

LULU CITY CONDOMINIUM 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

February 10, 2010

Dear Lulu City Owner,

Please find enclosed a proposed First Amendment to First Amended and Restated Declaration for Lulu City Condominium Association. In addition, we enclose a form of owner consent. Your Board of Directors recommends your approval of this amendment to the declaration.

THESE CHANGES TO THE DECLARATION WILL HELP PROTECT LULU CITY FROM LOSING PAST DUE ASSESSMENTS IN THE EVENT OF A FORECLOSURE. So your timely consent is extremely important because there may be as many as 3 foreclosures pending.

This amendment accomplishes the following:

- * Creates liability for the new owner for past-due assessments.
- * Creates a 5% transfer tax payable by at closing, which is EXEMPT if dues are paid in full as of the time of closing.
- * Creates a waiver of the Homestead Exemption, which is important to protect the association's lien in the event of a foreclosure.

Please help the association by reviewing the enclosed materials and return your consent today while it is fresh in your mind rather than waiting. You can mail it back, fax it, email it or deliver it by hand.

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 February, 2010.**

Sincerely,
Full Circle HOA Management

AFTER RECORDING RETURN TO:

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

**FIRST AMENDMENT TO
FIRST AMENDED AND RESTATED DECLARATION FOR
LULU CITY CONDOMINIUM ASSOCIATION**

WHEREAS, Lulu City Condominiums is a condominium community originally created by the following instruments recorded in the Office of the Clerk and Recorder of San Miguel County, Colorado: instrument titled "Condominium Declarations for Lulu City Condominium (A Condominium)" recorded on February 6, 1981, in Book 391, at Pages 546-564 ("**Original Declaration**"), and map recorded on February 6, 1981, in Plat Book 1, at Pages 314-624.

WHEREAS, the Original Declaration was amended and restated by the instrument titled First Amended and Restated Declaration for Lulu City Condominium Association, which was recorded on October 16, 2006, at Reception No. 387603 ("**First Amended Declaration**"). The Original Declaration, as same has been or may be amended, supplemented and restated, is hereafter referred to as the "**Declaration**").

WHEREAS, the Owners desire to amend the First Amended Declaration as set forth in this First Amendment to the First Amended and Restated Declaration for Lulu City Condominium Association ("**First Amended**").

NOW THEREFORE, this First Amended Declaration shall be amended as follows.

The language in Section 13(O) is hereby deleted and replaced with the following provisions:

- O. **Liability for Obligations** Every Owner, by acceptance of a deed or instrument of conveyance of an ownership interest in a Unit, whether or not expressed in any deed or instrument of conveyance, shall be deemed to covenant and agree for such Owner and such Owner's heirs, personal representatives, successors and assigns, that:
 - A) All Owners shall have personal liability to the Association for the obligations created by this Declaration, including monetary obligations, that arise out of their ownership of a Unit.
 - B) All obligations created by this Declaration, including monetary obligations, with respect to a particular Unit, run with the land and burden that particular Unit, and shall continue to burden that particular Unit notwithstanding a change in Unit ownership. Such obligations shall not be affected or extinguished by a change in Owners.
 - C) Every Owner shall have joint and several liability with the former Owner of that Unit for all amounts owed to the Association of every kind and nature (including but not limited to regular assessments, special assessments, interest, fines, costs of collection, transfer fees, and attorneys fees) that are unpaid as of the date of the grant or conveyance from the former Owner to the current Owner. This provision applies regardless of the type of conveyance and includes a purchase and sale, a deed-in-lieu of foreclosure, or the sale or redemption of the Unit in a foreclosure by the San Miguel County trustee or sheriff. These provisions are intended to be without prejudice to an Owner's right to recover any such amounts from the former Owner.

A new paragraph 13(P) is hereby added as follows:

- P. **Transfer Fee** There is hereby imposed on all Transfers of Units (as defined below), a transfer fee of five percent (5%) of the Consideration (as defined below), unless the Transfer is subject to an Exemption as set forth below. Such transfer fee is due and payable to the Association on the date of the Transfer. Unpaid transfer fees for a particular Unit are a personal obligation of that Owner and are an Association lien on that Unit.
- I. A **“Transfer”** is defined as any transfer of an ownership interest in a Unit, whether by deed or any other writing or instrument, and includes, but is not limited to:
- A. A warranty or quit claim deed.
 - B. A public trustee confirmation deed, sheriff’s deed, or deed-in-lieu of foreclosure.
 - C. The conveyance of fifty percent (50%) or more in a corporation, limited liability company, partnership, limited partnership, joint venture, trust or any other Association or entity that owns a Unit.
- II. **“Consideration”** is defined as the actual amount paid in consideration of the Transfer.
- III. The transfer fee shall not apply to a Transfer to any of the following **“Exemptions”** so long as a written exemption request is submitted to the Board prior to the date of Transfer and the Board certifies in writing its approval of the exemption:
- A. On the date of Transfer, all amounts owed to the Association of every kind and nature (including but not limited to regular assessments, special assessments, interest, fines, costs of collection, and attorneys fees) are paid in full; or
 - B. The Consideration is zero; or
 - C. The Transfer is to a spouse, or to natural or adopted children; or
 - D. The Transfer is pursuant to a decree of separation or divorce.

A new paragraph 13(Q) is hereby added as follows:

- Q. **Homestead Waiver** Every Owner, by acceptance of a deed or instrument of conveyance of an ownership interest in a Unit, whether or not expressed in any deed or instrument of conveyance, shall be deemed to covenant and agree that such Owner waives the homestead exemption set forth in C.R.S. § 38-41-201, as same may be amended or supplemented, as to all liens of the Association against such Unit, and all such liens of the Association against such Unit shall be superior Owner’s claim to a homestead exemption.

The foregoing amendments to the First Amended Declaration shall be effective upon recording. All other provisions of the Declaration shall remain unchanged and in full force and effect.

CERTIFICATION OF ADOPTION

The undersigned hereby certify that the Association has complied with Section 22(B) of the First Amended Declaration by obtaining the written approval of Owners representing at least sixty-seven percent (67%) of the Total Votes.

**Lulu City Condominium Association, Inc.,
a Colorado nonprofit corporation,**

By: _____
Presiding Officer

By: _____
Secretary

STATE OF _____)
COUNTY OF _____) ss.

The foregoing was acknowledged before me this _____ day of _____, 20____, by _____ as presiding officer of Lulu City Condominium Association, Inc., a Colorado nonprofit corporation. Witness my hand and official seal.

My commission expires: _____
Notary Public

STATE OF COLORADO)
COUNTY OF _____) ss.

The foregoing was acknowledged before me this _____ day of _____, 20____, by _____ as Secretary of Lulu City Condominium Association, Inc., a Colorado nonprofit corporation. Witness my hand and official seal.

My commission expires: _____
Notary Public

CONSENT
LULU CITY CONDOMINIUM ASSOCIATION, INC.

The undersigned, being a member of the Lulu City Condominium Association, Inc., does hereby consent to and approve the within **First Amendment to the First Amended and Restated Declaration for Lulu City Condominium Association.**

Unit Number(s)

Print Name

Signature

STATE OF _____)

) ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,

20____, by _____ (owner's name).

Witness my hand and official seal.

Notary Public

My commission expires _____