

**FIRST AMENDMENT TO CONDOMINIUM DECLARATION
FOR
111 MAIN STREET LODGE & CONDOMINIUMS**

This First Amendment to Condominium Declaration for 111 Main Street Condominium Association, Inc. (the "First Amendment") is made this 1st day of September, 1999 by 7S Limited Liability Co., a Colorado limited liability company as Manager/Member of 111 Main Street LLC, a Colorado limited liability company and Ten Partners LLC, a Colorado limited liability company (the "Declarants").

RECITALS

- A. Declarant is the developer of that certain real property located in Summit County, Colorado known as Main Street Lodge and Condominiums, Phase I, the condominium Plat of which was recorded June 23, 1998 at Reception Number 568375 (the "Plat") and the Condominium Declaration of which was recorded July 23, 1998 at Reception Number 568374 of the records of the Clerk and Recorder of Summit County, Colorado (the "Declaration").
- B. Article III of the Declaration reserved to the Declarant the right by amendment to the Declaration, to create Units, Improvements, General Common Elements, and Limited Common Elements, as authorized under Section 38-33.3-210 of the Act.
- C. Declarant desires to amend the Declaration pursuant to Article XIII thereof to prevent undesirable noise and odors, and allow for two dogs per unit, provide a 48 hour first right of refusal, allow Residential Units to be used for businesses employing no more than two employees, restrict the hours of commercial unit use, prevent the application of rules 3.1.5, 3.1.6, and 3.1.8 to 111 Main Street Residential Condominiums 200, 201, 202, and 203, and eliminate the possibility that all short-term rentals go through a management company.
- D. Declarant hereby declares that the Units, Improvements, General Common Elements and Limited Common Elements set forth in the Declaration and this First Amendment shall be held, sold and conveyed subject to the covenants, conditions, restrictions and easements, which are for the purpose of protecting the value and desirability of 111 Main Street Lodge and Condominiums and which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of 111 Main Street Lodge and Condominiums.
- E. All terms not defined in this First Amendment shall have the definitions set forth in the Declaration.
- F. The following Section of Article II of the Declaration is hereby amended to read in its entirety as follows:

"2.2.2 Title to Units/Identification. Every contract for sale, deed, lease, security interest, will, or other legal instrument shall legally describe a unit in the following manner:

Unit ____, 111 MAIN STREET LODGE & CONDOMINIUMS, according to the recorded Condominium Map and Declaration and Amendments to the Declaration for 111 Main Street Lodge & Condominiums, Summit County, Colorado."
- G. The following subsection of Article III, Section 1 of the Declaration is hereby added to read in its entirety as follows:

"3.1.10 Nothing in this Condominium Declaration shall be construed to apply Subsections 3.1.5, 3.1.6, and 3.1.8 above to 111 Main Street, Residential Condominium Units, 200, 201, 202, and 203."
- H. The following subsection of Article V, Section 5 of the Declaration is hereby amended to read in its entirety as follows:

"5.1.7 No noxious, offensive, dangerous or unsafe activity shall be carried on in any Unit, nor shall anything be done therein either willfully or negligently, which may be or become an

annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner or occupant shall make or permit any disturbing noises by himself or herself, his or her family, servants, employees, agents, visitors and licensees, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other Unit Owners or occupants. No Unit Owner or occupant shall cause or play, or suffer to be played, any musical instrument or operate or suffer to be operated a phonograph, television set or radio at such high volume or in such other manner that it shall cause unreasonable disturbances to other Unit Owners or occupants. No Unit Owner or occupant shall make or permit any disturbing odors by himself or herself, his or her family, servants, employees, agents, visitors and licensees, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other Unit Owners or occupants."

- I. The following subsection of Article 5, Section 2 is hereby amended to read in its entirety as follows:

"5.2.1 No animals, birds or reptiles of any kind shall be raised, bred, or kept in a Unit, except for: No more than two dogs of less than 20 inches in height at the shoulder at maturity and of gentle disposition; no more than two cats. No more than two other household pets, approved and licensed by the Executive Board as to compatibility with the Common Interest Community, may be kept within a Residential Unit. Pets may not be kept, bred, or maintained for commercial purposes. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Real Estate upon three (3) days' written notice following Notice and Hearing from the Executive Board. The owner shall hold the Association harmless from any claim resulting from any action of his or her pet. Seeing eye dogs and hearing ear dogs will be permitted for those persons holding certificates of necessity. The Executive Board may by Rule prohibit Unit Owners and/or Related Users from raising, breeding or keeping any animal, bird or reptile of any kind within a Unit. All pets must be on a leash when on the Common Elements and Owners must clean up after their pets."

- J. The following subsections of Article V, Section 5.1 is hereby amended to read in its entirety as follows:

"5.1.1 The use of each Residential Unit is restricted to that of a dwelling and accessory uses including long-term, short-term and overnight rentals and hotel lodging; as well as general office and commercial uses employing no more than two employees in the Unit and complying with all Commercial Unit rules and restrictions in the Declaration."

"5.1.2 The use of each Commercial Unit is restricted to general office, retail or commercial purposes, and accessory uses including long-term, short-term, and overnight rentals and hotel lodging, between the hours of 6:00 a.m. and 10:00 p.m."

- K. The following subsection of Article V, Section 5.3 is hereby amended to read in its entirety as follows:

"5.3 (a) Short-term occupancies and rentals (of less than 30 days) of Units for residential purposes for resort lodging to overnight and short-term guests shall be subject to reasonable regulation by the Association."

- L. A new Article XV is here by added to the Declaration, which shall read in its entirety as follows:

"Section 15.1 **Sales.** No Unit Owner may sell his Condominium Unit or any interest therein except by complying with the provisions of this section. A Unit Owner's sale of his Condominium Unit shall include the sale of (a) the undivided interest in the General Common Elements appurtenant hereto; (b) the interest of such Unit Owner in any Condominium Units theretofore acquired by the Board, or its designee, on behalf of all Unit Owners, or the Proceeds of the sale thereof, if any; and (c) the interest of such Unit Owner in any other assets of the Condominium Association, hereinafter collectively called the "appurtenant interests".

Any Unit Owner who receives a bona fide offer for the sale of his Condominium Unit, hereinafter called an outside offer, which he intends to accept, shall give notice to the Board and all other Owners of such offer

and of such intention, the name and address of the proposed purchaser, the terms of the proposed transactions and such other information as the Board may reasonably require, and shall offer to sell such Condominium Unit to the Board or its designee, corporate or otherwise, on behalf of the Unit Owners of all other Condominium Units or to any other Unit Owner, on the same terms and conditions as contained in such outside offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board and other Unit Owners, that such Unit Owner believes the outside offer to be a bona fide in all respects. Within Forty-eight (48) hours after receipt of such notice, the Board or other Unit Owners may elect, by notice to such Unit Owner, to purchase such Condominium Unit on the same terms and conditions as contained in the outside offer and as stated in the notice from the Unit Owner. The first acceptance of the offer to purchase shall have prior right to close the transaction. Any subsequent acceptance shall be deemed a "back up" acceptance. In the event the Board or other Unit Owner shall elect to purchase such Condominium Unit, the sale shall close within forty-five (45) days after the giving of notice by the Board or other Owner of its election to accept such offer. At the closing, the Unit Owner shall convey the same by general warranty deed. The costs of sale and transfer and the expenses that are usually prorated at closing shall be paid for and adjusted in the usual manner as in any other purchase and sale of real estate in Colorado. In the event of a failure to accept such offer within forty-eight (48) hours, the Unit Owner shall be free to contract to sell such Condominium Unit to the outside offeror within sixty (60) days after the expiration of the period in which the Board or other Unit Owner might have accepted such offer, on the terms and conditions set forth in the notice from the Unit Owner to the Board of such outside offer. Any deed to an outside offeror shall provide the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, by By-Laws and the Rules of Regulations, as the same may be amended from time to time. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Condominium Unit to the outside offeror on the terms and conditions contained in the outside offer, or if such a contract is entered into but not fulfilled, then the Unit Owner shall be required to again comply with all of the terms and provisions of this section in order to sell the Condominium Unit.

Any purported sale of a Condominium Unit in violation of this section shall be voidable at the election of the Board.

Section 15.2 **Consent of Unit Owners to Purchase by Board.** Board shall not exercise any option hereinabove set forth to purchase any Condominium Unit without the prior approval of a majority of the Unit Owners.

Section 15.3 **No Severance of Ownership.** No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Condominium Unit without including therein the appurtenant interest, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described there. No part of the appurtenant interests of any Condominium Unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the Condominium Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interest of all Condominium Units.

Section 15.4 **Release by Board of Right of First Refusal.** Upon presentation of exceptional circumstances, the right of first refusal contained in Section 1 of this Article XV, as it applies to the Association, may be released or waived in writing (setting forth the exceptional circumstances) by the Board, in which event the Condominium Unit may be sold or conveyed free and clear of the provisions of such Section as applied to the Board. The right of first refusal of the other Owners shall not be affected by this Section.

Section 15.5 **Certificate of termination of right of first refusal.** A certificate executed and acknowledged by the Secretary of the Association, stating that the provisions of Section 15.1 of this Article XV have been met by a Unit Owner, or have been duly waived by the Board, and that the rights of the Board there under have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 15.1 of this Article XV or in respect, to whom the provisions

of such Section have been waived, upon request, at a reasonable fee, not to exceed \$25.00.

Section 15.6 **Financing of Purchase of Condominium Units by Board.** Acquisition of Condominium Units by the Board, or its designee, on behalf of all Unit Owners, may be made from the working capital and common charges in the hands of the Board, or if such funds are insufficient, the Board may levy an assessment against each Unit Owner in proportion of his ownership in the General Common Elements, as a Common Expense, which assessment shall be enforceable in the same manner as provided Article IX. Alternatively, the Board may borrow money to finance the acquisition of such Condominium Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Condominium Units so to be acquired by the Board.

Section 15.7 **Exceptions.** The provisions of Section 1 of this Article XV shall not apply with respect to any sale or conveyance by a Unit Owner of his Condominium Unit to his spouse or to any of his children or to his parent or parents or to his brothers and sisters, or any one or more of them, or to the acquisition or sale of a Condominium Unit by a mortgagee herein authorized who shall acquire title to such Condominium Unit by foreclosure or by deed in lieu of foreclosure. The provisions of Section 15.1 of this Article XV shall not apply to the Declarant as to any Condominium Unit sold or offered for sale by Declarant for the first time, or to any Condominium Unit owned by the Declarant after the expiration of five (5) years from the date of record of this Declaration.

Section 15.8 **Gifts and Devises, Etc.** Any Unit Owner shall be free to convey or transfer by gift, or to devise his Condominium Unit by will, or to pass the same by intestacy, without restriction.

Section 15.9 **Waiver of Right of Partition with Respect to Condominium Units Acquired by Board.** In the event that a Condominium Unit shall be acquired by the Board, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights or partition with respect to such Condominium Unit.

Section 15.10 **Payment of Assessments.** No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his Condominium Unit unless and until he shall have paid in full to the Board all unpaid Common Expenses theretofore assessed by the Board against his Condominium Unit and until he shall be satisfied all unpaid liens against such Unit, except permitted mortgages."

