paragraph 1(a) is amended in its entirety to read as follows:

"(a) "Association" means the Purgatory Center Condominium Association, Inc., a Colorado nonprofit corporation."

Except to the extent provided herein, all other provisions of the Declaration shall remain in full force effect.

The undersigned hereby certifies that it is (i) Owner having the right to vote 80% or more of the total votes of all Owners of Residential Units, and (ii) an Owner having the right to vote 80% or more of the total votes of all Owners of Commercial Units.

Executed as of the 4th day of January, 1984.

CORPORATION, a
ATTEST:

DURANGO SKI
Colorado corporation

Robert O. Hill
Secretary

By: _____
Timothy A. Buzzard
Vice President

STATE OF COLORADO
COUNTY OF LA PLATA

)
)SS.
)

The foregoing instrument was acknowledged before me this _____ day of July, 1984 by Timothy A. Buzzard as vice President and by Robert O. Hill as Secretary of Durango Ski Corporation, a Colorado corporation, on behalf of that corporation.

Witness my hand and official seal.

My commission expires: _____

Notary Public

(NOTARIAL SEAL)

ORGANIZATIONAL CONSENT
OF
DIRECTORS
OF
PURGATORY CENTER CONDOMINIUM ASSOCIATION

Pursuant to Section 7-23-110 of the Colorado Corporation Code (C.R.S., 1973), the undersigned, being all of the directors of Purgatory Center Condominium Association (the "Association"), acting at the call of the incorporator, vote in favor of, and adopt the following resolutions:

I

RESOLVED that the certificate of incorporation of the Association issued by the Colorado Secretary of State be placed in the Association's minute book, together with the articles of incorporation attached hereto.

II

RESOLVED, that the bylaws attached to this consent of directors be and they are hereby adopted as the bylaws of the Association and that a copy of such bylaws be placed in the Association's minute book.

III

RESOLVED, that the seal of this Association be circular in form and shall contain the name of the Association, the year of its organization and the words "Seal" and "Colorado" and that an impression of said seal be made on the margin of this page.

IV

RESOLVED, that the Burns National Bank be and it is hereby designated the depository of the Association, and that the customary forms of resolution of said bank conferring banking and borrowing authority upon certain of the Association's officers be and they are hereby adopted; and that a copy of such resolutions be placed in the Association's minute book.

V

RESOLVED, that each of the persons named below is elected to the office or offices set forth opposite his name, to serve until his successor is duly elected and shall qualify:

<u>NAME</u>	<u>OFFICE</u>
Richard L. Peterson	President
Timothy A. Buzzard	Vice President
Robert O. Hill	Secretary and Treasurer

VI

RESOLVED, that the fiscal year of the Association shall commence on January 1, and end December 31 of each year.

VII

RESOLVED, that the officers of the Association are authorized to enter into a management agreement with a property management firm under which such management firm will manage the Premises (as defined in the Association's Articles of Incorporation); and

FURTHER RESOLVED, that such management agreement be in form and substance acceptable to the officers executing such agreement, whose approval

shall be conclusively evidenced by their execution thereof.

EXECUTED as of the 4th day of January, 1984.

Richard L. Peterson

Timothy A. Buzzard

Robert O. Hill

CONSENT OF DIRECTORS

OF

PURGATORY CENTER CONDOMINIUM ASSOCIATION

Pursuant to Section 7-23-110 of the Colorado Corporation Code (C.R.S., 1973) the undersigned, being all of the directors of Purgatory Center Condominium Association (the "Association"), hereby consent to vote in favor of and adopt the following resolutions:

WHEREAS, the directors of the Association adopted a resolution of January 4, 1984 designating that the fiscal year of the Association should commence on January 1 and end on December 31 of each year; and

WHEREAS, the board of directors considers it advisable and in the best interests of the Association to change the fiscal year to end on April 30 each year; and

NOW, THEREFORE, BE IT RESOLVED, that the resolution adopted by the directors of the Association adopting a calendar year is hereby revoked; and

FURTHER RESOLVED, that the Association's current fiscal year shall end on December 31, 1984, and each subsequent fiscal year shall end on April 30, commencing April 01, 1985.

EXECUTED to be effective the 1st day of July, 1984.

Richard L. Peterson

Timothy A. Buzzard

Robert O. Hill

Raymond T. Duncan

CONSENT OF DIRECTORS
OF
PURGATORY CENTER CONDOMINIUM ASSOCIATION, INC.

Pursuant to Section 7-23-110 of the Colorado Nonprofit Corporation Act (C.R.S. 1973), the undersigned being all of the directors of PURGATORY CENTER CONDOMINIUM ASSOCIATION, INC. (the "Association"), vote in favor of and adopt the following resolutions without a meeting:

WHEREAS, Purgatory Property Management Company (the "Management Company"), has prepared and submitted to the Association an operating budget for calendar year 1985 for the Village Center Condominiums, a copy of which is attached hereto (the "1985 Budget"); and

WHEREAS, the Board of Directors has reviewed the 1985 Budget carefully and believes that it should be adopted by the Board of Directors to serve as the basis for the monthly assessments proposed for calendar year 1985;

NOW, THEREFORE, BE IT RESOLVED (a) that the 1985 Budget be and it is hereby adopted as the official budget for Village Center Condominiums to serve as the basis for monthly or other periodic assessments until further action of the Board of Directors, and (b) that commencing with the first monthly or other periodic assessment during 1985, the owner of each condominium unit within Village Center Condominiums shall pay assessments based upon the 1985 Budget; and

FURTHER RESOLVED, that the officers of the Association are instructed to notify the Management Company that the 1985 Budget has been formally adopted and that,

until further notice from the Board, all monthly or other periodic assessments charged to owners of condominium units in Purgatory Village Condominiums shall be assessed based upon the 1985 Budget.

IN WITNESS WHEREOF, the undersigned have executed this Consent of Directors as of the 1st day of January 1985.

Timothy A. Buzzard

Robert O. Hill

Richard L. Peterson