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Kathleen Neel—Summit County Recorder

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**THIRD AMENDMENT TO
CONDOMINIUM DECLARATION OF
LAKE CLIFFE CONDOMINIUM ASSOCIATION
REGARDING CONCENTRATION OF OWNERSHIP**

This Third Amendment to Condominium Declaration of Lake Cliff Condominium Association Regarding Concentration of Ownership (the “**Third Amendment**”) is made and entered into by the Lake Cliff Condominium Association, a Colorado non-profit corporation (the “**Association**”), with an address of 160 La Bonte Street, P.O. Box 336, Dillon, Colorado, 80435.

RECITALS

A. Ferndale Development Co., Inc., a Colorado corporation, made and recorded the Condominium Declaration of Lake Cliffe Condominium Association dated the 21st day of January, 1971, and recorded on January 22, 1971 in Book 205 at page 438, as amended by a First Amendment recorded on August 17, 1988 as Reception No. 357624, and a Second Amendment recorded on February 5, 2009 as Reception No. 904826, all in the records of the Clerk and Recorder of the County of Summit, Colorado and as amended and supplemented from time to time (collectively, the “**Declaration**”).

B. The Association has determined and found that an undue concentration of ownership of Condominium Units in one or a small number of Owners would be detrimental to the Project. Such a concentration of ownership would result in a concomitant concentration of voting control and governance power in that Owner or Owners. Such concentration could negatively impact the Project’s operations, including ongoing maintenance and capital replacement, and the value of the Condominium Units in the event that an Owner or Owners owning multiple Condominium Units sold or otherwise disposed of all or substantially all of his or her Condominium Units in a short time period.

C. The Association has further determined that for the foregoing reasons, among others, mortgage lenders may be reluctant and even unwilling to finance the purchase of condominium units in a condominium project where there is an undue concentration of ownership of condominium units. That, in turn, can adversely impact the salability and thus the fair market value of the condominium units in that project.

D. The Fair Housing Administration and U.S. Department of Housing and Urban Development have imposed a limit on, among other things, the percentage of units

that any single owner may own in a condominium project in order for mortgages on units in such a project to be federally insured. The Association has determined that it is in the best interest of the Project to comply with that requirement.

E. For the foregoing reasons, the Association has further determined that it is in the best interest of the Project and Owners, and desires and intends to amend the Declaration as set forth in this Third Amendment to impose a limit on the total number of Condominium Units any one Owner can own, either directly or indirectly, at any one time.

F. Section 18 of the Declaration provides that the Declaration may be amended upon the consent of the owners representing an aggregate ownership interest of sixty percent (60%), or more, of the general common elements, and all of the holders of any recorded mortgages or deeds of trust.

G. In accordance with the terms of the Declaration and § 38-33.3-217, C.R.S., this Third Amendment has been duly approved by the consent of the owners representing an aggregate ownership interest of sixty percent (60%), or more, of the general common elements, and all of the holders of any recorded mortgages or deeds of trust. The approval of such mortgagees was obtained in accordance with § 38-33.3-217(1)(b), C.R.S.

NOW THEREFORE, the Association hereby amends the Declaration as follows:

1. A new Section 33 of Declaration is hereby added which reads in its entirety as follows:

33. Limit on Concentration of Ownership. *Except as otherwise provided in this Section 33, no person, entity or Owner may at any one time, directly, indirectly or otherwise (including by or through one or more entities), own, co-own or have any ownership in more than six (6) different Condominium Units. For purposes of this Section 33, an "entity" shall mean and refer to any form of entity or legal ownership, including without limitation a corporation, company, firm, trust, partnership, association or joint venture. Notwithstanding the foregoing, any Owner who directly, indirectly or otherwise, owns, co-owns or has any ownership in more than six (6) different Condominium Units at the time this Third Amendment becomes effective may continue to own up to and including that number of Condominium Units but may not so own Condominium Units in excess of that number. This limit on the concentration of ownership does not prohibit an Owner from owning different Condominium Units at different times so long as the total number of Condominium Units owned at any one time does not exceed the foregoing limits.*

2. Except as otherwise specifically set forth herein the Declaration shall remain unchanged. All capitalized terms used herein not otherwise defined shall have the meaning set forth in the Declaration. This Third Amendment shall be effective on the

