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March 26, 1986

Mr. John Ogier
Durango Ski Corporation
P.O. Box 666
Durango, CO 81302

Re: Kendall Mountain Condominiums

Dear John:

Enclosed for your records please find the original *✓*
Amendment to Condominium Declaration for Kendall Mountain
Condominiums which was recorded in the real property records
of La Plata County, Colorado on February 3, 1986 under Re-
ception No. 527513.

I hope you had a good birthday last week and that
you were able to take a few hours off to celebrate.

Sincerely,

Kathy

Kathy G. Stevens
Paralegal

KGS/kb

Enclosures

AMENDMENT TO CONDOMINIUM DECLARATION
FOR KENDALL MOUNTAIN CONDOMINIUMS

WHEREAS, on December 11, 1985, PURGATORY DEVELOPMENT COMPANY, a Colorado joint venture, executed as "Declarant" the Condominium Declaration for Kendall Mountain Condominiums (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 20, 1985 under Reception No. 525616;

WHEREAS, 80 percent or more of the Owners of Residential Units and 80 percent 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 percent of the Residential Units and as owner of more than 80 percent of the Commercial Units hereby amends the Declaration as follows:

Paragraph 19, beginning with "(b)" is amended in its entirety to read as follows:

"(b) Upon the written approval in recordable form of (i) Owners having the right to vote 80 percent of the total votes of all Owners of Residential Units, (ii) Owners having the right to vote 80 percent or more of the total votes of all Owners of Commercial Units, and (iii) 80 percent of First Lienors on Units to which the votes of the Units subject to a Mortgage appertain. 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 and all First Lienors."

Paragraph 31 shall be added as follows:

"31. Transfer of Control. Declarant shall be required to transfer control of the Association to the Owners no later than the earlier of the following events:

(a) 120 days after the date on which 75 percent of the Condominium Units have been conveyed to Unit purchasers; or

(b) Three years following conveyance of the first Condominium Unit to a Unit purchaser."

Paragraph 32 shall be added as follows:

"32. Rights of First Lienors. Each First Lienor shall be entitled to prompt written notice of:

(a) any condemnation or casualty loss that affects either a material portion of the Project or any Unit securing its mortgage;

(b) any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

(c) a lapse, cancellation or a material modification of any insurance policy maintained by the Association pursuant to Paragraph 11 of the Declaration; or

(d) any proposed transaction requiring the consent of First Lienors as set forth in Paragraph 19 of the Declaration, including, but not limited to, changes or modifications of any Unit or the Common Elements as set forth on the Map, or with respect to revocation or termination of the Declaration.

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

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

EXECUTED as of the 31st day of January, 1986.

PURGATORY DEVELOPMENT COMPANY, a Colorado joint venture

By: Tecolote, Inc., a Colorado corporation and joint ATTEST: venturer

J. Douglas Shand, Secretary

By: -----
Richard L. Peterson, President

By: Durango Ski Corporation, a Colorado corporation and joint venturer

ATTEST:

John E:-Oq-ier, Secretary

By: -----
Richard L. Peterson, President

STATE"OF COLORADO)
)ss.
COUNTY OF LA PLATA)

The foregoing Amendment to Condominium Declaration for Kendall Mountain Condominiums was acknowledged before me this ___ day of _____, 1986 by RICHARD L. PETERSON, as President and J. DOUGLAS SHAD, as Secretary of Tecolote, Inc., a

CONDOMINIUM DECLARATION

FOR

KENDALL MOUNTAIN CONDOMINIUMS

RECITALS

PURGATORY DEVELOPMENT COMPANY, a Colorado joint venture, ("Declarant"), is the owner of the real property situate in the County of La Plata, State of Colorado, described as Purgatory Village P.U.D., Lot 7A of Phase 1 (the "Real Property"). A building known and referred to as Kendall Mountain Condominiums (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 the Building. A condominium map (the "Map") will be filed showing the location of the condominium project on 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 the Building and the co-ownership, by the individual and separate owners thereof, as tenants in common, of certain portions of the remainder of the Building 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 Kendall Mountain Condominium Association, a Colorado nonprofit corporation.

(b) "Building" means the building improvement known as Kendall Mountain Condominiums located on the Premises.

(c) "Commercial units" means those Units designated on the Map as C-1 through C-4, together with Commercial Units created pursuant to paragraph 3(b) hereof.

(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) "Condominium Units" means those Units subject to this Declaration and known as the Kendall Mountain Condominiums.

(g) "Corporataion", 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 District.

(j) "Emergency Access Easement" means any right to use a portion of the Project granted to the Association, the Purgatory Association, the District or any other entity, providing emergency service for the benefit of the Project and adjacent property or for the benefit of any individual.

(k) "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.

(l) "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 'GCE'

(m) "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).

(n) "Limited Common Elements - Commercial" means the part of the General Common Elements assigned for the exclusive use and enjoyment of all of the owners of Commercial Units and may be designated on the Map as 'LCEC', as may be determined from time to time by the Association.

(o) "Limited Common Elements - Residential" means the part of the General Common Elements assigned for the exclusive use and enjoyment of all of the Owners of Residential Units and may be designated on the Map as 'LCER', as may be determined from time to time by the Association.

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

(q) "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.

(r) "Pedestrian Easement" means the easement reserved by Declarant allowing Declarant the right to grant to pedestrians and skiers the use of a portion of the General Common Elements as a means of ingress to and egress from the Premises.

(s) "Premises" or "Real Property" means the property subject to this Declaration, which is described in Paragraph 2 below.

(t) "Project" or "Condominium Project" means the Premises and the Building and other improvements located on the Premises.

(u) "Purgatory Association" means the Purgatory Village Owners' Association, a Colorado non-profit corporation, described 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.

(v) "Recreational Facilities" means the amenities designated as "RF" on the Map, which may be leased or otherwise made available for use by the Purgatory Center Condominium Association, the Eolus Condominium Association and/or other third parties.

(w) "Residential Unit" means those Units designated on the Map, R-203 through R-206, R-208 through R-211, R-213, R-301 through R-308, R-310 through R-317, R-319 through R-321, R-323, R-401 through R-405, R-407, R-410 through R-417, R-419, R-501, R-502, R-504, R-511 through R-515 and R-517.

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

(y) "Special Limited Common Elements - Commercial" means the part of the General Common Elements assigned for the exclusive use and enjoyment of the owner or 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 Elements - Residential" means the part of the General Common Elements assigned for the exclusive use and enjoyment of the Owner or 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 the Project 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 more particularly described as PURGATORY VILLAGE PUD, Lot 7A of Phase 1.

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

(a) The Building is hereby initially divided into 57 Condominiums of which 4 are commercial, numbered C-1 through C-4, and 53 are residential, numbered R-203 through R-206, R-208 through R-211, R-213, R-301 through R-308, R-310 through R-317, R-319 through R-321, R-323, R-401 through R-405, R-407, R-410 through R-417, R-419, R-501, R-502, R-504, R-511 through R-515 and R-517 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 A attached hereto.

(b) Declarant or any subsequent Owner of a Commercial Unit may subdivide said Unit into two or more Commercial Units. Each Commercial Unit formed as a result of any such resubdivision shall be assigned the number of the original Commercial Unit from which it was formed followed by a letter of the alphabet commencing with the letter "A" (i.e., if Commercial Unit C-1 is being subdivided into two Commercial Units, the new Units would be numbered "C-1A" and "C-1B"). Such resubdivision may be accomplished by the filing of an Amendment to the Map (the "Amended Map") which has been consented to by Declarant and approved by La Plata County, Colorado, (if required), in accordance with the subdivision regulations of that County. The Amended Map shall set forth (i) any General or Limited Common Elements attributable to each Unit shown on the Amended Map, (ii) the floor

plans and linear dimensions of the interior of each Unit, (iii) the designation by number or other symbol of each Unit, (iv) the elevation of the unfinished interior surfaces of the floors and ceilings of the Units as established from datum plane and the distances between floors and ceilings, (v) the percentage allocation of Common Expenses attributable to each such Unit for Expenses allocated to all Owners (which shall total the percentage of Expenses initially allocated to the Commercial Unit being subdivided), and (vi) the percentage ownership in General Common Elements attributable to owners of Commercial Units (which shall total the percentage ownership interest in General Common Elements initially allocated to the Commercial Unit being resubdivided). Upon filing of the Amended Map in the real property records of La Plata County, Colorado each of the Commercial Units shown thereon shall be lawfully created with the percentage interest in General Common Elements allocated to it as set forth on the Amended Map.

(c) 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.

(d) 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.

(e) 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.

(f) All Residential Units 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.

(g) All Commercial Units, shall be used and occupied solely for service and retail business purposes, including, but not limited to, retail stores, offices, corridors, restrooms, restaurants, other food and beverage

operations and uses as may be designated on the Map. Subject to obtaining the approval of the Association pursuant to Paragraph 23, the Owner of two or more such units which have adjoining walls shall have the right to remove or relocate any interior non-supporting wall within such units.

(h) The Limited Common Elements designated on the Map as "LCEC" shall be used initially for the purposes set forth in the Map, and upon approval of Declarant, may be used for any other lawful purpose.

(i) The Limited Common Elements designated on the Map as "LCER" shall be used exclusively for the purposes set forth in the Map. Such uses may be changed by approval of Declarant and the Owners of Residential Units having the right to vote at least two-thirds of the total vote of all owners of Residential Units.

(j) Limited Common Elements designated on the Map as "RF" shall be used exclusively as Recreational Facilities. Any use other than recreation may only be changed by approval of Declarant and the Owners of Residential Units having the right to vote at least two-thirds of the total vote of all Owners of Residential Units.

(k) Any parking area located on the Premises and shown on the Map, shall be used for the parking of motor vehicles, storage and other uses commonly associated with garage or storage usage together with any other use permitted by the Association, including, but not limited to, uses related to the upkeep, care and maintenance of the Project.

(l) If any owner of a Commercial Unit obtains written permission from the Declarant and/or the Purgatory Association to use a portion of that real property designated from time to time as the "Village Mall" for any commercial use, such owner shall have the right to use such portion of the Village Mall without obtaining any further approval of the Association; provided, however, that any such Owner using all or a portion of the Village Mall for any commercial use shall pay all expenses related to such use and shall indemnify the Association and hold it harmless from any and all costs, expenses and liability of any kind or nature pertaining to such use.

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 hereof and that Declarant has the power to grant easements, including but not limited to, Road, Pedestrian, Emergency Access and Ski Facilities Easements on or over the Project. Any Emergency Access Easement granted by Declarant and appearing on the Map or any amendment or supplement thereto shall be operated and maintained by the Association and subject to rules and regulations consented to and approved by the Resort Association.

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, materialmen 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 there in, 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 Project 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.

	I	II	III
	Expenses Allocated to all Owners	Expenses Allocated to Owners of Commercial Units	Expenses Allocated to Owners of Residential Units
Commercial Units			
C-1	.0316	.1879	N/A
C-2	.0165	.0985	N/A
C-3	.0065	.0390	N/A
C-4	.1139	.6746	N/A
Residential Units	Expenses Allocated to all Owners	Expenses Allocated to Owners of Commercial Units	Expenses Allocated to Owners of Residential Units
R-203	.0265	N/A	.0319
R-204	.0086	N/A	.0103
R-205	.0082	N/A	.0098
R-206	.0086	N/A	.0103
R-208	.0086	N/A	.0103
R-209	.0171	N/A	.0205
R-210	.0260	N/A	.0313
R-211	.0086	N/A	.0103
R-213	.0265	N/A	.0319
R-301	.0265	N/A	.0319
R-302	.0086	N/A	.0103
R-303	.0246	N/A	.0296
R-304	.0086	N/A	.0103
R-305	.0086	N/A	.0103
R-306	.0086	N/A	.0103

Residential Units	Expenses Allocated to all Owners	Expenses Allocated to Owners of Commer- cial Units	Expenses to Owners of Resi dential Units
R-307	.0265	N/A	.0319
R-308	.0260	N/A	.0313
R-310	.0086	N/A	.0105
R-311	.0086	N/A	.0103
R-312	.0086	N/A	.0103
R-313	.0086	N/A	.0103
R-314	.0086	N/A	.0103
R-315	.0086	N/A	.0103
R-316	.0171	N/A	.0205
R-317	.0086	N/A	.0103
R-319	.0086	N/A	.0103
R-320	.0088	N/A	.0106
R-321	.0086	N/A	.0103
R-323	.0088	N/A	.0106
R-401	.0265	N/A	.0319
R-402	.0246	N/A	.0296
R-403	.0246	N/A	.0296
R-404	.0260	N/A	.0313
R-405	.0086	N/A	.0103
R-407	.0265	N/A	.0319
R-410	.0082	N/A	.0101
R-411	.0081	N/A	.0099
R-412	.0171	N/A	.0205
R-413	.0171	N/A	.0205
R-414	.0171	N/A	.0205
R-415	.0171	N/A	.0205
R-416	.0084	N/A	.0103
R-417	.0082	N/A	.0098
R-419	.0088	N/A	.0106
R-501	.0373	N/A	.0450
R-502	.0246	N/A	.0296
R-504	.0260	N/A	.0313
R-511	.0246	N/A	.0296
R-512	.0246	N/A	.0296
R-513	.0171	N/A	.0205
R-514	.0246	N/A	.0296
R-515	.0082	N/A	.0098
R-517	.0088	N/A	.0106

(b) (i) If the electricity used in the areas indicated as the Special Limited Common Elements-Commercial as 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 expenses shown in Column II. Electricity used within each Commercial Unit and electricity used in the areas indicated as Special Limited Common Elements-Commercial 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) If the electricity for 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 areas designated on the Map as LCER 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 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 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 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 Residential Units in 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.

(l) 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.

(n) 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.

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 therefor, 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 250 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 800 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 subparagraph 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 800 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 800 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 Kendall 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 Kendall 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 Commercial Unit shall have the right, at his own expense, (a) to install a doorway in the portion of his Unit adjacent to any 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 recording of a deed from Declarant conveying any Unit or interest therein to an owner, or (b) upon the written approval in recordable form of (i) Owners having the right to vote 800 or more of the total votes of all Owners of Residential Units, and (ii) Owners having the right to vote 800 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.

(c) The Board of Directors of the Association may enter into contracts and agreements related to the use,

operation, management and maintenance of the Recreational Facilities including, but not limited to, agreements providing for the joint use of the Recreational Facilities and for the fair and equitable sharing of the costs of operation and maintenance thereof among the Owners of Residential Condominium Units within Kendall Mountain Condominiums and owners of residential condominium units in other projects within Purgatory Village.

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(g) 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 any 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; (ii) the right to enter into, establish, execute, amend and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking and/or recreational facilities, which may or may not be a part of the Project, for the benefit of the Condominium Unit Owners and/or the Association; and (iii) the right to establish, amend, release and otherwise deal with easements, reservations, exceptions and exclusions which do not materially interfere with the Condominium ownership of the Condominium Project or with the best interests of the Condominium Unit Owners and/or the Association including, but not limited to, Ski Facilities Easements, Pedestrian Easements and Emergency Access 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 Purgatory Association, (c) such Owner is subject to any rules and regulations of the Purgatory Association, and (d) pursuant to Article VI of the Articles of Incorporation of the Purgatory Association, an owner is either a Class A member or a Class C member of the Purgatory Association and is entitled to all of the benefits and 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 Purgatory Association. Owner agrees to perform all of his obligations as a member of the Purgatory 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 Purgatory 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. Timesharing. Declarant or any subsequent owner of a Residential Unit, with the prior written consent of the Purgatory Association and in accordance with CRS § 38-33-111 and the Declaration of Protective Covenants and Quarter Share Ownership Agreement to be recorded in La Plata County, Colorado, may subject Residential Units within the Building to a plan of timesharing or interval ownership. Any timeshare estate so created shall constitute for all purposes an estate or interest in real property separate and distinct from all other timeshare estates in the same Unit or any other Unit and such estates may be separately conveyed and encumbered.

29. Retail Operations. Each Owner of a Commercial Unit must comply with the operating rules and regulations for retail establishments adopted by the Purgatory 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 provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

(b) The provisions of this Declaration shall be in addition to and supplemental to the Act and to all other provisions of law.

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

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this _____ day of _____, 1985.

PURGATORY DEVELOPMENT
COMPANY, a Colorado joint
venture

By: Tecolote, Inc., a Colorado
corporation and joint
venturer

ATTEST:

J. Douglas Shand, Secretary

[Corporate Seal]

By: _____
Richard L. Peterson, President

By: Durango Ski Corporation,
a Colorado corporation
and joint venturer

ATTEST:

John E. Ogier, Secretary

[Corporate Seal]

By: _____
Richard L. Peterson, President

The undersigned holders of deeds of trust on the Premises covered by this Declaration hereby subordinate their interest in such property to the provisions of this Declaration.

UNITED BANK OF DENVER
NATIONAL ASSOCIATION, a
national banking association

By: _____
Alan C. Gregory,
Assistant Vice President

T-H LAND COMPANY, a
Colorado general partnership

By: _____
Raymond T. Duncan,
General Partner

STATE OF COLORADO)
)ss.
COUNTY OF LA PLATA)

The foregoing instrument was acknowledged before me this ___ day of _____, 198_, by Richard L. Peterson as President and J. Douglas Shand as Secretary of Tecolote, Inc., a Colorado corporation, and joint venturer of Purgatory Development Company, a Colorado joint venture.

Witness my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

STATE OF COLORADO)
)ss.
COUNTY OF LA PLATA)

The foregoing instrument was acknowledged before me this ___ day of _____, 198_ by Richard L. Peterson as President and John E. Ogier as Secretary of Durango Ski Corporation, a Colorado corporation, and joint venturer of Purgatory Development Company, a Colorado joint venture.

Witness my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

STATE OF COLORADO)
)ss.
COUNTY OF LA PLATA)

The foregoing instrument was acknowledged before me this ___ day of _____, 198_ by Alan C. Gregory as Assistant Vice President of United Bank of Denver National Association, a national banking association.

Witness my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

STATE OF COLORADO)
)ss.
COUNTY OF LA PLATA)

The foregoing instrument was acknowledged before me this ___ day of _____, 198_ by Raymond T. Duncan as a general partner of T-H Land Company, a Colorado general partnership.

Witness my hand and official seal.

Notary Public

My commission expires: _____

EXHIBIT A

(Attached to and made a part of the Condominium Declaration for KENDALL MOUNTAIN CONDOMINIUMS)

INTERESTS IN GENERAL COMMON ELEMENTS

Commercial Units Unit No.	Percentage Ownership in General Common Elements Appurtenant to the Unit
C-1	.0316
C-2	.0165
C-3	.0065
C-4	.1139

Residential Units Unit No.	Percentage Ownership in General Common Elements Appurtenant to the Unit
R-203	.0265
R-204	.0086
R-205	.0082
R-206	.0086
R-208	.0086
R-209	.0171
R-210	.0260
R-211	.0086
R-213	.0265
R-301	.0265
R-302	.0086
R-303	.0246
R-304	.0086
R-305	.0086
R-306	.0086
R-307	.0265
R-308	.0260
R-310	.0086
R-311	.0086
R-312	.0086
R-313	.0086
R-314	.0086
R-315	.0086
R-316	.0171

Residential Units <u>Unit No.</u>	Percentage Ownership in General Common Elements <u>Appurtenant to the Unit</u>
R-317	.0086
R-319	.0086
R-320	.0088
R-321	.0086
R-323	.0088
R-401	.0265
R-402	.0246
R-403	.0246
R-404	.0260
R-405	.0086
R-407	.0265
R-410	.0082
R-411	.0081
R-412	.0171
R-413	.0171
R-414	.0171
R-415	.0171
R-416	.0084
R-417	.0082
R-419	.0088
R-501	.0373
R-502	.0246
R-504	.0260
R-511	.0246
R-512	.0246
R-513	.0171
R-514	.0246
R-515	.0082
R-517	.0088

INTEREST IN LIMITED COMMON ELEMENTS

1. Owners of Commercial Units shall have the right to the exclusive use of the non-supporting portion of the perimeter wall of the Building which is adjacent to their Unit, if any.

2. Owners of Commercial Units, 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. Owners of Commercial Units, 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 any decks or patio areas which may be appurtenant to that particular Commercial Unit and -are intended for the exclusive use by the Owner of that particular Commercial Unit.

4. Owners of Residential Units shall have the right to use in common with all other owners of such 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 be designated on the Map as "RF".

5. Owners of Residential Units shall have the right to the exclusive use of any Limited Common Elements designated on the Map as "SLCER" which are assigned by unit number to their particular Residential Unit, include the decks appurtenant to particular Residential Units 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.