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CONDOMINIUM DECLARATION  
OF  
LONE TREE CONDOMINIUMS

THIS DECLARATION, made on the date hereinafter set forth, by ARON FRIEDMAN, with an office at 616 Third Street, P. O. Box 621, Crested Butte, Colorado 81224 ("Declarant").

R E C I T A L S:

(a) Declarant is the owner of certain real estate in the Town of Crested Butte, County of Gunnison, State of Colorado, which is more particularly described as set forth in Exhibit A, attached hereto and by reference made a part hereof; and

(b) Declarant desires to create a Condominium Common Interest Community on the real estate described in Exhibit A, the name of which is LONE TREE CONDOMINIUMS, in which portions of the real estate described in Exhibit A will be designated for separate ownership and the remainder of which will be designated for common ownership solely by the owners of the separate ownership portions; and

(c) Declarant has caused to be incorporated under the laws of the State of Colorado LONE TREE CONDOMINIUMS ASSOCIATION, INC., a non-profit corporation, for the purpose of exercising the functions as herein set forth.

ARTICLE 1

SUBMISSION; DEFINED TERMS

Section 1.01. Submission of Real Estate. Declarant hereby declares that all of the real estate described in Exhibit A shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real estate and be binding on all parties having any right, title, or interest in the real estate or any part thereof, their heirs, legal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof. Additionally, Declarant hereby submits the real estate to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act"). In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable.

Section 1.02 Defined Terms. Each capitalized term not otherwise defined in this Declaration or in the plat or map shall have the meanings specified or used in the Act.

ARTICLE 2

NAMES; DESCRIPTION OF REAL ESTATE

Section 2.01. Names.

(a) Condominium. The name of the Condominium is LONE TREE CONDOMINIUMS.

(b) Association. The name of the Association is LONE TREE CONDOMINIUMS ASSOCIATION, INC.

Section 2.02. Real Estate. The Condominium is located in Gunnison County, State of Colorado. The real estate of the Condominium is described in Exhibit A.

ARTICLE 3

THE ASSOCIATION

Section 3.01. Authority. The business affairs of the Condominium shall be managed by the Association, a Colorado non-profit corporation. The Association shall be governed by its Bylaws, as amended from time to time.

Section 3.02. Powers.

(a) The Association shall have all of the powers, authority, and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Condominium.

(b) The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of the Unit Owners of Units to which at least 51 per cent of the votes of the Association are allocated, at a meeting called for that purpose. The Association may not assign future income needed to meet capital reserves or known expenses.

Section 3.03. Declarant Control. The Declarant shall have all the powers reserved in Section 38-33.3-303(5) of the Act to appoint and remove officers and members of the Executive Board.

Section 3.04. Municipal Ordinance Compliance. In order to comply with the requirements of Section 15-2-18.5 of the Town of Crested Butte Municipal Code, the Association shall have the ultimate obligation to pay all water and sewer charges for all individual Units and any Common Element charges. In the event any Unit is owned by more than one person, or by a partnership, joint venture, corporation, or other such entity, the Owners thereof shall designate, in writing, to the Association the name and address of the agent of the Owner to whom all legal or official assessments, liens, levies, or other such notices may be properly and lawfully mailed, and that, upon failure to so designate an agent, the Association shall be deemed to be the agent for receipt of notices to such Owners.

#### ARTICLE 4

##### UNITS

Section 4.01. Number of Units. The number of Units in the Condominium is seven (7). The Declarant reserves no rights to create additional Units.

Section 4.02. Condominium Map. The Condominium Map of Lone Tree Condominiums filed for record on Sept 10, 1997, and bearing Reception No. 478214, is hereby incorporated as a part of this Declaration.

Section 4.03. Identification of Units. The identification number of each Unit is shown on the Map and Exhibit B of this Declaration.

Section 4.04. Unit Description. Every instrument affecting the title to a Unit may describe that Unit as follows:

Unit \_\_\_\_\_, LONE TREE CONDOMINIUMS,  
according to the Condominium Map thereof  
bearing Reception No. \_\_\_\_\_ and the  
Condominium Declaration pertaining thereto  
recorded \_\_\_\_\_, 1997, and  
bearing Reception No. \_\_\_\_\_ of the  
records of Gunnison County, Colorado

Town of Crested Butte  
County of Gunnison  
State of Colorado

Section 4.05. Subdivision of Units. Upon approval by the Executive Board and the Town of Crested Butte, Colorado, a Unit may be subdivided into two or more Units, if the Owner of the Unit to be subdivided shall submit to the Executive Board such application as shall be reasonably required.

#### ARTICLE 5

##### COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 5.01. Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments. Such assessments, including fees, charges, late charges, attorney fees, fines, and interest charged by the Association, shall be the personal obligation of the Unit Owner at the time when the assessment or other charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them.

The Common Expense Assessments of the Association shall be a continuing lien upon the Unit against which each such assessment is made. A

lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Unit recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent, except as provided in the Act; and (3) liens or real estate taxes and other governmental assessments or charges against the Unit. This Section does not prohibit an action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Unit shall not affect the Association's lien except that sale or transfer of any Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure or cancellation or forfeiture, shall only extinguish the Association's lien as provided in the Act. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture, shall relieve any Unit from continuing liability for any Common Expense Assessments thereafter becoming due, nor from the lien thereof.

Section 5.02. Apportionment of Common Expenses. Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Expenses as shown on Exhibit B of this Declaration. The Executive Board may, upon a determination that any Unit is utilizing a disproportionate amount of energy that powers the common heating and hot water system, impose an energy adjustment charge to the Unit in order to avoid inequity to the other Units. The cost of liability and casualty insurance obtained by the Association shall be apportioned to the Units in proportion to risk. The cost of mandatory municipal trash collection services charged to the residential units shall be charged directly to the residential units.

Section 5.03. Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used for the purpose of promoting the health, safety, and welfare of the residents in the LONE TREE CONDOMINIUMS and for insurance, water, sewer, and trash service for the residential units, utility costs for the common heating and hot water system, costs of snow removal, maintenance of the common elements, accounting and legal services, natural gas for cooking appliances, electrical service to the common elements, establishment of a capital reserve, payment of management fees, and for such other purposes as may be determined by the Executive Board.

Section 5.04. Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment shall be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments may be collected in the manner as determined by the Executive Board. Common Expense Assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs.

Section 5.05. Effect of Non-Payment of Assessments. Any assessment, charge, or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof shall bear interest at the rate as determined by the Executive Board, and the Association may assess a late charge thereon. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue assessments, charges, or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments, charges, or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor.

Section 5.06. Working Fund. The Association or Declarant shall require the first Owner of each Unit (other than Declarant) to make a non-refundable payment to the Association in an amount equal to one-sixth of the annual Common Expense Assessment against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Unit, as aforesaid, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of his Unit, an Owner shall be entitled to a credit from his transferor for any unused portion of the aforesaid working fund.

ARTICLE 6

LIMITED COMMON ELEMENTS

Section 6.01. Limited Common Elements.

(a) A "Limited Common Element" means a portion of the Common Elements, designated in this Declaration, or on the plat or map, or by the Act, for the exclusive use of one or more, but fewer than all, of the Units.

(b) The following portions of the building, in addition to the portions described in Sections 38-33.3-202(1)(b) and (d) of the Act, are designated as Limited Common Elements:

- (i) Balconies;
- (ii) Doors leading from Units to balconies, and their related frames, sills, and hardware; and
- (iii) Doors leading from Units to interior corridors which are Common Elements;
- (iv) Stairways leading to Units.

Section 6.02. Allocation of Reserved Limited Common Elements.

(a) Portions of the Common Elements are marked on the plat or map as "Common Elements which may be allocated as Limited Common Elements." These portions of the Common Elements include vehicle parking areas.

(b) The Declarant reserves the right to allocate specified areas which constitute a part of these Common Elements as Limited Common Elements for the exclusive use of the owners of Units to which these specified areas shall become appurtenant. The Declarant may assign such Common Elements as Limited Common Element areas pursuant to the provisions of C.R.S. 38-33.3-208 of the Act (i) by making such an allocation in a recorded instrument; or (ii) in the deed to the Unit to which such Limited Common Element vehicle parking area shall be appurtenant; or (iii) by recording an appropriate amendment or supplement to this Declaration. Such allocations by the Declarant may be to Units owned by the Declarant. Subsequent to the Declarant control period, the right of allocation pursuant to this Section shall pass from the Declarant to the Executive Board, and the Declarant may not thereafter exercise any such right.

Section 6.03. Allocation of Specific Common Elements. The Executive Board may designate parts of the Common Elements from time to time for use by less than all of the Unit Owners or by non-owners for specified period of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board. Any such designation by the Executive Board shall not be a sale or disposition of such portions of the Common Elements.

ARTICLE 7

MAINTENANCE, REPAIR, AND REPLACEMENT

Section 7.01. Units. The owner of a Unit shall keep and maintain the interior of his Unit, including but without limitation, the interior walls, ceilings, floors, windows, glass, and all permanent fixtures and appurtenances thereto, in a good and proper state of repair and in a clean and attractive condition.

Section 7.02. Common Elements. All maintenance, repairs, and replacement of the common Elements, whether located inside or outside of any Unit, shall be the obligation of the Association, and unless such maintenance, repairs, or replacement of the Common Elements is caused by the negligence, misuse, or deliberate act of an owner, the cost thereof shall be a Common Expense.

Section 7.03. Expense Allocation. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed equally against the Units to which the Limited Common Element is assigned.

ARTICLE 8

DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 8.01. Development Rights and Special Declarant Rights. The Declarant reserves the following Development Rights and other Special Declarant Rights for the maximum time limit allowed by law:



(a) The right to complete or make improvements indicated on the plats or maps;

(b) The right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act and this Declaration; and

(c) The right to appoint or remove any officer of the Association or any Director during the Declarant Control Period consistent with the Act.

Section 8.02. Limitations on Development Rights and Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by the Declarant, any Development Right or Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act.

#### ARTICLE 9

##### ALLOCATED INTERESTS

Section 9.01. Allocated Interests. The undivided interest in the Common Elements, the Common Expense liability, and votes in the Association allocated to each Unit are set forth in Exhibit B.

Section 9.02. Determination of Allocated Interests. The interests allocated to each Unit have been calculated as follows:

(a) The undivided interest in Common Elements on the basis of the amount of square footage of floor area contained in each Unit, divided by the total square footage of floor area contained in all of the Units.

(b) The percentage of liability for Common Expenses on the basis of the following formula:

(i) 40 per cent of the Common Expenses shall be allocated to the Units restricted to commercial uses, being Units 1, 2, and 3, as depicted on the Map, on the basis of the amount of square footage of floor area contained in each of the commercial units divided by the total square footage of all of the commercial units.

(ii) 60 per cent of the Common Expenses shall be allocated to the Units restricted to residential uses, being Units 4, 5, 6, and 7, as depicted on the Map, on the basis of the amount of square footage of floor area contained in each of the residential units divided by the total square footage of all of the residential units.

(c) The number of votes in the Association on the basis of the amount of square footage of floor area contained in each Unit, divided by the total square footage of the floor area contained in all of the Units.

#### ARTICLE 10

##### RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY

Section 10.01. Use and Occupancy Restrictions. Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Elements:

(a) The use and occupancy of the Condominium is subject to the terms and conditions set forth in the "Notice of Zoning Conditions and Restrictive Covenants" dated July 30, 1997, recorded August 4, 1997, and bearing Reception No. 477289 of the Gunnison County records, a copy of which is attached hereto and incorporated herein as Exhibit C.

(b) Units 1, 2, and 3, as depicted on the Map, are restricted to commercial uses in accordance with Exhibit C.

(c) Units 4, 5, 6, and 7, as depicted on the Map, are restricted to residential uses in accordance with Exhibit C. In addition, Units 4 and 7 shall be occupied by no more than four (4) persons over the age of twelve (12), and Units 5 and 6 shall be occupied by no more than two (2) persons over the age of twelve (12). There is no limitation on the number of persons age twelve (12) or under that may occupy the residential units.



(d) No Unit shall be used in any way or for any purpose that may endanger the health or unreasonably disturb, by noise, dust, fumes, vibration, or otherwise, the owner or occupant of any other Unit.

Section 10.02. Animals. The Association is specifically authorized to adopt such rules and regulations as it may determine are necessary restricting, limiting, or prohibiting the keeping of pets or other animals in the Condominium.

Section 10.03. Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing arrangement described in Sections 38-33-110 to 113, Colorado Revised Statutes. A Unit may not be leased or rented, except in accordance with Exhibit C.

ARTICLE 11

EASEMENTS AND LICENSES


Section 11.01. Recording Data. All easements and licenses to which the Condominium is presently subjected or appurtenant are recited in Exhibit A. In addition, the Condominium may be subject to other easements or licenses granted by the Declarant pursuant to Section 8.01 in this Declaration.

ARTICLE 12

AMENDMENT

Section 12.01. Amendment. The provisions of this Declaration shall be amended only in accordance with the terms of the Act, provided that Sections 3.04, 4.05, 5.03, and 10.03 shall be amended only with the written consent of the Town of Crested Butte, Colorado.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 10<sup>th</sup> day of SEPTEMBER, 1997.

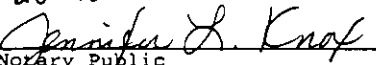
  
\_\_\_\_\_  
Aron Friedman, Declarant

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF GUNNISON        )

The foregoing Condominium Declaration of Lone Tree Condominiums was subscribed, sworn to, and acknowledged before me this 10 day of September, 1997, by Aron Friedman, Declarant.

WITNESS my hand and official seal.

My commission expires: 4-28-98

  
\_\_\_\_\_  
Notary Public

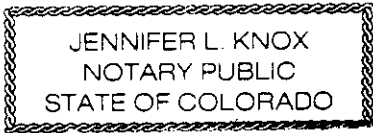



EXHIBIT A  
Condominium Declaration of  
LONE TREE CONDOMINIUMS



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The West 50 feet of Lots 12 through 16, both inclusive, Block 46, TOWN OF CRESTED BUTTE, County of Gunnison, State of Colorado, TOGETHER WITH the right to maintain a parking space, contained in the Notice of Agreement for Land Use Conditions and Restrictive Covenants recorded the 4th day of August, 1997, and bearing Reception No. 477287 of the Gunnison County records.

EXHIBIT B  
Condominium Declaration of  
LONE TREE CONDOMINIUMS


  
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TABLE OF INTERESTS

<u>Unit No.</u>	<u>Percentage Share of Common Elements</u>	<u>Percentage Share of Common Expenses</u>	<u>Percentage Vote of Affairs of Association</u>
1	21.66	17.61	21.66
2	14.04	11.41	14.04
3	13.52	10.98	13.52
4	14.62	17.27	14.62
5	8.86	10.47	8.86
6	10.23	12.09	10.23
7	<u>17.07</u>	<u>20.17</u>	<u>17.07</u>
	100.00	100.00	100.00