

WESTERMERE CONDOMINIUM OWNERS ASSOCIATION, INC.
c/o Full Circle HOA Management
560 Mountain Village Blvd., 102A, Mountain Village, CO 81435
Tel: (970) 369-1428 Fax: (970) 369-1429
Mail@FullCircleHOA.com

December 24, 2009

Dear Westermere Owner,

Please find enclosed three documents:

- 1) First Amended and Restated Articles
- 2) Second Amendment to the Condominium Declaration for Westermere Condominium
- 3) Second Amendment to Bylaws

In addition, we enclose a form of owner consent. Your Board of Directors recommends your approval of these documents. They accomplish the following:

- * They amend the unit voting and assessment allocations in Exhibit 1 to conform to the actual percentage allocations that the association has been using for at least the last six (6) years. They are largely based on the percentages contained in the original declaration with allowance for the subdivision of Unit 101 into 101A and 102. They are different from the allocation contained in the original articles. The square footage on which the allocations are based cannot be verified, but your board felt that the allocations in use fairly represent the various unit sizes and wanted them to be formally adopted. This will also help when you are selling because allocations will be properly documented as part of title.
- * They change provisions concerning association liens, which are governed by state statute. The concern was that the previous provisions waived the association's super-priority lien. We also added a provision that new owners are jointly and severally liable with previous owners for past-due assessments.
- * They change the percentage requirement for owner votes from seventy-five percent (75%) to sixty-seven percent (67%), which is consistent with the owner voting requirement under state statute for amending the declaration.
- * The First Amendment to the Declaration deleted the requirement for first mortgagee consent for amending the declaration. This declaration amendment deletes any remaining first mortgagee consent requirements.

Please feel free to contact us or your board members with any questions or concerns. We would greatly appreciate getting your consents back by the end of January, 2010.

Sincerely,
Westermere Board of Directors

FIRST AMENDED AND RESTATED ARTICLES OF INCORPORATION
WESTERMERE CONDOMINIUM OWNERS ASSOCIATION, INC.,
A COLORADO NONPROFIT CORPORATION

1. **Name.** The name of the corporation is Westermere Condominium Owners Association, Inc. ("Association").
2. **Duration.** The term of existence of the Association is perpetual.
3. **Purposes.** The purposes for which the Association has been formed is to constitute the Association to which reference is made in the Declaration Condominium Declaration for Westermere Condominium recorded on September 19, 1991, in the records of the San Miguel County Clerk and Recorder in Book 482 at page 598, as same may be supplemented, amended or restated ("Declaration"), and bylaws of the Association, and to exercise all rights and powers of the Association as set forth under Colorado law.
4. **Membership.** The Association shall be a membership corporation without certificates or shares of stock. Members shall have voting rights as set forth in the Declaration and Association bylaws.
5. **Board of Directors.** The business affairs of the Association shall be conducted by the Board of Directors as set forth in the Declaration and Bylaws. Cumulative voting for directors by the members is not permitted.
6. **Registered Agent.** The current registered agent is Full Circle HOA Management, 560 Mountain Village Blvd., 102B, Mountain Village, CO 81435. The registered agent may be changed at any time pursuant to a vote of the Board of Directors.
7. **Amendments.** These articles may be amended, supplemented or restated by the written agreement of sixty-seven percent (67%) of the total votes of the Association.
8. **Definitions.** The capitalized terms used herein are as defined by the Declaration.
9. **Adoption.** The undersigned hereby certifies that these First Amended and Restated Articles were adopted pursuant to the affirmative vote of two-thirds of the votes of the members of the Association as required by Article XIV of the original articles dated August 28, 1991.
10. **Distribution of Assets on Dissolution.** In the event of a dissolution of the Association, the property and assets of the Association remaining after providing for all obligations of the Association shall be distributed pursuant to Article 34 of C.R.S. § 7-121-101.

President

Date: _____, 2010

Secretary

Date: _____, 2010

AFTER RECORDING, RETURN TO:

Law Office of Diane Wolfson
560 Mountain Village Blvd., 102A
Mountain Village, CO 81435

SECOND AMENDMENT TO THE CONDOMINIUM DECLARATION
FOR WESTERMERE CONDOMINIUM

This Second Amendment to the Condominium Declaration for Westermere Condominium ("Second Amendment") is made and executed by the Westermere Condominium Owners Association, Inc., a Colorado non-profit corporation ("Association").

WHEREAS, the Condominium Declaration for Westermere Condominium was recorded on September 19, 1991, in the records of the San Miguel County Clerk and Recorder in Book 482 at page 598 ("Declaration");

WHEREAS, the First Supplement to the Condominium Declaration for Westermere Condominium was recorded on May 21, 1993, in the records of the San Miguel County Clerk and Recorder at Reception No. 284854 ("First Supplement");

WHEREAS, the Second Supplement to the Condominium Declaration for Westermere Condominium was recorded on July 23, 1993, in the records of the San Miguel County Clerk and Recorder at Reception No. 286090 ("Second Supplement");

WHEREAS, the First Amendment to the Condominium Declaration for Westermere Condominium was recorded on April 20, 2007, in the records of the San Miguel County Clerk and Recorder at Reception No. 392132 ("First Amendment");

WHEREAS, to amend the Declaration, Paragraph 13.3 of the Declaration, as amended, requires the approval of owners representing seventy-five percent (75%) or more of the voting rights of the Association, or such other lower percentage as required by law.

WHEREAS, Senate Bill 05-100, which amends C.R.S. 38-33.3-217 (1)(a), effective as of January 1, 2006, provides that "Any provision in the declaration that purports to specify a percentage larger than sixty-seven percent is hereby declared void as contrary to public policy, and until amended, such provision shall be deemed to specify a percentage of sixty-seven percent."

NOW THEREFORE, the Association does hereby publish and declare that the Declaration shall be amended as set forth below.

Paragraph 3.7 is hereby amended as follows:

3.7 Commercial Unit. "Commercial unit" shall mean a condominium unit ~~which~~ that may be used for commercial purposes in accordance with the general declaration for the Telluride Mountain Village, as amended, restated and supplemented, and the Town of Mountain Village

Land Use Ordinance San Miguel County Land Use Code. The units ~~that which~~ may be used for commercial purposes are Units 100, ~~and 101A and 102~~. The boundaries of these units are is shown on the condominium map.

Paragraph 3.21 is hereby amended as follows:

3.21 Residential Unit. "Residential unit" means a unit to be used as a residence in accordance with the general declaration for the Telluride Mountain Village, as amended, restated and supplemented, and the Town of Mountain Village Land Use Ordinance San Miguel County Land Use Code. The units ~~which that~~ may be used for residential purposes are: ~~010~~, 210, 211, 212, 310, 311, 312, 410, 411, and 412. The boundaries of these units ~~is~~ are shown on the condominium map.

Paragraph 9.9 is hereby deleted in its entirety and replaced with the following provision:

9.9 Lien for Assessments All unpaid Common Expense Assessments shall constitute a statutory lien on such Unit as set forth in C.R.S. 38-33.3-316, and the Association shall have all statutory lien rights therein set forth. Collection of unpaid assessments shall be subject to interest, late fees, collection charges, and other collection policies as established in a written collection policy adopted by the Board of Directors. The grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments and other charges against the unit due prior to the date of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. The foregoing joint and several liability specifically includes grantors and grantees where the grantee becomes an owner of a unit as a result of foreclosure or a deed-in-lieu of foreclosure.

Paragraph 9.11 is hereby deleted in its entirety and replaced with the following provision:

9.11 Statement of Account Upon written request of any owner or mortgagee, the association will provide within five (5) business days a statement of account, and may charge such owner or mortgagee the association's cost to provide such statement.

Paragraph 9.8 is hereby amended as follows. The last sentence of Paragraph 9.8, which reads "In addition, any such special assessments shall be subject to the prior approval of the holders of first mortgages encumbering units, the fractional interest in common elements appurtenant to which is at least 75%," is hereby deleted.

Paragraph 10.2 is hereby amended as follows.

10.2 General Authority of Association. As attorney-in-fact, ~~in fact~~, the association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of a unit owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the preceding paragraphs means restoring the property to substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance of the association collected shall be available to the association for the purpose of repair or reconstruction unless owners representing at least ~~seventy-five percent (75%)~~ sixty-seven percent

~~(67%) of the votes voting~~ rights of the association represented in person or by proxy at a meeting of the association called for the purpose of considering this issue ~~and the holders of first mortgages encumbering units, the fractional interest in common elements appurtenant to which is at least 75%~~ agree not to rebuild, in which event the condominium shall be terminated.

Paragraph 11.1 is hereby amended as follows.

11.1 Adoption of a Plan. Upon obsolescence, the owners may adopt a written plan for the renewal and reconstruction of the property, ~~which plan shall have the approval of first mortgagees of record at the time of the adoption of such plan.~~ Adoption of such plan must have approval of at least ~~seventy-five percent (75%)~~ sixty-seven percent (67%) of the membership votes represented in person or by proxy at a meeting of the association called for the purpose of considering this issue ~~and shall be subject to the prior approval of the holders of first mortgages encumbering units, the fractional interest in common elements appurtenant to which is at least 75%.~~

ARTICLES XV, XVI, XVII and XVIII are hereby deleted.

The attached Amended Exhibit 1 is hereby adopted. It shall replace and supercede any prior recorded Exhibit 1 to the Declaration, or any amendments or supplements thereto, and shall from this date forward represent each Unit's *pro rata* interest in the common elements under Paragraph 4.1 of the Declaration, the number of votes allocated to each Unit under Paragraph 6.3 of the Declaration, and the allocation for each Unit for assessment purposes under Paragraph 9.6 of the Declaration. Prior application by the Association of the allocations set forth in Amended Exhibit 1 before the date hereof is hereby ratified by the Owners and shall not be grounds for any action by any Owner against the Association.

A new ARTICLE XX is hereby added as follows:

ARTICLE XX. NO FIRST MORTGAGEE CONSENT REQUIRED.

20.1 Notwithstanding any provisions in this declaration, as same may be amended or supplemented, to the contrary, no action or decision by the Association, its board of directors, or the Owners shall require the consent of any holder of a first mortgage.

A new ARTICLE XXI is hereby added as follows:

ARTICLE XXI. OWNER VOTES

21.1 Notwithstanding any provisions of this declaration, as same may have be amended or supplemented, to the contrary, in every instance where an owner vote or owner approval representing at least seventy-five percent (75%) of the membership votes is required, such percentage is hereby changed to sixty-seven percent (67%).

All defined and capitalized terms herein shall have the same meaning as set forth in the Declaration.

Except as modified herein, the provisions of the Declaration and the First Supplement, Second

**WESTERMERE CONDOMINIUMS
AMENDED EXHIBIT 1
SECOND AMENDMENT TO DECLARATION**

Unit	Allocation
W 100	3.120%
W 101A	9.650%
W 102	5.520%
W 210	10.380%
W 211	7.810%
W 212	6.000%
W 310	9.280%
W 311	7.570%
W 312	5.750%
W 410	10.790%
W 411	7.190%
W 412	5.380%
WP 1	0.896%
WP 2	0.896%
WP 3	0.896%
WP 4	0.896%
WP 5	0.896%
WP 6	0.896%
WP 7	0.896%
WP 8	0.896%
WP 9	0.896%
WP 10	0.896%
WP 11	0.896%
WS 1	0.228%
WS 2	0.228%
WS 3	0.228%
WS 4	0.178%
WS 5	0.178%
WS 6	0.228%
WS 7	0.228%
WS 8	0.178%
Totals	100%

AFTER RECORDING, RETURN TO:

Law Office of Diane Wolfson
560 Mountain Village Blvd., 102A
Mountain Village, CO 81435

SECOND AMENDMENT TO THE BYLAWS OF
WESTERMERE CONDOMINIUM OWNERS ASSOCIATION, INC.

This Second Amendment to the Bylaws for the Westermere Condominium Owners Association, Inc. ("Second Amendment"), is made and executed by the Westermere Condominium Owners Association, Inc., a Colorado non-profit corporation ("Association").

The Association does hereby publish and declare that the Bylaws of the Association dated June 30, 1991, as amended by the First Amendment to the Bylaws recorded April 21, 2006, at Reception No. 383627, are hereby further amended as set forth below.

Section 4.2 is hereby deleted and replaced with the following provision:

4.2 Voting Rights The voting rights of the members shall be set forth in the declaration.

Section 9.3 is hereby deleted in its entirety.

Except as modified herein, the provisions of the Bylaws, as amended by the First Amendment to the Bylaws, shall continue in full force and effect.

CERTIFICATION OF ADOPTION

The undersigned certify that the Association has complied with Section 11.2 of the Bylaws, and the foregoing amendment has been approved by the affirmative vote of a majority of the members.

By: _____
President

Date: _____, 2010

By: _____
Secretary

Date: _____, 2010

