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**DECLARATION  
FOR  
EAGLE RIVER COMMERCIAL CENTER**



707025 08/30/1999 02:10P 134 Sara Fisher  
1 of 63 R 315.00 D 0.00 N 0.00 Eagle CO



TABLE OF CONTENTS

|                  |  | <u>Page</u> |
|------------------|--|-------------|
| <b>ARTICLE 1</b> | <b>IMPOSITION OF COVENANTS</b> .....                         | 1           |
| Section 1.1      | Purpose .....  | 1           |
| Section 1.2      | Intention of Declarant.....                                  | 1           |
| Section 1.3      | Master Declaration .....                                     | 1           |
| Section 1.4      | Development and Use.....                                     | 1           |
| Section 1.5      | Declaration .....  | 2           |
| Section 1.6      | Covenants Running With the Land .....                        | 2           |
| <b>ARTICLE 2</b> | <b>DEFINITIONS</b> .....                                     | 2           |
| <b>ARTICLE 3</b> | <b>DIVISION OF PROJECT</b> .....                             | 7           |
| Section 3.1      | Division Into Units .....                                    | 7           |
| Section 3.2      | Delineation of Unit Boundaries.....                          | 7           |
| Section 3.3      | Inseparability of Units .....                                | 7           |
| Section 3.4      | Nonpartitionability of Common Elements .....                 | 7           |
| Section 3.5      | Modifications to Unit .....                                  | 8           |
| Section 3.6      | Amendments Documenting Unit Modification .....               | 9           |
| Section 3.7      | Interior Modifications.....                                  | 9           |
| <b>ARTICLE 4</b> | <b>CONDOMINIUM MAP</b> .....                                 | 10          |
| Section 4.1      | Map.....   | 10          |
| Section 4.2      | Amendment .....  | 10          |
| <b>ARTICLE 5</b> | <b>OWNERS' PROPERTY RIGHTS IN COMMON<br/>ELEMENTS</b> .....  | 10          |
| Section 5.1      | General Common Elements.....                                 | 10          |
| Section 5.2      | Limited Common Elements.....                                 | 11          |
| <b>ARTICLE 6</b> | <b>MEMBERSHIP AND VOTING RIGHTS IN<br/>ASSOCIATION</b> ..... | 11          |
| Section 6.1      | Association Membership .....                                 | 11          |
| Section 6.2      | Membership .....   | 11          |
| Section 6.3      | Voting Rights.....   | 11          |
| Section 6.4      | Declarant Control .....                                      | 11          |
| Section 6.5      | Owners' and Association's Address for Notices .....          | 12          |
| <b>ARTICLE 7</b> | <b>ASSOCIATION DUTIES</b> .....                              | 12          |
| Section 7.1      | Association Management Duties .....                          | 12          |
| Section 7.2      | Reserve Account.....   | 13          |
| Section 7.3      | Owner's Negligence.....                                      | 13          |

|                   |  |           |
|-------------------|--|-----------|
| Section 7.4       | Delegation of Management and Maintenance Duties.....                                       | 13        |
| Section 7.5       | Limitation of Liability of Association.....  | 13        |
| Section 7.6       | Acquiring and Disposing of Personal Property .....   | 14        |
| Section 7.7       | Cooperation with Associations.....   | 14        |
| Section 7.8       | Issuance of Rules and Regulations .....  | 14        |
| Section 7.9       | Enforcement of Documents .....   | 14        |
| Section 7.10      | Identity of Executive Board and Managing Agent.....  | 14        |
| Section 7.11      | Payments to Working Capital Account .....  | 15        |
| Section 7.12      | Implied Rights .....   | 15        |
| Section 7.13      | Books and Records of the Association.....  | 15        |
| <b>ARTICLE 8</b>  | <b>ASSESSMENTS .....</b>   | <b>15</b> |
| Section 8.1       | Covenant of Personal Obligation of Assessments.....  | 15        |
| Section 8.2       | Purpose of Assessments .....   | 15        |
| Section 8.3       | Commencement of Assessments .....  | 16        |
| Section 8.4       | Amount of Total Annual Assessments .....   | 16        |
| Section 8.5       | Apportionment of Annual Assessments .....  | 17        |
| Section 8.6       | Annual Budget.....   | 17        |
| Section 8.7       | Special Assessments.....   | 17        |
| Section 8.8       | Due Dates for Assessment Payments .....  | 17        |
| Section 8.9       | Declarant's Obligation to Pay Assessments.....   | 18        |
| Section 8.10      | Default Assessments.....   | 18        |
| Section 8.11      | Lien for Assessments.....  | 18        |
| Section 8.12      | Effect of Nonpayment of Assessments.....   | 18        |
| Section 8.13      | Successor's Liability for Assessments .....  | 19        |
| Section 8.14      | Waiver of Homestead Exemption; Subordination of<br>Association's Lien for Assessments..... | 20        |
| Section 8.15      | Statement of Status of Assessments .....   | 20        |
| Section 8.16      | Liens .....  | 21        |
| Section 8.17      | Master Association Assessments.....  | 21        |
| <b>ARTICLE 9</b>  | <b>MAINTENANCE RESPONSIBILITY .....</b>  | <b>22</b> |
| Section 9.1       | Owner's Rights and Duties with Respect to Interiors.....                                   | 22        |
| Section 9.2       | Responsibility of the Owner.....   | 22        |
| Section 9.3       | Responsibility of the Association.....   | 22        |
| Section 9.4       | Owner's Failure to Maintain or Repair .....  | 22        |
| <b>ARTICLE 10</b> | <b>INSURANCE AND FIDELITY BONDS.....</b>   | <b>23</b> |
| Section 10.1      | General Insurance Provisions .....   | 23        |
| Section 10.2      | Cancellation.....  | 23        |
| Section 10.3      | Policy Provisions.....   | 24        |
| Section 10.4      | Insurance Proceeds .....   | 24        |
| Section 10.5      | Association Policies.....  | 24        |
| Section 10.6      | Insurer Obligation.....  | 24        |
| Section 10.7      | Repair and Replacement.....  | 25        |

|                   |   |           |
|-------------------|---|-----------|
| Section 10.8      | Common Expenses .....   | 25        |
| Section 10.9      | Fidelity Insurance .....  | 25        |
| Section 10.10     | Workmen's Compensation Insurance .....  | 26        |
| Section 10.11     | Other Insurance .....   | 26        |
| Section 10.12     | Insurance Obtained by Owners.....   | 26        |
| <b>ARTICLE 11</b> | <b>CONVEYANCES AND TAXATION OF UNITS .....</b>  | <b>26</b> |
| Section 11.1      | Contracts to Convey Entered into Prior to Recording of<br>Map and Declaration .....         | 26        |
| Section 11.2      | Contracts to Convey and Conveyances Subsequent to<br>Recording of Map and Declaration ..... | 27        |
| Section 11.3      | Conveyance Deemed to Describe an Undivided Interest<br>in Common Elements .....             | 27        |
| Section 11.4      | Separate Tax Assessments.....   | 27        |
| <b>ARTICLE 12</b> | <b>MECHANICS' LIENS .....</b>   | <b>28</b> |
| Section 12.1      | Mechanics' Liens .....  | 28        |
| Section 12.2      | Enforcement by the Association.....   | 28        |
| <b>ARTICLE 13</b> | <b>USE RESTRICTIONS .....</b>   | <b>28</b> |
| Section 13.1      | Use of Units.....   | 28        |
| Section 13.2      | Conveyance of Units .....   | 29        |
| Section 13.3      | Use of Common Elements.....   | 29        |
| Section 13.4      | Prohibition of Increases in Insurable Risks and Certain<br>Activities.....                  | 29        |
| Section 13.5      | Nuisances.....  | 29        |
| <b>ARTICLE 14</b> | <b>EASEMENTS .....</b>  | <b>29</b> |
| Section 14.1      | Easement of Enjoyment.....  | 29        |
| Section 14.2      | Delegation of Use.....  | 30        |
| Section 14.3      | Recorded Easements.....   | 30        |
| Section 14.4      | Easements for Encroachments.....  | 30        |
| Section 14.5      | Utility Easements.....  | 30        |
| Section 14.6      | Reservation of Easements, Exceptions and Exclusions .....                                   | 31        |
| Section 14.7      | Reservation for Construction, Etc. ....   | 31        |
| Section 14.8      | Emergency Access Easement.....  | 31        |
| Section 14.9      | Maintenance Easement.....   | 31        |
| Section 14.10     | Drainage Easement.....  | 31        |
| Section 14.11     | Easements of Access for Repair, Maintenance and<br>Emergencies .....                        | 31        |
| Section 14.12     | Declarant's Rights Incident to Construction and Marketing.....                              | 32        |
| Section 14.13     | Governmental Requirements.....  | 32        |
| Section 14.14     | Declarant Easements .....   | 32        |
| Section 14.15     | Right of Declarant and Association to Own Units and to<br>Use Common Elements .....         | 32        |



|                   |  |           |
|-------------------|--|-----------|
| Section 14.16     | Remodeling Easement .....  | 33        |
| Section 14.17     | Signage Easement.....  | 33        |
| Section 14.18     | Easements to Other Associations .....  | 33        |
| Section 14.19     | Easements Deemed Created .....   | 33        |
| <b>ARTICLE 15</b> | <b>ASSOCIATION AS ATTORNEY-IN-FACT .....</b>   | <b>33</b> |
| Section 15.1      | Appointment.....   | 33        |
| Section 15.2      | General Authority.....   | 34        |
| <b>ARTICLE 16</b> | <b>DAMAGE OR DESTRUCTION.....</b>  | <b>34</b> |
| Section 16.1      | The Role of the Executive Board .....  | 34        |
| Section 16.2      | Estimate of Damages or Destruction.....  | 34        |
| Section 16.3      | Repair and Reconstruction .....  | 34        |
| Section 16.4      | Funds for Repair and Reconstruction.....   | 34        |
| Section 16.5      | Insurance Proceeds Sufficient to Repair.....   | 35        |
| Section 16.6      | Insurance Proceeds Insufficient to Repair; Special<br>Assessment; Remedies for Failure to Pay Special Assessment.... | 35        |
| Section 16.7      | Repairs.....   | 36        |
| Section 16.8      | Notice of Damage or Destruction .....  | 37        |
| <b>ARTICLE 17</b> | <b>OBSOLESCENCE .....</b>  | <b>37</b> |
| Section 17.1      | Adoption of Plan; Rights of Owners .....   | 37        |
| Section 17.2      | Sale of Obsolete Units .....   | 38        |
| <b>ARTICLE 18</b> | <b>CONDEMNATION.....</b>   | <b>38</b> |
| Section 18.1      | Consequences of Condemnation .....   | 38        |
| Section 18.2      | Complete Taking .....  | 38        |
| Section 18.3      | Partial Taking .....   | 39        |
| Section 18.4      | Reorganization.....  | 39        |
| Section 18.5      | Repair and Reconstruction .....  | 39        |
| Section 18.6      | Notice of Condemnation.....  | 39        |
| Section 18.7      | Limitations on Actions of Association.....   | 40        |
| <b>ARTICLE 19</b> | <b>EXPANSION AND WITHDRAWAL .....</b>  | <b>40</b> |
| Section 19.1      | Reservation of Expansion and Withdrawal Rights.....  | 40        |
| Section 19.2      | Supplemental Declarations and Supplemental Maps .....  | 40        |
| Section 19.3      | Expansion of Definitions .....   | 40        |
| Section 19.4      | Declaration Operative to New Units .....   | 41        |
| Section 19.5      | Effect of Expansion .....  | 41        |
| Section 19.6      | Termination of Expansion and Development Rights .....  | 42        |
| <b>ARTICLE 20</b> | <b>ASSOCIATION MATTERS .....</b>   | <b>42</b> |
| Section 20.1      | Master Association Matters .....   | 42        |
| Section 20.2      | Enforcement of Master Declaration .....  | 42        |
| Section 20.3      | Architectural Control.....   | 42        |



|                   |  |           |
|-------------------|--|-----------|
| Section 20.4      | General Reservation .....                                | 43        |
| Section 20.5      | Limit on Timesharing .....                               | 43        |
| Section 20.6      | Construction Activities .....                            | 43        |
| Section 20.7      | Membership in the Master Association .....               | 43        |
| <b>ARTICLE 21</b> | <b>MORTGAGEES' RIGHTS .....</b>                          | <b>43</b> |
| Section 21.1      | Approval Requirements .....                              | 43        |
| Section 21.2      | Title Taken by Mortgagee .....                           | 44        |
| Section 21.3      | Distribution of Insurance or Condemnation Proceeds ..... | 44        |
| Section 21.4      | Right to Pay Taxes and Charges .....                     | 44        |
| <b>ARTICLE 22</b> | <b>DURATION OF COVENANTS AND AMENDMENT .....</b>         | <b>44</b> |
| Section 22.1      | Term .....   | 44        |
| Section 22.2      | Amendment .....  | 44        |
| Section 22.3      | Recording of Amendments .....                            | 44        |
| <b>ARTICLE 23</b> | <b>DECLARANT'S RIGHTS REGARDING TRANSFER .....</b>       | <b>45</b> |
| <b>ARTICLE 24</b> | <b>MISCELLANEOUS .....</b>                               | <b>45</b> |
| Section 24.1      | Restriction on Declarant Powers .....                    | 45        |
| Section 24.2      | Enforcement .....  | 45        |
| Section 24.3      | Nonwaiver .....  | 45        |
| Section 24.4      | Severability .....                                       | 45        |
| Section 24.5      | Number and Gender .....                                  | 45        |
| Section 24.6      | Captions .....   | 45        |
| Section 24.7      | Conflicts in Legal Documents .....                       | 46        |
| Section 24.8      | Exhibits .....   | 46        |



707025 08/30/1999 02:10P 134 Sara Fisher  
6 of 83 R 315.00 D 0.00 N 0.00 Eagle CO

**CONDOMINIUM DECLARATION  
FOR  
EAGLE RIVER COMMERCIAL CENTER**

This CONDOMINIUM DECLARATION FOR EAGLE RIVER COMMERCIAL CENTER (this "Declaration") dated as of \_\_\_\_\_, 1999, shall be effective upon recordation and is made by Eagle River Development, LLC, a Colorado limited liability company ("Declarant").

A. Declarant is the owner of certain real property in Eagle County, Colorado, more particularly described on Exhibit A attached and made part of this Declaration by this reference (the "Property") and that described on the attached Exhibit B (all property described in Exhibit B, the "Expansion Property").

B. Declarant desires to create a Condominium Project pursuant to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statutes Section 38-33.3-101, et. seq. (the "Act") on the Property, the name of which is Eagle River Commercial Center. Declarant hereby makes the following grants, submissions, and declarations:


**ARTICLE 1  
IMPOSITION OF COVENANTS**

Section 1.1 Purpose. The purpose of this Declaration is to create a condominium project (the "Project") pursuant to the Act.

Section 1.2 Intention of Declarant. Declarant desires to protect the value and desirability of the Project, further a plan for the improvement, sales, and condominium ownership of the Project, create a harmonious and attractive development, and promote and safeguard the health, comfort, safety, convenience, and welfare of the owners of Units in the Project.

Section 1.3 Master Declaration. The Property is subject to the Declaration for Airport Gateway Center, recorded August 15, 1996, in Book 703 at Page 37 in the Office of the Clerk and Recorder of Eagle County, Colorado, as amended and supplemented from time to time (the "Master Declaration"). Declarant intends for the Project to be consistent with that declaration, and this Declaration shall be interpreted in accordance with that intent.

Section 1.4 Development and Use. The number of condominium units initially subjected to this Declaration is twenty-three (23), twenty (20) designated for storage/warehouse use, two (2) designated for residential use, and one (1) designated for office use, all as more fully described in Section 13.1 below. Notwithstanding the foregoing, the condominium units subjected to this Declaration may be further subdivided in accordance with Section 3.5 and the Property may be expanded pursuant to Article 19 so that the Project will consist of a maximum number of two hundred (200) condominium units. No Units in addition to the maximum number may be established on the Property.

  
707025 08/30/1999 02:10P 134 Sara Fisher  
7 of 63 R 315.00 D 0.00 N 0.00 Eagle CO

Section 1.5 Declaration. To accomplish the purposes and intentions recited above, Declarant hereby submits the Property, together with all improvements, appurtenances, and facilities relating to or located on the Property now and in the future, to the provisions of the Act, and hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions of this Declaration below, and Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, rented, occupied, and improved, subject to the provisions of this Declaration.

Section 1.6 Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land, or equitable servitudes, as the case may be. The benefits, burdens, and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Owners, and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

## ARTICLE 2 DEFINITIONS

The following words, when used in this Declaration, shall have the meanings designated below unless the context shall expressly provide otherwise:

Section 2.1 "Act" means the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes, as such act exists on the date hereof, except to the extent that the applicability of future amendments to the Act are mandatory.

Section 2.2 "Assessments" means the annual, special and default Assessments levied pursuant to Article 8 below. Assessments are also referred to as a Common Expense Liability under the Act.

Section 2.3 "Association" means the Eagle River Commercial Center Condominium Association, a Colorado nonprofit corporation, and its successors and assigns. The Association acts through its Executive Board unless a vote of the Owners is otherwise specifically required by the Act, this Declaration or the articles of incorporation or bylaws of the Association.

Section 2.4 "Building" or "Buildings" means either or all of the buildings (including all fixtures and improvements contained within each) located on the Property in which Individual Air Space Units are located.

Section 2.5 "Common Elements" means all of the Project, except the Individual Air Space Units, and including, without limiting the generality of the foregoing, the following components:

2.5.1 The Property, excluding improvements on the Property unless specifically described in this subsection; and

2.5.2 The Buildings (including, but not limited to, the foundations, columns, girders, beams, supports, perimeter and supporting walls, fireplaces, chimneys, chimney chases, roofs, patios, decks, balconies, corridors, lobbies, vestibules, stairs, elevators, entrances and





exits; and the mechanical installations of the Building consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, and heating, central air-conditioning and other utilities which exist for use by one or more of the Owners, wherever located, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire, and other similar utility installations used in connection therewith and the areas designated on the Map as including those installations; except for the Individual Air Space Units; and

2.5.3 The yards, sidewalks, walkways, paths, grass, shrubbery, trees, planters, driveways, roadways, landscaping, gardens, parking areas, and related facilities upon the Property; and

2.5.4 The pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and, in general, all apparatus, installations, and equipment of the Buildings existing for use of one or more of the Owners; and

2.5.5 In general, all other parts of the Project designated by Declarant as Common Elements and existing for the use of one or more of the Owners.

2.5.6 The Common Elements shall be owned by the Owners of the separate Units, each Owner of a Unit having an undivided interest in the Common Elements as provided in Exhibit B attached hereto and incorporated herein.

Section 2.6 "Common Expense(s)" means and includes the following:

2.6.1 Expenses of administration, insurance, operation, and management, repair, or replacement of the Common Elements except to the extent such repairs and replacements are responsibilities of an Owner as delineated in Section 9.2 below;

2.6.2 Expenses declared Common Expenses by the provisions of this Declaration or the bylaws of the Association;

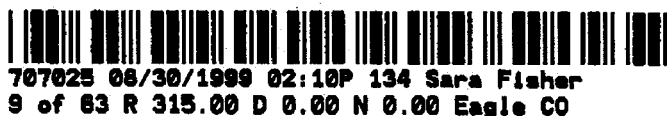
2.6.3 All sums lawfully assessed against the Units by the Executive Board;

2.6.4 Expenses agreed upon as Common Expenses by the members of the Association; and

2.6.5 Expenses provided to be paid pursuant to any Management Agreement.

Section 2.7 "Declarant" means Eagle River Development, LLC, a Colorado limited liability company, and its successors and assigns. No party other than Eagle River Development, LLC shall exercise the rights and privileges reserved herein to Declarant unless such party shall receive and record in the real property records of Eagle County, Colorado a written assignment from Eagle River Development, LLC of all or a portion of such rights and privileges.

Section 2.8 "Declaration" means this Declaration for Eagle River Commercial Center, together with any supplement or amendment to this Declaration, recorded in the Office of the Clerk and Recorder of Eagle County, Colorado.



Section 2.9 "Director" means a member of the Executive Board.

Section 2.10 "Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the articles of incorporation and bylaws of the Association, the Map, and any procedures, rules, regulations, or policies relating to the Project adopted under such documents by the Association or the Executive Board.

Section 2.11 "Executive Board" means the governing body of the Association, as provided in this Declaration and in the articles of incorporation and bylaws of the Association.

Section 2.12 "Expansion Property" means the real property located in Eagle County, Colorado, more particularly described on Exhibit B attached hereto and incorporated herein by this reference, which Declarant may subject to this Declaration by one or more duly recorded Supplemental Declarations.

Section 2.13 "First Mortgage" means a Mortgage that has priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 2.14 "First Mortgagee" means the Mortgagee under a First Mortgage.

Section 2.15 "General Common Elements" means the Common Elements, except for Limited Common Elements.

Section 2.16 "Guest" means any agent, employee, tenant, guest, licensee or invitee of an Owner, including, without limitation, any person occupying a Unit pursuant to leases, rental agreements or other occupancy agreements.

Section 2.17 "Individual Air Space Unit" means a single unit depicted on the Map and consisting of enclosed rooms in the Building and bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof; provided, however some Individual Air Space Units may not be bounded on all sides by walls, in which case the boundaries on such sides of Individual Air Space Unit(s) shall be those boundaries as are designated on the Map. For the purpose of defining an Individual Air Space Unit, the terms set forth below shall be defined as follows:

2.17.1 "Unfinished perimeter wall" means the interior face of the studs, supports, and other wooden, metal, or similar structural materials which constitute the interior face of a perimeter wall of an Individual Air Space Unit.

2.17.2 "Unfinished ceiling" means the interior face of the beams, joists, and wooden or other structural materials which constitute the ceiling of an Individual Air Space Unit.

2.17.3 "Unfinished floor" means the interior face of the beams, floor joists, and floor deck material which constitute the floor of an Individual Air Space Unit.

An Individual Air Space Unit shall include any drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, windows and window frames, shutters, awnings, doorsteps, stoops, and doors and door frames. An Individual Air Space Unit shall also include any fireplace or stove hearth, facing brick, tile or firebox. An Individual Air Space Unit shall further include fixtures and hardware and all improvements contained within the unfinished perimeter walls, ceilings, and floors. An Individual Air Space Unit shall include any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical, or other utility services to the Individual Air Space Unit and located within the unfinished perimeter walls, ceilings, and floors; provided, however, that an Individual Air Space Unit shall not include any of the structural components of the Building in which it is located or utility or service lines located within the Individual Air Space Unit but serving more than one Individual Air Space Unit.

Section 2.18 "Limited Common Elements" means those parts of the Common Elements which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Elements shall include any balcony, deck, patio, entryway, or porch adjacent to an Individual Air Space Unit, storage spaces outside Individual Air Space Units and designated as Limited Common Elements serving those particular Individual Air Space Units, if applicable, parking spaces which are designated as Limited Common Elements for particular Units on the Map, if applicable, and any individual fireplace chimneys and flues in the Buildings, individual air-conditioning units and fixtures, and individual water and sewer service lines, water heaters, and any plumbing or other installation servicing an Individual Air Space Unit, including, but not limited to, all such items designated as Limited Common Elements on the Map. Certain areas may be designated on the Map as Limited Common Elements appurtenant to either Building, in which case such areas shall be Limited Common Elements appurtenant to Units located within the applicable Building. The deck, balcony or patio and the fireplace chimneys which are accessible from, associated with, and which adjoin a particular Individual Air Space Unit, without further reference thereto, shall be used in connection with such Individual Air Space Unit to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance, or other instrument.

Section 2.19 "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Executive Board relative to the operation, maintenance, and management of the Project.

Section 2.20 "Managing Agent" means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Project.

Section 2.21 "Map" means and includes any engineering survey or surveys of the Property locating the Units in the Building and locating the Building on the Property, and depicting the floor plans of the Units together with other drawings or diagrammatic plans and information regarding the Property as may be included in the discretion of the Declarant or required pursuant to the Act, as recorded by Declarant in the Office of the Clerk and Recorder of



Eagle County, Colorado contemporaneously herewith, and all supplements and amendments thereto.

Section 2.22 "Master Association" means the Airport Gateway Center Association, a Colorado nonprofit corporation, and its successors and assigns.

Section 2.23 "Master Association Documents" means the basic documents governing the Master Association, including, but not limited to, the Master Declaration, the articles of incorporation and bylaws of the Master Association, and any procedures, rules, regulations or policies relating to the Master Association adopted under such documents by the Master Association or the Executive Board.

Section 2.24 "Master Declaration" means the Declaration for Airport Gateway Center recorded August 15, 1996 in Book 703 at Page 37 in the Office of the Clerk and Recorder of Eagle County, Colorado, as amended and supplemented from time to time.

Section 2.25 "Maximum Rate" shall mean two percentage points greater than that rate of interest charged by a bank designated from time to time by the Executive Board to the best commercial customers of the designated bank for short-term loans and identified as the "prime rate" by such bank as of the date on which such Maximum Rate is imposed with respect to any amount payable under this Declaration, or if less, the maximum rate allowed by law.

Section 2.26 "Mortgage" means any unpaid and outstanding mortgage, deed of trust, or other security instrument recorded in the office of the Clerk and Recorder of Eagle County, Colorado, which secures financing for the construction or development of the Project or which encumbers a Unit.

Section 2.27 "Mortgagee" means any person or entity named as a mortgagee or beneficiary under any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.28 "Owner" means any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether a natural person or persons, or an entity, of a fee simple title interest in and to any Unit; excluding, however, any record owner with an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest in the Unit pursuant to foreclosure or any proceedings in lieu of foreclosure).

Section 2.29 "Project" means all of the Property, which is submitted to ownership by this Declaration and the Map, including, without limitation, the Individual Air Space Units and the Common Elements.

Section 2.30 "Property" means the real property described in the attached Exhibit A.

Section 2.31 "Supplemental Declaration" means an instrument which subjects any part of the Expansion Property to this Declaration, as more fully provided in Article 19 below.

Section 1.5 Declaration. To accomplish the purposes and intentions recited above, Declarant hereby submits the Property, together with all improvements, appurtenances, and facilities relating to or located on the Property now and in the future, to the provisions of the Act, and hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions of this Declaration below, and Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, rented, occupied, and improved, subject to the provisions of this Declaration.

Section 1.6 Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land, or equitable servitudes, as the case may be. The benefits, burdens, and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Owners, and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

## ARTICLE 2 DEFINITIONS

The following words, when used in this Declaration, shall have the meanings designated below unless the context shall expressly provide otherwise:

Section 2.1 "Act" means the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes, as such act exists on the date hereof, except to the extent that the applicability of future amendments to the Act are mandatory.

Section 2.2 "Assessments" means the annual, special and default Assessments levied pursuant to Article 8 below. Assessments are also referred to as a Common Expense Liability under the Act.

Section 2.3 "Association" means the Eagle River Commercial Center Condominium Association, a Colorado nonprofit corporation, and its successors and assigns. The Association acts through its Executive Board unless a vote of the Owners is otherwise specifically required by the Act, this Declaration or the articles of incorporation or bylaws of the Association.

Section 2.4 "Building" or "Buildings" means either or all of the buildings (including all fixtures and improvements contained within each) located on the Property in which Individual Air Space Units are located.

Section 2.5 "Common Elements" means all of the Project, except the Individual Air Space Units, and including, without limiting the generality of the foregoing, the following components:

2.5.1 The Property, excluding improvements on the Property unless specifically described in this subsection; and

2.5.2 The Buildings (including, but not limited to, the foundations, columns, girders, beams, supports, perimeter and supporting walls, fireplaces, chimneys, chimney chases, roofs, patios, decks, balconies, corridors, lobbies, vestibules, stairs, elevators, entrances and



exits; and the mechanical installations of the Building consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, and heating, central air-conditioning and other utilities which exist for use by one or more of the Owners, wherever located, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire, and other similar utility installations used in connection therewith and the areas designated on the Map as including those installations; except for the Individual Air Space Units; and

2.5.3 The yards, sidewalks, walkways, paths, grass, shrubbery, trees, planters, driveways, roadways, landscaping, gardens, parking areas, and related facilities upon the Property; and

2.5.4 The pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and, in general, all apparatus, installations, and equipment of the Buildings existing for use of one or more of the Owners; and

2.5.5 In general, all other parts of the Project designated by Declarant as Common Elements and existing for the use of one or more of the Owners.

2.5.6 The Common Elements shall be owned by the Owners of the separate Units, each Owner of a Unit having an undivided interest in the Common Elements as provided in Exhibit B attached hereto and incorporated herein.

Section 2.6 "Common Expense(s)" means and includes the following:

2.6.1 Expenses of administration, insurance, operation, and management, repair, or replacement of the Common Elements except to the extent such repairs and replacements are responsibilities of an Owner as delineated in Section 9.2 below;

2.6.2 Expenses declared Common Expenses by the provisions of this Declaration or the bylaws of the Association;

2.6.3 All sums lawfully assessed against the Units by the Executive Board;

2.6.4 Expenses agreed upon as Common Expenses by the members of the Association; and

2.6.5 Expenses provided to be paid pursuant to any Management Agreement.

Section 2.7 "Declarant" means Eagle River Development, LLC, a Colorado limited liability company, and its successors and assigns. No party other than Eagle River Development, LLC shall exercise the rights and privileges reserved herein to Declarant unless such party shall receive and record in the real property records of Eagle County, Colorado a written assignment from Eagle River Development, LLC of all or a portion of such rights and privileges.

Section 2.8 "Declaration" means this Declaration for Eagle River Commercial Center, together with any supplement or amendment to this Declaration, recorded in the Office of the Clerk and Recorder of Eagle County, Colorado.

Section 2.9 "Director" means a member of the Executive Board.

Section 2.10 "Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the articles of incorporation and bylaws of the Association, the Map, and any procedures, rules, regulations, or policies relating to the Project adopted under such documents by the Association or the Executive Board.

Section 2.11 "Executive Board" means the governing body of the Association, as provided in this Declaration and in the articles of incorporation and bylaws of the Association.

Section 2.12 "Expansion Property" means the real property located in Eagle County, Colorado, more particularly described on Exhibit B attached hereto and incorporated herein by this reference, which Declarant may subject to this Declaration by one or more duly recorded Supplemental Declarations.

Section 2.13 "First Mortgage" means a Mortgage that has priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 2.14 "First Mortgagee" means the Mortgagee under a First Mortgage.

Section 2.15 "General Common Elements" means the Common Elements, except for Limited Common Elements.

Section 2.16 "Guest" means any agent, employee, tenant, guest, licensee or invitee of an Owner, including, without limitation, any person occupying a Unit pursuant to leases, rental agreements or other occupancy agreements.

Section 2.17 "Individual Air Space Unit" means a single unit depicted on the Map and consisting of enclosed rooms in the Building and bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof; provided, however some Individual Air Space Units may not be bounded on all sides by walls, in which case the boundaries on such sides of Individual Air Space Unit(s) shall be those boundaries as are designated on the Map. For the purpose of defining an Individual Air Space Unit, the terms set forth below shall be defined as follows:

2.17.1 "Unfinished perimeter wall" means the interior face of the studs, supports, and other wooden, metal, or similar structural materials which constitute the interior face of a perimeter wall of an Individual Air Space Unit.

2.17.2 "Unfinished ceiling" means the interior face of the beams, joists, and wooden or other structural materials which constitute the ceiling of an Individual Air Space Unit.

2.17.3 "Unfinished floor" means the interior face of the beams, floor joists, and floor deck material which constitute the floor of an Individual Air Space Unit.

An Individual Air Space Unit shall include any drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, windows and window frames, shutters, awnings, doorsteps, stoops, and doors and door frames. An Individual Air Space Unit shall also include any fireplace or stove hearth, facing brick, tile or firebox. An Individual Air Space Unit shall further include fixtures and hardware and all improvements contained within the unfinished perimeter walls, ceilings, and floors. An Individual Air Space Unit shall include any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical, or other utility services to the Individual Air Space Unit and located within the unfinished perimeter walls, ceilings, and floors; provided, however, that an Individual Air Space Unit shall not include any of the structural components of the Building in which it is located or utility or service lines located within the Individual Air Space Unit but serving more than one Individual Air Space Unit.

Section 2.18 "Limited Common Elements" means those parts of the Common Elements which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Elements shall include any balcony, deck, patio, entryway, or porch adjacent to an Individual Air Space Unit, storage spaces outside Individual Air Space Units and designated as Limited Common Elements serving those particular Individual Air Space Units, if applicable, parking spaces which are designated as Limited Common Elements for particular Units on the Map, if applicable, and any individual fireplace chimneys and flues in the Buildings, individual air-conditioning units and fixtures, and individual water and sewer service lines, water heaters, and any plumbing or other installation servicing an Individual Air Space Unit, including, but not limited to, all such items designated as Limited Common Elements on the Map. Certain areas may be designated on the Map as Limited Common Elements appurtenant to either Building, in which case such areas shall be Limited Common Elements appurtenant to Units located within the applicable Building. The deck, balcony or patio and the fireplace chimneys which are accessible from, associated with, and which adjoin a particular Individual Air Space Unit, without further reference thereto, shall be used in connection with such Individual Air Space Unit to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance, or other instrument.

Section 2.19 "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Executive Board relative to the operation, maintenance, and management of the Project.

Section 2.20 "Managing Agent" means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Project.

Section 2.21 "Map" means and includes any engineering survey or surveys of the Property locating the Units in the Building and locating the Building on the Property, and depicting the floor plans of the Units together with other drawings or diagrammatic plans and information regarding the Property as may be included in the discretion of the Declarant or required pursuant to the Act, as recorded by Declarant in the Office of the Clerk and Recorder of



Eagle County, Colorado contemporaneously herewith, and all supplements and amendments thereto.

Section 2.22 "Master Association" means the Airport Gateway Center Association, a Colorado nonprofit corporation, and its successors and assigns.

Section 2.23 "Master Association Documents" means the basic documents governing the Master Association, including, but not limited to, the Master Declaration, the articles of incorporation and bylaws of the Master Association, and any procedures, rules, regulations or policies relating to the Master Association adopted under such documents by the Master Association or the Executive Board.

Section 2.24 "Master Declaration" means the Declaration for Airport Gateway Center recorded August 15, 1996 in Book 703 at Page 37 in the Office of the Clerk and Recorder of Eagle County, Colorado, as amended and supplemented from time to time.

Section 2.25 "Maximum Rate" shall mean two percentage points greater than that rate of interest charged by a bank designated from time to time by the Executive Board to the best commercial customers of the designated bank for short-term loans and identified as the "prime rate" by such bank as of the date on which such Maximum Rate is imposed with respect to any amount payable under this Declaration, or if less, the maximum rate allowed by law.

Section 2.26 "Mortgage" means any unpaid and outstanding mortgage, deed of trust, or other security instrument recorded in the office of the Clerk and Recorder of Eagle County, Colorado, which secures financing for the construction or development of the Project or which encumbers a Unit.

Section 2.27 "Mortgagee" means any person or entity named as a mortgagee or beneficiary under any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.28 "Owner" means any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether a natural person or persons, or an entity, of a fee simple title interest in and to any Unit; excluding, however, any record owner with an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest in the Unit pursuant to foreclosure or any proceedings in lieu of foreclosure).

Section 2.29 "Project" means all of the Property, which is submitted to ownership by this Declaration and the Map, including, without limitation, the Individual Air Space Units and the Common Elements.

Section 2.30 "Property" means the real property described in the attached Exhibit A.

Section 2.31 "Supplemental Declaration" means an instrument which subjects any part of the Expansion Property to this Declaration, as more fully provided in Article 19 below.

Section 2.32 "Supplemental Map" means a subdivision map which depicts any part of the Expansion Property becoming subject to this Declaration through a Supplemental Declaration, as more fully provided in Article 19 below.

Section 2.33 "Unit" means the fee simple interest in and to an Individual Air Space Unit, together with the undivided interests in the Common Elements appurtenant to the Individual Air Space Unit as specified in the attached Exhibit B. Unit is also referred to as a Unit under the Act.

Each capitalized term not otherwise defined in this Declaration or in the Map shall have the same meanings specified or used in the Act.

### ARTICLE 3 DIVISION OF PROJECT

Section 3.1 Division Into Units. As of the recording of this Declaration, the Property is hereby divided into twenty-three (23) Units. Each Unit consists of a fee simple interest in an Individual Air Space Unit and an undivided fee simple interest in the Common Elements in accordance with the respective undivided interests in the Common Elements as set forth in Exhibit C. Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Units. The Units may be subdivided or otherwise reconfigured as discussed in this Article below.

Section 3.2 Delineation of Unit Boundaries. The boundaries of each Individual Air Space Unit are delineated and designated by an identifying number on the Map, and those numbers are set forth in Exhibit C.

Section 3.3 Inseparability of Units. No part of a Unit or of the legal rights comprising ownership of a Unit may be partitioned or separated from any other part thereof during the period of ownership prescribed in this Declaration. Each Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Unit, subject to Section 3.5 below. Every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the entire Unit, together with all appurtenant rights and interests created by law or by this Declaration and the Master Declaration, including the Owner's membership in the Association and the Master Association.

Section 3.4 Nonpartitionability of Common Elements. Subject to the provisions of this Article and Article 5 below, the Common Elements shall be owned in common by all of the Owners and shall remain physically undivided, and no Owner shall bring any action for partition or division of the Common Elements. By acceptance of a deed or other instrument of conveyance or assignment to a Unit, each Owner of the Unit shall be deemed to have specifically waived such Owner's right to institute or maintain a partition action or any other cause of action designed to cause a division of the Common Elements, and this Section may be pleaded as a bar to the maintenance of such an action. Any Owner who shall institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the

Association's costs, expenses, and reasonable attorneys' fees in defending any such action. Such amounts shall automatically become a default Assessment determined and levied against such Owner's Unit and enforced by the Association in accordance with Article 8 below.

Section 3.5 Modifications to Unit. With the prior written approval of the Executive Board in accordance with this Declaration, an Owner of a Unit may exercise certain rights to modify his Unit as provided below, subject to the approval of any First Mortgagee of the Unit in question and applicable governmental and/or quasi-governmental authorities having jurisdiction in such matters and further subject to the requirements of the Act. Those rights specifically include the right to relocate boundaries between adjoining Units and to remove partitions between adjoining Units to the fullest extent permitted under the Act.

The Owner or Owners of one or more Units shall have the right to (a) relocate the boundaries of and between two adjoining Units, (b) physically combine a part of or combination of parts of the space of one Unit with a part of or combination of parts of the space within one or more adjoining Units, or (c) subdivide a Unit or part of a Unit return to its original configuration (but not to create additional Units above those submitted to this Declaration). In order to accomplish any one of the foregoing, an Owner may install a door between adjacent Units in a common wall or knock down or create additional walls subject to the terms of this Section and any other applicable provisions of this Declaration. Upon the relocation, combination or subdivision of any Units, the Unit resulting from such relocation, combination or subdivision shall be allocated the undivided interest of the predecessor Unit(s) in and to the General Common Elements and the Limited Common Elements. Such allocation shall be reflected by an amendment to Exhibit C hereto. An Owner must first obtain the consent of a majority of the Directors and must obtain all necessary approvals from any governmental authority having jurisdiction over the Project before exercising its rights herein. The cost and expense incurred for legal, architectural and/or engineering fees and all other costs and expenses incurred by the Association shall be borne by that party requesting such a change.

In order to relocate the boundaries of, combine or subdivide any Units as provided above, the Owner(s) of such Units shall submit an application to the Directors, which application shall be executed by such Owner and shall include (a) evidence that the proposed relocation of the boundaries of, combination or subdivision of a Unit or Units complies with all building codes, fire codes and other applicable ordinances or resolutions adopted and enforced by the Town of Gypsum, County of Eagle and the State of Colorado, and that the proposed action does not violate the terms of any Mortgage encumbering the Unit or Units, (b) the proposed reallocations, (c) the proposed form of amendments to this Declaration and the Map, as may be necessary to show the Unit or Units which are created by the relocation, combination or subdivision of a Unit or Units and their dimensions and identifying numbers, (d) a deposit against attorneys' fees and costs which the Owners and/or the Association may incur in reviewing and effectuating the transaction, in an amount reasonably estimated by the Directors, (e) evidence satisfactory to the Directors that the Owner has obtained or caused to be obtained all requisite insurance in connection with any construction required to effect the proposed action, (f) indemnification of the Association by the Owner for any and all matters relating to the proposed action, and (g) such other information as may be reasonably requested by the Directors.

Section 3.6 Amendments Documenting Unit Modification. Any subdivision or other change in the dimensions of a Unit pursuant to Section 3.5 above will be accomplished by the recording of an amendment to the Map which has been approved by the Executive Board, any affected First Mortgagee and any authority or agency of the Town of Gypsum, Eagle County, Colorado and other applicable governmental or quasi-governmental authorities having jurisdiction in such matters, and by the recording of an amendment to this Declaration as provided in this Article.

The amended Map will set forth the following (in addition to any other information required by the Act or reasonably required by the Executive Board) with respect to the Unit or Units affected by the subdivision, alteration of boundaries or combination:

3.6.1 Common Elements. Any Limited Common Elements appurtenant to each Unit shown on the amended Map.

3.6.2 Floor Plans. The floor plans and linear dimensions of the interior of each Unit.

3.6.3 Identifying Number. The designation by number or other name or symbol of each Unit.

3.6.4 Elevation. The elevation of the unfinished interior surfaces of the floors and ceilings of the Units as established from a datum plane and the distance between floors and ceilings.

The amendment to this Declaration will set forth the ownership interest appurtenant to each Unit depicted on the amended Map, and such other information as the Executive Board may reasonably require.

Upon the recording and indexing of the amendments to the Map and to this Declaration in the Office of the County Clerk and Recorder as required by the Act, each of the new Units shown on the amended Map will be lawfully created with the ownership interest set forth in the amendment documents.

Section 3.7 Interior Modifications. Any Owner will have the right to remove, alter, construct or relocate any interior nonsupporting walls within said Owner's Unit in order to alter the interior configuration of the Unit, and to make other improvements or alterations to his Unit that do not impair the structural or soundproofing integrity of any part of the Building, or the utility systems or mechanical systems serving any part of the Property other than the Owner's Unit. Any such modifications will be carried out in accordance with the reasonable rules issued by the Executive Board from time to time pursuant to the bylaws, governing such matters, including, without limitation, hours of construction and noise abatement.



**ARTICLE 4  
CONDOMINIUM MAP**

Section 4.1 Map. The Map shall be filed for record in the Office of the Clerk and Recorder of Eagle County, Colorado. Any Map filed subsequent to the first Map shall be termed a supplement to such Map, and the numerical sequence of such supplements shall be shown thereon. The Map shall be filed for record following substantial completion of a Building and prior to the conveyance of any Unit depicted on the Map to a purchaser. The Map shall show the location of the Building on the Property; the floor and elevation plans; the location of the Units within the Building, both horizontally and vertically; the thickness of the common walls, if any, between or separating the Units one from the other, or one from Common Elements, as applicable; the Unit designations; designation of General Common Elements and Limited Common Elements; and such other information as Declarant may require in its discretion. The Map shall contain a certificate of a registered professional engineer or licensed architect or a licensed land surveyor certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Building and the Units, the dimensions and, if Declarant directs, the square foot areas of the Units, and the elevations of the unfinished floors and ceilings as constructed, and certifying that such Map is prepared subsequent to the substantial completion of the improvements. Each supplement or amendment shall set forth a like certificate when appropriate. The Map shall further contain such other information, certifications and depictions as may be required under Section 38-33.3-209 of the Act.

Section 4.2 Amendment. Declarant reserves the right to amend the Map, from time to time, to the fullest extent permitted under the Act including, without limitation, amendments to conform the Map to the requirements of the Act.

**ARTICLE 5  
OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS**

Section 5.1 General Common Elements. Every Owner and the Guests of each Owner, shall have a perpetual right and easement of access over, across, and upon the General Common Elements for the purpose of getting to and from the Unit and parking area of such Owner or Guest and the public ways for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Unit; provided, however, that such right and easement shall be subject to the following:

5.1.1 The covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the Master Declaration, the Association Documents and the Master Association Documents, the Map and the other Documents;

5.1.2 The right of the Association to regulate on an equitable basis the use of parking spaces, if any, which are General Common Elements or storage spaces, if any, from time to time and to oversee maintenance and repair of all parking areas, regardless of whether such areas are General or Limited Common Elements (expenses relating to Limited Common



Elements being the responsibility of the Owners of Units to which such Limited Common Elements are appurtenant);

5.1.3 The right of the Association to adopt, from time to time, any and all rules and regulations concerning vehicular traffic and travel upon, in, under, and across the Project; and

5.1.4 The right of the Association to adopt, from time to time, any and all rules and regulations concerning the Common Elements as the Association may determine is necessary or prudent.

Section 5.2 Limited Common Elements.

5.2.1 Use and Enjoyment. Subject to the provisions of this Declaration, every Owner shall have the right to use and enjoy the Limited Common Elements appurtenant to his Unit. The Map shall specify to which Unit or Units each Limited Common Element is allocated.

5.2.2 Redesignation of Limited and General Common Elements. Declarant hereby reserves the right and grants to the Association the right to redesignate General Common Elements as Limited Common Elements and to reassign Limited Common Elements to the fullest extent permitted under the Act.

**ARTICLE 6  
MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION**

Section 6.1 Association Membership. Every Owner shall be a member of the Association and shall remain a member for the period of the Owner's ownership of a Unit. No Owner, whether one or more persons, shall have more than one membership per Unit owned, but all of the persons owning a Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 6.2 Membership. The Association shall have one (1) class of membership consisting of all Owners regardless of whether a Unit is designated for commercial or residential use, including Declarant so long as Declarant continues to own an interest in a Unit.

Section 6.3 Voting Rights. Each Unit shall be allocated the number of votes in the affairs of the Association equal to the same number which is described as a percentage interest in the Common Elements allocated to each Unit as set forth in Exhibit B. The Association shall not have a vote with respect to any Unit which may be owned by it. Declarant shall be entitled to vote with respect to Units owned by it. Members of the Association may exercise such voting rights subject to and in accordance with the provisions of the bylaws of the Association. All members of the Association shall be entitled to vote on all matters affecting the Project and the Common Elements, including, without limitation, the election of Directors.

Section 6.4 Declarant Control. Notwithstanding anything to the contrary provided for herein or in the bylaws, Declarant shall be entitled to appoint and remove the members of the



Association's Executive Board and officers of the Association to the fullest extent permitted under the Act. The specific restrictions and procedures governing the exercise of Declarant's right to so appoint and remove Directors and officers shall be set out in the bylaws of the Association. Declarant may voluntarily relinquish such power evidenced by a notice recorded in the Office of the Clerk and Recorder for Eagle County, Colorado but, in such event, Declarant may at its option require that specified actions of the Association or the Executive Board as described in the recorded notice, during the period Declarant would otherwise be entitled to appoint and remove Directors and officers, be approved by Declarant before they become effective.

Section 6.5 Owners' and Association's Address for Notices. All Owners of each Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or Owners of a Unit shall furnish such registered address to the secretary of the Association within five (5) days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of all Owners of the Unit. Notwithstanding the foregoing, the Association shall be entitled to rely upon any such registration or other notice of a change in address of the Owners of the Unit which is signed by less than all of the Owners of such Unit.

If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed their registered address until another registered address is furnished as required under this Section.

If the address of the Unit is the registered address of the Owners, then any notice shall be deemed duly given if delivered to any person occupying the Unit or, if the Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association.

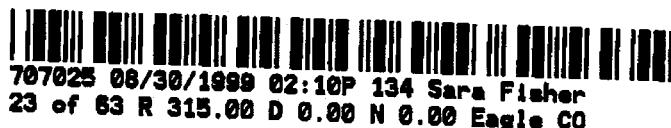
All notices and demands intended to be served upon the Executive Board shall be sent to such address as designated by the Executive Board from time to time by notice to all of the Owners.

All notices given in accordance with this Section shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit with the courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the U.S. mail.

## ARTICLE 7 ASSOCIATION DUTIES

### Section 7.1 Association Management Duties.

7.1.1 General Common Elements. Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration, the Association shall be responsible for the administration and operation of the Project and for the exclusive management, control,



maintenance, repair, replacement, and improvement of the General Common Elements (including facilities, furnishings, and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The expenses, costs, and fees of such management, operation, maintenance, and repair by the Association shall be part of the Assessments, and, subject to the budget approval procedures of Section 8.6. below, prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees.

7.1.2 Limited Common Elements. Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration, the Association shall also be responsible for the administration and operation of the Limited Common Elements appurtenant to the Units and for the exclusive management, control, maintenance, repair, replacement, and improvement of such Limited Common Elements (including facilities, furnishings, and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The expenses, costs, and fees of such management, operation, maintenance, and repair shall represent Assessments levied against the Units to which such Limited Common Elements are appurtenant, and, subject to the budget approval procedures of Section 8.6 below, prior approval of the Owners of Units shall not be required in order for the Association to pay any such expenses, costs, and fees. Each Owner shall be responsible for any Limited Common Elements appurtenant to his Unit and for keeping the same in a good, clean, sanitary, and attractive condition.

Section 7.2 Reserve Account. The Association shall establish and maintain, as part of its budget and out of the installments of the annual Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be replaced on a periodic basis.

Section 7.3 Owner's Negligence. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Elements is caused through or by the negligent or willful act or omission of an Owner, or by an Owner's invitees, licensees, tenants or Guests, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner; and, if the Owner fails to repay the expenses incurred by the Association within seven (7) days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Section, and such expenses shall automatically become a default Assessment determined and levied against such Unit, enforceable by the Association in accordance with Article 8 below.

Section 7.4 Delegation of Management and Maintenance Duties. The Executive Board may delegate all or any part of its powers and duties to a Managing Agent, including Declarant; however, the Executive Board, when so delegating, shall not be relieved of its responsibilities under this Declaration, and no such delegation shall modify specific requirements in the Documents for approval of certain actions by the Executive Board or by members of the Association.

Section 7.5 LIMITATION OF LIABILITY OF ASSOCIATION.  
NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR





PORTIONS OF THE PROJECT, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THOSE PORTIONS OF THE PROJECT TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

Section 7.6 Acquiring and Disposing of Personal Property. The Association may acquire, own, and hold for the use and benefit of all Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such interests shall not be transferable except with the transfer of a Unit. A conveyance of a Unit shall transfer ownership of the transferor's beneficial interest in such personal property without any reference thereto. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit.

Section 7.7 Cooperation with Associations. The Association may contract or cooperate with the Master Association other owners' associations or entities within the area as convenient or necessary to provide services and privileges, such as access to recreational facilities, and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Association or such other organizations, for the benefit of Owners and their Guests, tenants and invitees. The costs associated with such efforts by the Association (to the extent not chargeable to other organizations) shall be a Common Expense.

Section 7.8 Issuance of Rules and Regulations. The Executive Board may make and amend reasonable rules and regulations governing the use and rental of the Units and the use of the Common Elements, which rules and regulations shall be consistent with any applicable requirements of the law. Notwithstanding the foregoing, any such rules and regulations shall not be inconsistent with the terms of this Declaration. Such rules and regulations shall, when applied to each of the Units considering the use thereof, be equitable and reasonable as applied to such Unit. The Executive Board shall provide thirty (30) days written notice prior to the adoption or amendment of any rules and regulations and provide for a reasonable opportunity for Owners to comment at a meeting of the Executive Board on the proposed adoption or amendment of any rules and regulations.

Section 7.9 Enforcement of Documents. The Association or any aggrieved Owner may take judicial action against any Owner to enforce compliance with such rules and regulations and with the other provisions of the Documents to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

Section 7.10 Identity of Executive Board and Managing Agent. From time to time, but no less than annually, there shall be mailed by the Association to each Owner a notice containing the names and addresses of the members of the Executive Board and the Managing Agent, if any.

Section 7.11 Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association may collect at the time of the sale of each Unit an amount equal to three months' installments of annual Assessments at the rate in effect at the time of the sale. The Association shall maintain the working capital funds in segregated accounts to meet unforeseen expenditures or to acquire additional equipment or services for the benefit of the members of the Association, provided that a written notice is sent to Owners detailing the use of such funds prior to the Association expending such funds. Such payments to this fund shall not be considered advance payments of annual Assessments. The unused portion of the working capital deposit shall be returned to each Owner upon the sale of his Unit, provided that the new purchaser of the Unit has deposited the required working capital deposit with the Association.

Section 7.12 Implied Rights. The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the other Documents, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association in the Documents or reasonably necessary to effectuate any such right or privilege.

Section 7.13 Books and Records of the Association. The Managing Agent or the Executive Board, as the case may be, shall keep detailed, accurate records of the receipts and expenditures affecting the Common Elements and shall maintain such other books and records as may be required under the Act. Owners and Mortgagees may inspect the records of receipts and expenditures of the Executive Board at convenient weekday business hours. In addition, the other books, records, and papers of the Association, including this Declaration, the articles of incorporation and the bylaws of the Association, as well as any Management Agreement and any rules and regulations of the Association, shall be available for inspection by any Owner or Mortgagee at all times during convenient weekday business hours.

## ARTICLE 8 ASSESSMENTS

Section 8.1 Covenant of Personal Obligation of Assessments. Declarant, by creating the Units pursuant to this Declaration, and every other Owner, by acceptance of the deed or other instrument of transfer of his Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree, jointly and severally, with every other Owner and with the Association, and hereby does so covenant and agree to pay to the Association the (a) annual Assessments, (b) special Assessments, and (c) default Assessments applicable to the Owner's Unit. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Elements or the facilities contained in the Common Elements or by abandoning or leasing his Unit.

Section 8.2 Purpose of Assessments. The Assessments levied by the Association shall be used for the purpose of promoting the health, safety, convenience, and general welfare of the Owners, including the improvement and maintenance of the Property and of the services and



facilities located on the Property. Proper uses of the Assessments shall include, but are not limited to, the following:

8.2.1 Repairing, replacing, renovating and maintaining any of the Common Elements not made the responsibility of the Owners by Section 7.1 or Section 7.3 above, Section 9.2 below, or other provisions of this Declaration;

8.2.2 Installing, maintaining, and repairing underground utilities upon, across, over, and under any part of the Project which are not conveyed to and accepted by utility companies;

8.2.3 Furnishing garbage and trash pickup and water and sewer services to the Project;

8.2.4 Obtaining and maintaining insurance in accordance with the provisions of Article 10 below;

8.2.5 Establishing and maintaining reserves for repairs, replacement, maintenance, taxes, capital improvements, and other purposes;

8.2.6 Carrying out all other powers, rights, and duties of the Association specified in the Documents;

8.2.7 Generally, addressing any other expenses necessary to meet the primary purposes of the Association.

Notwithstanding the foregoing, in the event that any such activities benefit exclusively any of the Units, the expenses related thereto shall be an Assessment against only such Units.

Section 8.3 Commencement of Assessments. All of the Units shall be allocated full Assessments, subject to the provisions of Section 8.6 below, no later than six (6) months after Declarant conveys the first Unit in the Project to a purchaser.

Section 8.4 Amount of Total Annual Assessments. The total annual Assessments against all Units 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 fiscal year, as approved by the Owners pursuant to Section 8.6 below, which estimates may include, among other things, the costs associated with the items enumerated in Section 8.2 above, together with any other costs and fees which may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of the Documents. In the event of surplus funds remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves, the Executive Board may within its discretion apply the surplus funds (a) into reserves, (b) toward the following year's Common Expenses, (c) toward a credit to Owners against future assessments or in the form of a distribution, or (d) any combination of the foregoing.



Section 8.5 Apportionment of Annual Assessments. The total annual Assessment for any fiscal year of the Association shall be assessed to the Units in proportion to the respective undivided interests in the Common Elements appurtenant to the Units, as shown in Exhibit B. The Executive Board, with the assistance of any company providing insurance for the benefit of the Owners under Article 10, may reasonably adjust the allocation to each Owner of the cost of premiums for any insurance carried for, and to be charged to, a particular Owner, as more fully detailed in Article 10.

Section 8.6 Annual Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting sixty percent (60%) of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Executive Board shall levy, and assess the Association's annual Assessments in accordance with the annual budget.

Section 8.7 Special Assessments. In addition to the annual Assessments authorized above, the Executive Board, if permitted under the Act, may at any time and from time to time determine, levy, and assess in any fiscal year (without the vote of the members of the Association, except as provided in the Act and in this Section below) a special Assessment applicable to that particular fiscal year (and for any such longer period as the Executive Board may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolishing, replacement, renovation or maintenance of the Project or of any facilities located on the Project, specifically including any fixtures and personal property related to it. Any amounts determined, levied, and assessed pursuant to this Declaration shall be assessed to the Units in accordance with the allocation of annual Assessments described in Section 8.5 above; provided, however, that any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, Guests, tenants, or invitees) shall be borne by that Owner. Special assessments shall be based on a budget adopted in accordance with Section 8.6 provided that, if necessary, the Association may adopt a new budget pursuant to Section 8.6 prior to levying a special Assessment. Such special Assessment(s) shall be due and payable as determined by the Executive Board.

Notice in writing of the amount and time for payment of such special Assessment per Unit shall be given to the Owners, and no special Assessment payment shall be due less than thirty (30) days after such notice shall have been given.

Section 8.8 Due Dates for Assessment Payments. Unless otherwise determined by the Executive Board, the annual Assessments and any special Assessments which are to be paid in installments shall be paid monthly in advance and shall be due and payable to the Association at its office or as the Executive Board may otherwise direct in any Management Agreement,

without notice (except for the notices required by this Article), on the first day of each month. If any such installment shall not be paid within fifteen (15) days after it shall have become due and payable, then the Executive Board may assess a "late charge" on the installment in an amount of \$100 or such other charge as the Executive Board may fix by rule from time to time as provided in the bylaws of the Association to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of a month or other applicable payment period.

Section 8.9 Declarant's Obligation to Pay Assessments. Declarant shall be obligated to pay the annual and special Assessments (including installments thereof) on each Unit owned by it.

Section 8.10 Default Assessments. All monetary fines assessed against an Owner pursuant to the Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Master Association on behalf of the Owner and collected through the Association in accordance with this Declaration and/or the Master Declaration, shall become liens against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to the Assessment at least thirty (30) days prior to the due date.

Section 8.11 Lien for Assessments. The annual, special, and default Assessments (including installments of the Assessments) arising under the provisions of this Declaration (together with any and all interest, costs, late charges, expenses, and reasonable attorneys' fees, including legal assistants' fees, which may arise under the provisions of Section 8.12 below) shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Unit to which such Assessments apply. To further evidence such lien upon a specific Unit, the Association may, but shall not be obligated to, prepare a written lien notice setting forth the description of the Unit, the amount of Assessments on the Unit unpaid as of the date of such lien notice, the rate of default interest as set by the bylaws of the Association and Section 8.12 below, the name of the Owner or Owners of the Unit, and any and all other information that the Association may deem proper. Any such lien notice shall be signed by a member of the Executive Board, an officer of the Association, or the Managing Agent and shall be recorded in the office of the Clerk and Recorder of Eagle County, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied.

Section 8.12 Effect of Nonpayment of Assessments. If any annual, special, or default Assessment (or any installment of the Assessment) is not fully paid within thirty (30) days after the same becomes due and payable, then as often as the same may happen, (i) interest shall accrue at the Maximum Rate on any amount of the Assessment which was not paid within such thirty (30) day period or on the amount of Assessment in default, whichever shall be applicable, accruing from the due date until date of payment, (ii) the Association may declare due and payable all unpaid monthly or other installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, (iii) the



Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, and (iv) the Association may proceed to foreclose its lien against the particular Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages.

An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. If any such Assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Unit, then all unpaid installments of annual and special Assessments and all default Assessments (including any such installments or Assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 8.8 above, any accrued interest under this Section, the Association's costs, expenses, and reasonable attorneys' fees (including legal assistants' fees) incurred for any such action and/or foreclosure proceedings shall be taxed by the court as part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Unit in satisfaction of the Association's lien.

Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent default Assessments. The Association shall have the power and right to bid in or purchase any Unit at foreclosure or other legal sale and to acquire and hold, lease, or mortgage the Unit, or exercise the votes in the Association appurtenant to ownership of the Unit, and to convey, or otherwise deal with the Unit acquired in such proceedings.

First Mortgagees shall be entitled to cure any delinquency of the Owner of a Unit encumbered by the First Mortgagee in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 8.13 Successor's Liability for Assessments. Notwithstanding the personal obligation of each Owner of a Unit to pay all Assessments on the Unit, and notwithstanding the Association's perpetual lien upon a Unit for such Assessments, all successors in interest to the fee simple title of a Unit, except as provided in Section 8.14 and Section 8.15 below, shall be jointly and severally liable with the prior Owner or Owners of the Unit for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. However, such successor in interest shall be entitled to rely upon the existence and status of unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees as shown upon any certificate issued by or on behalf of the Association to such named successor in interest pursuant to the provisions of Section 8.15 below.

Section 8.14 Waiver of Homestead Exemption: Subordination of Association's Lien for Assessments. By acceptance of the deed or other instrument of transfer of a Unit, each Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. The Association's perpetual lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following:

8.14.1 Real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute;

8.14.2 To the extent permitted under the Act, the lien of any First Mortgage, including any and all advances made by the First Mortgagee and notwithstanding that any of such advances may have been made subsequent to the date of the attachment of the Association's liens; and

8.14.3 Any lien created by the Master Declaration.

With respect to the foregoing subpart 8.14.2, to the extent permitted under the Act, any First Mortgagee who acquires title to a Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Association Assessments, interest, late charges, costs, expenses, and attorneys' fees against the Unit which accrue prior to the time such First Mortgagee or purchaser acquires title to the Unit, and the amount of the extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Executive Board.

All other persons not holding liens described in subpart 8.14.1 above and obtaining a lien or encumbrance on any Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's future liens for Assessments, interest, late charges, costs, expenses, and attorneys' fees, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

A sale or other transfer of any Unit, including but not limited to a foreclosure sale, except as provided in subparts 8.14.1 and 8.14.2 above, and except as provided in Section 8.15 below, shall not affect the Association's lien on such Unit for Assessments, interest, late charges, costs, expenses, and attorneys' fees due and owing prior to the time such purchaser acquires title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof. Further, no such sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

Section 8.15 Statement of Status of Assessments. Upon fourteen (14) calendar days' written request by personal delivery or certified mail, first class postage prepaid, return receipt requested, to the Managing Agent, Executive Board or the Association's registered agent and payment of a reasonable fee set from time to time by the Executive Board, any Owner,



prospective purchaser of a Unit, or Mortgagee shall be furnished, by personal delivery or by certified mail, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) a statement of the Owner's account setting forth:

8.15.1 The amount of any unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees then existing against a particular Unit;

8.15.2 The amount of the current installments of the annual Assessment and the date that the next installment is due and payable;

8.15.3 The date of the payment of any installments of any special Assessments then existing against the Unit; and

8.15.4 Any other information deemed proper by the Association, including the amount of any unpaid lien created or imposed under the terms of the Master Declaration and collected by the Association as permitted under this Declaration or the Master Declaration.

Upon the issuance of such a certificate signed by a member of the Executive Board, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely on the certificate in good faith. Unless such a statement of status of Assessments is delivered as described above within said fourteen (14) calendar day period, the Association shall have no right to assert a priority lien upon the Unit over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

Section 8.16 Liens. Except for annual, special, and default Assessment liens as provided in this Declaration, mechanics' liens (except as provided in Article 12 below), tax liens, and judgment liens and other liens validly arising by operation of law and liens arising under Mortgages, there shall be no other liens obtainable against the Common Elements or against the interest of any Unit in the Common Elements.

Section 8.17 Master Association Assessments. All Owners, upon becoming a Owner, become members of the Master Association. Pursuant to the Master Declaration, each Owner, by acceptance of the deed or other instrument of transfer of the Owner's Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree, jointly and severally, with every other Owner and with the Master Association, to pay various assessments to the Master Association. The Association shall collect the Master Association assessments on each Owner as an agent of the Master Association, and in that event, each Owner shall pay to the Association, at the time of collection of the Assessments due under this Declaration, an amount equal to the Master Association's assessment for such Owner's Unit. Any expense which is incurred by the Master Association on behalf of the Owner and assessed through the Association in accordance with this Declaration or the Master Declaration shall, if unpaid, become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration or in the Master Declaration.



**ARTICLE 9  
MAINTENANCE RESPONSIBILITY**

Section 9.1 Owner's Rights and Duties with Respect to Interiors. Except as may be provided in the purchase and sale agreement or other conveying documents executed by Declarant in connection with sales or leases to initial purchasers or tenants of the Units, each Owner of a Unit shall have the exclusive right and duty to paint, tile, carpet, wax, paper, or otherwise decorate or redecorate and to maintain and repair the interior surfaces of the walls, floors, ceilings, and doors forming the boundaries of such Owner's Individual Air Space Unit and all walls, floors, ceilings, and doors within such boundaries. Notwithstanding the foregoing, an Owner of a Unit shall not be permitted to improve or alter its Unit if such alteration or improvement in any way impacts a Common Element without compliance with all procedures and rules of the Association.

Section 9.2 Responsibility of the Owner. The Owner of a Unit at that Owner's expense shall maintain and keep in repair the interior of the Unit, including the fixtures and utilities located in the Unit to the extent current repair shall be necessary in order to avoid damaging other Units or the Common Elements. All fixtures, equipment, and utilities installed and included in an Individual Air Space Unit and exclusively serving such Unit, commencing at a point where the fixtures, equipment, and utilities enter the Individual Air Space Unit, shall be maintained and kept in repair by the Owner of that Unit. It is acknowledged and agreed that certain fixtures, equipment and utilities shall exist within an Individual Air Space Unit which serve other Units or exclusively serve another Unit, all such improvements being deemed General Common Elements for purposes of this Declaration and maintained by the Association. An Owner shall also maintain and keep in repair all windows and other glass items related to such Owner's Unit and any entry door or doors serving such Unit. No Owner shall allow any action or work that will impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of the Building, or impair any easement or hereditament. Except as otherwise provided in Section 7.1 above, the Owners of Units shall also have the obligation to maintain and keep in repair all appurtenant Limited Common Elements at such Owner's expense. No Owner shall be responsible for repair occasioned by casualty unless such casualty is due to the act or negligence of the Owner, or invitees, licensees, tenants or Guests of such Owner, as provided in Section 7.3 above. No Owner shall alter any Common Elements without the prior written consent of the Association.

Section 9.3 Responsibility of the Association. The Association, without the requirement of approval of the Owners but subject to Section 8.6 above, shall maintain and keep in good repair, replace, and improve, as a Common Expense, all the Project not required in this Declaration to be maintained and kept in good repair by an Owner, by Declarant or by the Master Association.

Section 9.4 Owner's Failure to Maintain or Repair. In the event that portions of a Unit or other improvements are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained improvement lies with the Owner of the Unit, or in the event that such improvements are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or



destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after written notice to the Owner and the expiration of a thirty (30) day cure period, and with the approval of the Executive Board, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements to a condition of good order and repair; provided, however, if such repair and reconstruction due to an event of casualty cannot be reasonably performed within such thirty (30) day cure period, the Owner shall have such time as reasonably required to perform such repair and reconstruction so long as the work has been commenced within such cure period and is diligently pursued to completion. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, upon demand. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid Assessment levied in accordance with Article 8 of this Declaration.

## ARTICLE 10 INSURANCE AND FIDELITY BONDS

Section 10.1 General Insurance Provisions. The Association shall maintain, to the extent reasonably available:

10.1.1 Property insurance on the Common Elements for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property policies; and

10.1.2 Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements and the Association, in an amount, if any, deemed sufficient in the judgment of the Executive Board, insuring the Executive Board, the Association, the Managing Agent, and their respective employees, agents, and all persons acting as agents. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Executive Board member. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

10.1.3 The Association may carry such other and further insurance that the Executive Board considers appropriate, including insurance on Units that the Association is not obligated to insure to protect the Association or the Owners.

Section 10.2 Cancellation. If the insurance described in Subsection 10.1 above is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.



Section 10.3 Policy Provisions. Insurance policies carried pursuant to Subsection 10.1 above must provide that:

10.3.1 Each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association;

10.3.2 The insurer waives its rights to subrogations under the policy against any Owner or member of his household;

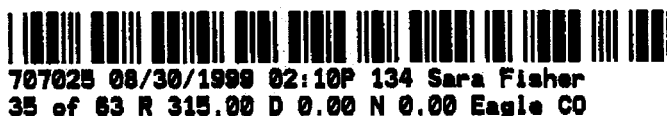
10.3.3 To act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

10.3.4 If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 10.4 Insurance Proceeds. Any loss covered by the property insurance policy described in Subsection 10.1 above must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees holding a first security interest in a Unit as their interests may appear. Subject to the provisions of Subsection 10.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and First Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 10.5 Association Policies. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to the Property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

Section 10.6 Insurer Obligation. An insurer that has issued an insurance policy for the insurance described in Subsection 10.1 above shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.



Section 10.7 Repair and Replacement.

10.7.1 Any portion of the Common Elements for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

10.7.1.1 The regime created by this Declaration is terminated;

10.7.1.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

10.7.1.3 Eighty percent (80%) of the Owners and all directly adversely affected Owners agree in writing not to rebuild; or

10.7.1.4 Prior to the conveyance of any Unit to a person other than Declarant, the Mortgagee holding a Mortgage on the damaged portion of the Common Elements rightfully demands all or a substantial part of the insurance proceeds.

10.7.2 The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If all are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear, in proportion to their respective ownership interests in the Common Elements.

Section 10.8 Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses.

Section 10.9 Fidelity Insurance. Fidelity bonds must be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees in an amount not less than two months' current Assessments plus reserves as calculated from the current budget of the Association. The Association must also secure and maintain, or require to be secured or maintained by any parties handling the collection, deposit, transfer or disbursement of Association funds, fidelity insurance with aggregate coverage of not less than two (2) months' assessments plus reserves, as calculated from the then-current budget of the Association; provided, however, in no event shall the coverage for third parties handling the collection, deposit, transfer or disbursement of Association funds be less than \$50,000. In addition, all funds and accounts of the Association being held by a Managing Agent or other third persons shall be kept in an account separate from the funds of other parties held by such Managing Agent or third party, and all reserves of the Association shall be kept in an account separate from the operational account of the Association. Any such fidelity coverage shall name the Association as an obligee and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.



Section 10.10 Workmen's Compensation Insurance. The Association shall obtain worker's compensation or similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 10.11 Other Insurance. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Executive Board may deem appropriate on behalf of Directors against any liability asserted against a Director or incurred by him in his capacity of or arising out of his status as a Director. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to its responsibilities and duties.

Section 10.12 Insurance Obtained by Owners. It shall be the responsibility of each Owner, at such Owner's expense, to maintain physical damage insurance on such Owner's personal property and furnishings and public liability insurance covering such Owner's Individual Air Space Unit. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall conclude to be desirable. However, none of such insurance coverages obtained by such Owner shall affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage, nor shall such insurance coverage of an Owner result in apportionment of insurance proceeds as between policies of insurance of the Association and the Owner. An Owner shall be liable to the Association for the amount of any such diminution of insurance proceeds to the Association as a result of insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners. Each Owner shall be responsible to provide insurance coverage for the amount of any additional value to any Unit caused by any improvement to the Unit made by such Owner and not initially made by Declarant, including, but not limited to, the value of structural upgrades or fixtures supplied by the Owner, or if the applicable insurance is to be provided by the Association, for any additional insurance costs associated with such increased value due to the improvements.

The Executive Board may require an Owner who purchases additional insurance coverage for the Owner's Unit (other than coverage for the Owner's personal property) to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

## ARTICLE 11 CONVEYANCES AND TAXATION OF UNITS

Section 11.1 Contracts to Convey Entered into Prior to Recording of Map and Declaration. A contract or other agreement for the sale of a Unit entered into prior to the filing for record of the Map and this Declaration in the office of the Clerk and Recorder of Eagle County, Colorado, may legally describe such Unit in substantially the manner set forth in Section 11.2 below and may indicate that the Map and this Declaration are to be recorded.



Section 11.2 Contracts to Convey and Conveyances Subsequent to Recording of Map and Declaration. Subsequent to the recording of the Map and this Declaration, contracts to convey, instruments of conveyance of the Unit or Units, and every other instrument affecting title to a Unit shall be in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required under the Act or by the circumstances or appropriate to conform to the requirements of any governmental authority or any usage or requirement of law with respect thereto:

Unit \_\_\_\_\_, Eagle River Commercial Center, according to the Map recorded \_\_\_\_\_, 19\_\_, at Reception No. \_\_\_\_\_, and as defined and described in the Declaration for Eagle River Commercial Center, recorded \_\_\_\_\_, 19\_\_, at Reception No. \_\_\_\_\_ in the office of the Clerk and Recorder of Eagle County, Colorado (blanks to be filled in with applicable information).

Section 11.3 Conveyance Deemed to Describe an Undivided Interest in Common Elements. Every instrument of conveyance, Mortgage, or other instrument affecting the title to a Unit which legally describes the Unit substantially in the manner set forth in Section 11.2 above shall be construed to describe the Individual Air Space Unit, together with the undivided interest in the Common Elements appurtenant to it, and together with all fixtures and improvements contained in it (unless any such fixtures or improvements shall be Common Elements), and to incorporate all the rights incident to ownership of a Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, including the easement of enjoyment to use the Common Elements.

Section 11.4 Separate Tax Assessments. Upon the recording of this Declaration and the filing of the Map for record in Eagle County, Colorado, Declarant shall deliver a recorded copy of this Declaration and the Map to the Assessor of Eagle County, Colorado, as provided by law, which notice shall set forth the descriptions of the Units, including the interest in the Common Elements appurtenant to the Units, so that thereafter all taxes, assessments, and other charges by the State or any governmental or political subdivision or any special improvement district or any other taxing agent or assessing authority shall be assessed against and collected on each Unit, each of which shall be carried on the tax records as a separate and distinct parcel for that purpose. For the purpose of such assessment against the Units, valuation of the Common Elements shall be apportioned among the Units in proportion to the fractional interest in the Common Elements appurtenant to such Units. Accordingly, the Common Elements shall not be assessed separately but shall be assessed with the Units as provided pursuant to Colorado Revised Statutes Subsection 38-33.3-105(2).

The lien for taxes assessed to the Owner or Owners of a Unit shall be confined to his Individual Air Space Unit and to his appurtenant undivided interest in the Common Elements. No forfeiture or sale of any Unit for delinquent taxes, assessment, or other governmental charge shall divest or in any way affect the title to any other Unit.



**ARTICLE 12  
MECHANICS' LIENS**

Section 12.1 Mechanics' Liens. Subsequent to the filing of the Map and recording of this Declaration, no labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner of the Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Individual Air Space Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Unit against the Unit of another Owner or against the Common Elements, or any part thereof.

Section 12.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner (if the Association determines that further action by the Association is proper) the Association shall enforce the indemnity provided by the provisions of Section 12.1 above by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit, and enforceable by the Association in accordance with Article 8 above.

**ARTICLE 13  
USE RESTRICTIONS**

Section 13.1 Use of Units. All Units initially subject to this Declaration other than Units 104, 105 and 113 are designated for commercial use and shall be used solely for storage/warehouse purposes. Such use shall be in conformity with all zoning laws, ordinances and regulations and restrictions of record. Units 105 and 113 are designated for residential use and shall be used for dwelling and lodging purposes only, in conformity with all zoning laws, ordinances and regulations and restrictions of record, including, without limitation, those certain employee housing restrictions applicable to such Units. Unit 104 is designated for office use and shall be used for such purposes only, in conformity with all zoning laws, ordinances and regulations and restrictions of record. All Units submitted to this Declaration by Supplemental Declaration shall be used for the purposes as designated and restricted on the Map or Supplemental Map and otherwise under applicable zoning laws, ordinances and regulations and restrictions of record. Notwithstanding the foregoing, all Units designated for residential and/or office use may be used by Declarant as a project sales office, management office, rental management office, storage facility and/or such other uses as may be permitted under the Act.

  
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No odor, noise or vibration shall have an unreasonable impact on any other Unit Owner or occupant. Owners of the Units may rent or lease such Units to others, on a long or short term basis, for the purposes as described herein. Owners and their Guests, tenants and invitees will be subject to the rules and regulations of the Association.

Section 13.2 Conveyance of Units. All Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, as the same may be amended from time to time.

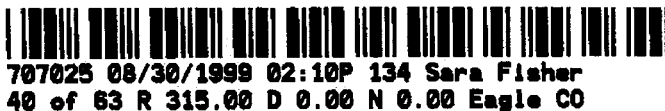
Section 13.3 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements by any Owner without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Association.

Section 13.4 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Project or in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Unit or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to or waste of the Common Elements shall be committed by any Owner, or by any Guest, invitee, tenant, licensee or contract purchaser of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him, his Guests, invitees, tenants, licensees or contract purchasers. Failure to so indemnify shall be a default by such Owner under this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper), the Association shall enforce the foregoing indemnity as a default Assessment as provided in Article 8 above.

Section 13.5 Nuisances. No nuisance or any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Project by the Owners shall be allowed upon the Common Elements or within a Unit. All parts of the Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist.

#### ARTICLE 14 EASEMENTS

Section 14.1 Easement of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of the General Common Elements, which shall be





appurtenant to and shall pass with the title to every Unit, subject to the easements set forth in this Article.

Section 14.2 Delegation of Use. Any Owner may delegate, in accordance with the Documents, the Owner's right of enjoyment in the Common Elements to the Owner's tenants, employees, invitees, licensees and Guests.

Section 14.3 Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat or map affecting the Property, and as shown on the recorded Map, and as reserved or granted under the Master Declaration. The recording data for recorded easements, licenses or other matters appurtenant to or included in the Property or to which any parts of the Property may become subject is set forth on the attached Exhibit D.

Section 14.4 Easements for Encroachments. The Project, and all portions of it, are subject to easements hereby created for encroachments between Units and the Common Elements as follows:

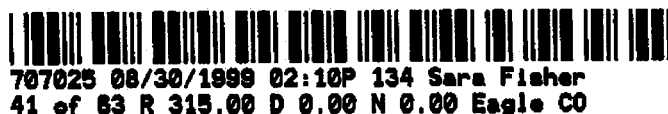
14.4.1 In favor of the Association so that it shall have no legal liability when any part of the Common Elements encroaches upon an Individual Air Space Unit;

14.4.2 In favor of each Owner of each Unit so that the Owner shall have no legal liability when any part of his Individual Air Space Unit encroaches upon the Common Elements or upon another Individual Air Space Unit;

14.4.3 In favor of all Owners, the Association and the Owner of any encroaching Individual Air Space Unit for the maintenance and repair of such encroachments.

Encroachments referred to in this Section include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Building or any Unit constructed on the Property, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project.

Section 14.5 Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property, including, without limitation, within Individual Air Space Units, for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, and a cable communication system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone, and other communication services to erect and maintain the necessary equipment on the Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without disturbing the uses of the Owners, the Association, and Declarant; shall prosecute its installation and maintenance activities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a



specific easement by separate recordable document, Declarant or the Executive Board shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

Section 14.6 Reservation of Easements, Exceptions and Exclusions. Declarant reserves for itself and its successors and assigns and hereby grants to the Association the concurrent right to establish from time to time by declaration or otherwise, utility and other easements for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, consistent with the ownership of the Project for the best interest of all of the Owners and the Association, in order to serve all the Owners within the Project.

Section 14.7 Reservation for Construction, Etc. Declarant hereby reserves for itself, its successors and assigns, an easement and right-of-way over, upon and across the Property for construction, utilities, drainage, and ingress and egress from properties abutting and contiguous to the Property, and for use of the Common Elements as may be reasonably necessary or incident to the construction of improvements relating to the Units or other improvements on the Property; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to the Property by the Owners. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in the office of the Clerk and Recorder, Eagle County, Colorado.

Section 14.8 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 14.9 Maintenance Easement. An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees, and assigns upon, across, over, in, and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 14.10 Drainage Easement. An easement is hereby reserved to Declarant and its successors and assigns and granted to the Association and its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Project for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

Section 14.11 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within the Individual Air Space Units or may be conveniently accessible only through the Individual Air Space Units. The Owners of other Individual Air Space Units and the Association shall have the irrevocable right, to be exercised by the Association as the Owners' agent, to have access to each Individual Air Space Unit and to



all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal, or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Individual Air Space Unit. Subject to the provisions of Section 7.3 above, damage to the interior of any part of an Individual Air Space Unit resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Elements or as a result of emergency repair within another Individual Air Space Unit at the instance of the Association or of Owners shall be a Common Expense.

**Section 14.12 Declarant's Rights Incident to Construction and Marketing.** Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Property and the right to store materials on the Property and to make such other use of the Property as may be reasonably necessary or incident to the complete construction and sale of the Project, including, but not limited to, construction trailers, temporary construction offices, sales offices, and directional and marketing signs; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, or Guests, licensees or invitees of an Owner. Declarant, for itself and its successors and assigns, hereby retains a right to maintain any Unit or Units as sales offices, management offices or model Units so long as Declarant, or its successors or assigns, continues to be an Owner of a Unit. The use by Declarant of any Unit as a model Unit, office or other use shall not affect the Unit's designation on the Map as a separate Unit. Declarant further reserves exclusive easement rights over and across the Property for the purpose of marketing, sales and rental of Units or of other projects developed or marketed by Declarant or its affiliates from time to time, including, without limitation, the right to show the Property and to display signs and other promotional devices. Declarant also reserves the right to lease unsold Units. Lessees of Declarant-owned Units shall have, for the length of the term of their leases, the same easement rights over and across the Property and use rights to the facilities of the Project as are reserved for Owners of Units.

**Section 14.13 Governmental Requirements.** Declarant hereby reserves the right to grant such easements, from time to time, as may be required by any government agency. Such easements shall specifically include, but not be limited to, any public rights-of-way and any environmental easements required by federal, state or local environmental agencies, for so long as the Declarant holds an interest in any Unit subject to this Declaration.

**Section 14.14 Declarant Easements.** Declarant reserves unto itself, its successors, assigns, lessees, guests, licensees and invitees, for so long as it holds any interest in any Unit, the same easement rights granted to Owners under this Declaration and specific easement rights over and across the Project as it may deem necessary for its use from time to time.

**Section 14.15 Right of Declarant and Association to Own Units and to Use Common Elements.** An easement is hereby reserved by Declarant for itself and its successors and assigns and granted to the Association and its officers, agents, employees, successors and assigns to maintain offices and storage areas, for use by the Association within the General Common Elements, subject to all rules and regulations established under this Declaration and the Master Association Documents. The Association shall also have the right (but not the obligation) to



purchase and own any Unit for the purpose of maintaining an office for the Association or for any other use which the Association determines is consistent with the operation of the Project. The costs and carrying charges incurred by the Association in purchasing and owning any such Unit shall be part of the Common Expenses.

Section 14.16 Remodeling Easement. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the Building for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in the Common Elements in connection with the improvement or alteration of any Unit, including the right of access to such areas of the Common Elements as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section, the decision of the Executive Board shall be final.

Section 14.17 Signage Easement. An easement on, in and about the Building and a right is hereby reserved to Declarant and its successors and assigns and granted to the Association and its successors and assigns to permit, authorize, regulate and deny signage in accordance with applicable regulations of Eagle County and within the discretion of Declarant and/or the Executive Board of the Association.

Section 14.18 Easements to Other Associations. The Association may share common mechanical, structural or other systems, facilities or improvements with one or more projects located on property adjacent to the Project. To the extent such systems, facilities or improvements are located within the Project, an easement is hereby granted to the owner or project association which uses such common systems, facilities or improvements for the use, maintenance and repair of such common systems, facilities or improvements jointly with the Association. The cost and expense of the use, maintenance and repair of such items will be equitably shared between the parties benefiting therefrom. Such easements may be further described in an instrument of record in Eagle County, Colorado.

Section 14.19 Easements Deemed Created. All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easements or to this Article appears in the instrument for such conveyance.

## ARTICLE 15 ASSOCIATION AS ATTORNEY-IN-FACT

Section 15.1 Appointment. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Project upon its damage, destruction, condemnation, or obsolescence as provided below in Articles 16, 17 and 18. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article 10 above, including: the collection and appropriate disposition of the proceeds of such insurance; the negotiation of losses and the

execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointments of the attorneys-in-fact as provided above.

Section 15.2 General Authority. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

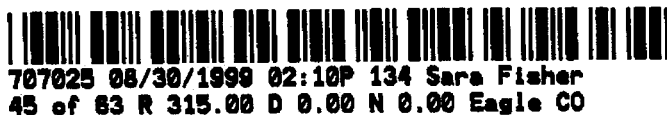
## ARTICLE 16 DAMAGE OR DESTRUCTION

Section 16.1 The Role of the Executive Board. Except as provided in Section 16.6, in the event of damage to or destruction of all or part of any Unit, Common Elements, or other property covered by insurance written in the name of the Association under Article 10, the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Project, including, without limitation, the floor coverings, fixtures, and appliances initially installed therein by Declarant, and replacement thereof installed by the Owners up to the value of those initially installed by Declarant, but not including any furniture, furnishings, fixtures, equipment, or other personal property supplied or installed by the Owners in the Units unless covered by insurance obtained by the Association. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of the Unit.

Section 16.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Project, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Project damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Individual Air Space Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

Section 16.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the Project damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary in connection with that action.

Section 16.4 Funds for Repair and Reconstruction. Subject to the provisions of Section 16.6 below, the proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction.



Section 16.5 Insurance Proceeds Sufficient to Repair. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association as attorney-in-fact to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair and restoration of the improvements. Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 16.6 Insurance Proceeds Insufficient to Repair; Special Assessment; Remedies for Failure to Pay Special Assessment. If the insurance proceeds are insufficient to repair and reconstruct the improvements damaged, and if such damage is not more than seventy percent (70%) of the total replacement cost of all of the Units in the Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and, if permitted under the Act, the proceeds of a special Assessment to be made against all of the Owners and their Units, subject to the third full paragraph of this Section. Any such special Assessment shall be a Common Expense in accordance with Section 8.7 above and shall be due and payable within thirty (30) days after written notice as provided in Article 8 above. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair, replacement, or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the Assessment.

Any Assessment provided for in this Section shall be a debt of each Owner and a lien on the Owner's Unit and may be enforced and collected as provided in Article 8 above. In addition, the Association as attorney-in-fact shall have the absolute right and power to sell the Unit of any Owner refusing or failing to pay such deficiency Assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Owner shall be sold by the Association as attorney-in-fact pursuant to the provisions of this Section. Assessments for the Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notice, interest at the Maximum Rate on the amount of the Assessment, and all reasonable attorneys' fees. The proceeds derived from the sale of such Unit shall be used and disbursed by the Association as attorney-in-fact in the following order:

16.6.1 For payment of real property ad valorem taxes, special assessment liens duly imposed by a governmental subdivision, and customary expenses of sale;

16.6.2 For payment of the balance of the lien of any First Mortgage affecting the Unit;

16.6.3 For payment of unpaid Association or Master Association Assessments, interest, costs, late charges, expenses, and attorneys' (and legal assistants') fees;

16.6.4 For payment of junior Mortgages affecting the Unit in the order of and to the extent of their priority; and

16.6.5 For payment of the balance remaining, if any, to the Owner of the Unit.

If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is more than seventy percent (70%) of the total replacement cost of all of the Units in the Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and, if permitted under the Act, the proceeds of a special Assessment made against all of the Owners and their Units, provided, however, that Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more may elect to terminate the Project; and in such event, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary or assistant secretary, the entire Project shall be sold pursuant to the provisions of this Section, by the Association as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, and the articles of incorporation, and bylaws of the Association. Assessments for Common Expenses shall not be abated during the period prior to sale.

In such event, the insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's interest in the Common Elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Units. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner and designated as an agency account. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of each of such accounts, without contributions from one account to another, toward the partial or full payment of the lien of any First Mortgagee encumbering the Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire Property. Such apportionment shall be based upon each Unit Owner's interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association as attorney-in-fact for the same purposes and in the same order as is provided in Sections 16.6.1 through 16.6.5 above.

In the event that the Owners do not elect to terminate the Project as provided above, Owners representing at least eighty percent (80%) of the total allocated votes in the Association (other than Declarant) and all directly adversely affected Owners may alternatively agree in writing not to repair and reconstruct improvements within the Common Elements and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 16.7 Repairs. All repairs and reconstruction contemplated by this Article shall be performed substantially in accordance with this Declaration, the Map, and the original plans and specifications for the Project unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Documents.



Section 16.8 Notice of Damage or Destruction. In the event that any portion of the Project encompassing more than one Individual Air Space Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner and First Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

## ARTICLE 17 OBsolescence

Section 17.1 Adoption of Plan; Rights of Owners. The Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction thereof. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the office of the Clerk and Recorder of Eagle County, Colorado, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the date of adoption of such plan that his Unit shall be purchased by the Association for the fair market value of the Unit in cash or certified funds. The Association shall then have thirty (30) days after the expiration of such fifteen (15) day period within which to cancel such plan. If such plan is not canceled, the Unit of the requesting Owner shall be purchased according to the following procedures.

If such Owner and the Association can agree on the fair market value of the Unit, then such sale shall be consummated within ninety (90) days after such agreement. If the parties are unable to agree, the date when either party notifies the other that no agreement may be reached shall be the "commencement date" from which all periods of time mentioned hereafter shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two appraisers, and from the names of the four appraisers so nominated one shall be drawn by lot by any judge of any court of record in Colorado, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser.

The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire shall be final and binding, and a judgment based upon the decision rendered may be entered in any court having jurisdiction thereof. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as





attorney-in-fact, shall disburse such proceeds for the same purposes and in the same order as provided in Sections 16.6.1 through 16.6.5 above.

Section 17.2 Sale of Obsolete Units. The Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more may agree that the Units are obsolete and that the Project should be sold. In such instance, the Association shall immediately record in the office of the Clerk and Recorder of Eagle County, Colorado, a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, and the articles of incorporation and bylaws of the Association. Unless otherwise agreed in writing by all the Owners, the sale proceeds (and any insurance proceeds under Section 16.5 above) shall be apportioned among the Owners in proportion to each Owner's undivided interest in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner and designated as an agency account. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in Sections 16.6.1 through 16.6.5 above.

## ARTICLE 18 CONDEMNATION

Section 18.1 Consequences of Condemnation. If, at any time or times during the continuance of the Project pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages, or other proceeds of condemnation, the sum of which is referred to as the "condemnation award" below, shall be payable to the Association, and the provisions of this Article shall apply.

Section 18.2 Complete Taking. In the event that the entire Project is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the ownership pursuant to this Declaration shall terminate, subject to the provisions of Section 18.7 below. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. Such award shall be apportioned among the Owners and the Mortgagees on the basis of the undivided interests in the Common Elements appurtenant to the Unit in which such Owners and Mortgagees have an interest; provided, however, that if a standard different from the value of the Project as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, then in determining such apportionment the same standard shall be employed. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled, and such shares shall be paid into separate accounts and disbursed as soon as practical for the same purposes and in the same order as is provided in Sections 16.6.1 through 16.6.5 above.

Section 18.3 Partial Taking. In the event that less than the entire Project is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the ownership under this Declaration shall not terminate. Each Owner (and Mortgagee holding an interest in such Owner's Unit) shall be entitled to a share of the condemnation award to be determined under the following provisions. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. As soon as practical, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners, unless otherwise required under the Act, as follows:

18.3.1 The total amount allocated to a taking of or injury to the Common Elements shall be apportioned among Owners and their Mortgagees on the basis of each Owner's undivided interest in the Common Elements;

18.3.2 The total amount allocated to severance damages shall be apportioned to the Owners and Mortgagees of those Units which were not taken or condemned;

18.3.3 The respective amounts allocated to the taking of or injury to a particular Unit or to improvements an Owner has made within the Owner's own Unit shall be apportioned to the Owner and Mortgagees of that particular Unit involved; and

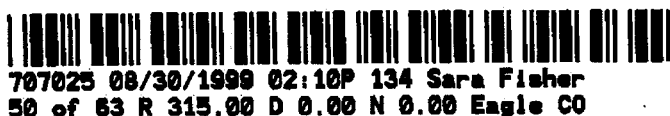
18.3.4 The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances.

If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award, the Association shall employ such allocation. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 18.4 Reorganization. In the event a partial taking results in the taking of an Individual Air Space Unit, the Owners thereof shall automatically cease to be members of the Association, and their ownership interests in the Common Elements shall terminate and vest in the Owners of the remaining Units. Thereafter, subject to the provisions of Section 18.7 below, the Association shall reallocate the ownership, voting rights, and Assessment ratios determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of the remaining Individual Air Space Units for the amendment of this Declaration.

Section 18.5 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article 16 above.

Section 18.6 Notice of Condemnation. In the event that any portion of the Project shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.



Section 18.7 Limitations on Actions of Association. Except as provided by statute, in case of condemnation, unless Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more have given their prior written approval, the Association may not take any of the actions specified in Sections 18.1 through 18.6 above.

**ARTICLE 19  
EXPANSION AND WITHDRAWAL**

Section 19.1 Reservation of Expansion and Withdrawal Rights.

19.1.1 Declarant reserves the right for itself and any Successor Declarant to subject all or any part of the Expansion Property to the Project and subject such Expansion Property to the provisions of this Declaration and thereby expand the Property to include up to a maximum of two hundred (200) Condominium Units and to expand the Common Elements. Any improvements made in connection with such expansion shall be consistent with the original improvements in structure type and quality of construction.

19.1.2 Subject to those restrictions set forth in Section 38-33.3-222 of the Act, Declarant reserves the right for itself and any Successor Declarant at any time and from time to time to subject unspecified real property to the Project and the provisions of this Declaration.

19.1.3 Declarant reserves the right for itself and any Successor Declarant at any time and from time to time to withdraw from the Project and from the provisions of this Declaration any real property subjected to this Declaration by a duly recorded Supplemental Declaration and Supplemental Map prior to the time of a sale of a Condominium Unit comprising a portion of the real property described in said Supplemental Declaration and Supplemental Map.

Section 19.2 Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the office of the Clerk and Recorder for Eagle County, Colorado, of one or more Supplemental Declarations and, if the real property being subject to this Declaration by such Supplemental Declaration has not been previously mapped in a map recorded in the Office of the Clerk and Recorder for Eagle County, Colorado, of a Supplemental Map depicting such Expansion Property recorded concurrently with the applicable Supplemental Declaration. The Supplemental Declaration shall set forth the Building(s) and real property, if any, to be included in the expansion, together with any covenants, conditions, restrictions and easements particular to such property. The expansion, which shall permit no more than two hundred (200) Condominium Units within the Project, may be accomplished in stages by successive supplements or in one supplemental expansion. Declarant may exercise such rights for expansion on all or any portion of the Expansion Property in whatever order of development Declarant in its sole discretion, determines. Declarant shall not be obligated to expand the Project beyond the number of Units initially submitted to this Declaration.

Section 19.3 Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass, and refer to the Property

subject to this Declaration as so expanded. For example, "Unit" shall mean the Units as shown on the Map plus any additional Units added by a Supplemental Declaration or Declarations and, if necessary, Supplemental Map or Maps, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Units shall be effective to transfer rights in the Property as expanded.

**Section 19.4 Declaration Operative on New Units.**

19.4.1 The new Units shall be subject to all of the terms and conditions of this Declaration and of any Supplemental Declaration, upon placing, if necessary, the Supplemental Map(s) depicting the Expansion Property and the Supplemental Declaration(s) of public record in the real estate records of Eagle County, Colorado.

19.4.2 It is contemplated that additional Units on the Property will be committed to this Declaration, but Declarant and any Successor Declarant shall have no affirmative obligation to construct any additional Units. In the event that a portion of the Expansion Property is submitted to the provisions of this Declaration, Declarant shall retain the right to, but shall not be obligated to, submit any additional portion of the Expansion Property to the provisions of this Declaration. The rights of Declarant and any Successor Declarant, as described herein, shall apply to all Units which are added to this Declaration in accordance with these provisions relating to enlargement thereof.

19.4.3 No rights of any character of any owner in units in the Expansion Property shall attach until a Supplemental Declaration and, if necessary, a Supplemental Map is filed of record annexing the units constructed in such area to the Project. Upon the recording of such Supplemental Declaration and, if necessary, Supplemental Map, the units constructed in the area shall be deemed to be governed in all respects by the provisions of this Declaration.

**Section 19.5 Effect of Expansion.**

19.5.1 Upon the construction of additional Units and their inclusion under this Declaration and the filing of the Supplemental Declaration(s) and, if necessary, Supplemental Map(s) thereof, the apportionment of Assessments for each Unit shall automatically be adjusted to reflect the then current respective undivided interest in the Common Elements appurtenant to each Unit. Such adjustment shall be reflected and set forth in the Supplemental Declaration. The formula used to establish the allocation of undivided interests in the Common Elements is based upon the square footage of a Unit as a percentage of the total square footage of all Units. The calculation of such formula as contained in this Declaration and in any Supplemental Declaration is final and binding upon all Owners irrespective of any later measurement of such square footages.

19.5.2 Notwithstanding any inclusion of additional Units under this Declaration, each Owner (regardless of whether such Owner is the owner of a Unit shown on the original map, or is the owner of a Unit constructed in the Expansion Property) shall remain fully liable with respect to his obligation for the payment of the Common Expenses of the Association, including the expenses for such new Common Elements, costs and fees, if any. The recording of



a Supplemental Declaration or Supplemental Map shall not alter the amount of the Common Expenses assessed to a Unit prior to such recording.

Section 19.6 Termination of Expansion and Development Rights. The rights reserved to the Declarant for itself, its successors and assigns for the expansion and development of the Expansion Property ("Expansion and Development Rights") shall expire fifteen (15) years from the date of recording this Declaration, unless terminated earlier pursuant to the terms and provisions of the Act, or unless the Expansion and Development Rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the Expansion and Development Rights by Declarant.

## ARTICLE 20 ASSOCIATION MATTERS

Section 20.1 Master Association Matters. Each Owner, by accepting a deed to a Unit, recognizes that (a) the Project is subject to the Master Association Documents, (b) by virtue of his ownership, he has become a member of the Master Association, (c) such Owner is subject to any rules and regulations of the Master Association, and (d) pursuant to the articles of incorporation of the Master Association, an Owner is a member of the Master Association and is entitled to all of the benefits and subject to all of the burdens of such membership. Each Owner, by accepting a deed to a Unit, acknowledges that he has received a copy of the articles of incorporation and bylaws of the Master Association. Each Owner agrees to perform all of his obligations as a member of the Master Association as they may from time to time exist, including, but not limited to, the obligation to pay common, civic, and special assessments as required under the Master Association Documents.

Section 20.2 Enforcement of Master Declaration. The Association shall have the power, subject to the primary power of the Executive Board of the Master Association, to enforce the covenants and restrictions contained in the Master Association Documents, but only as said covenants and restrictions relate to the Project, and to collect regular, special, and default assessments on behalf of the Master Association, and to perform such other acts and duties on behalf of the Master Association as permitted under the Master Association Documents.

### Section 20.3 Architectural Control.

20.3.1 No exterior addition to or change or alteration to a Unit or any portion of the Project shall be made without the written consent of the Executive Board of the Association, including any change to signs, windows, lighting or any other exterior or structural item, which consent shall be granted or denied in the sole discretion of the Executive Board. Approval by the Executive Board shall be deemed to have been conclusively given if the Executive Board has not responded to an application within thirty (30) days after submission of all information and materials required to complete an application under the applicable rules and regulations of the Association.



20.3.2 After receiving the approval of the Executive Board, the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by any governmental or quasi-governmental body having jurisdiction over the Property.

Section 20.4 General Reservation. Declarant reserves the right to dedicate any access roads and streets serving the Property for and to public use, to grant road, driveway and/or parking easements with respect thereto and to allow such road, driveway and/or parking to be used by owners of adjacent land and the general public.

Section 20.5 Limit on Timesharing. No Owner of any Unit shall offer or sell any interest in such Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

Section 20.6 Construction Activities. Each Owner is hereby advised that substantial construction-related activities relating to the development of the Project, adjacent projects or other development within the Airport Gateway development may cause considerable noise, dust and other inconveniences to the Owners.

Section 20.7 Membership in the Master Association. All Owners, upon becoming Owners, shall become members of the Master Association and be subject to the provisions of the Master Declaration, as noted in Section 20.1 above. The Association may pay the Master Association assessments on behalf of each Owner, and in that event, each Owner shall pay to the Association as a part of such Owner's Assessment under this Declaration an amount equal to the Master Association's assessment for such Owner's Unit. The facilities owned or controlled by the Master Association and defined under the Master Declaration, and other facilities owned or acquired by the Master Association, shall be available to Owners as members of the Master Association for such fees and subject to such regulations as the Master Association may prescribe.

## ARTICLE 21 MORTGAGEES' RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Units. To the extent permitted under Colorado law and applicable, necessary, or proper, the provisions of this Article apply to this Declaration and also to the articles and bylaws of the Association.

Section 21.1 Approval Requirements. Unless at least 67% of the Mortgagees holding First Mortgages against any portion of the Property (based on one vote for each Mortgage held against an individual Unit), and at least 67% of the Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to:

21.1.1 Any act or omission seek to abandon, partition, subdivide, sell, or transfer all or part of the Common Elements (provided, however, that the granting of easements or rights of way for public utilities or for other purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause);



21.1.2 Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner;

21.1.3 Fail to maintain insurance required to be maintained under this Declaration;

21.1.4 Use hazard insurance proceeds for losses to improvements which are Common Elements for other than the repair, replacement, or reconstruction of such property.

Section 21.2 Title Taken by Mortgagee. Any Mortgagee holding a First Mortgage of record against a Unit who obtains title to the Unit pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Unit (i) is acquired or (ii) could have been acquired under the statutes of Colorado governing foreclosures, whichever is earlier. Such Mortgagee shall also become liable for any Assessments having priority over the Mortgage pursuant to the terms and provisions of the Act.

Section 21.3 Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Units for losses to, or taking of, all or part of the Common Elements, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any Mortgagee who is a beneficiary of a First Mortgage against the Unit.

Section 21.4 Right to Pay Taxes and Charges. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

## ARTICLE 22 DURATION OF COVENANTS AND AMENDMENT

Section 22.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 22.2 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, from time to time, upon the written consent of Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more.

Section 22.3 Recording of Amendments. Any amendment to this Declaration made in accordance with this Article shall be immediately effective upon recording in the office of the Clerk and Recorder of Eagle County, Colorado, a copy of the amendment, executed and acknowledged by the appropriate number of Owners, accompanied by a certificate of a licensed title insurance company as to ownership, or upon the recording of a copy of the amendment, together with a duly authenticated certificate of the secretary of the Association stating that the



required number of consents of Owners and a certificate of a licensed title company as to title to the Units were obtained and are on file in the office of the Association.

**ARTICLE 23**  
**DECLARANT'S RIGHTS REGARDING TRANSFER**

Any right or any interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, association, or other entity, by written instrument executed by both Declarant and the transferee or assignee and recorded in the office of the Clerk and Recorder of Eagle County, Colorado. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

**ARTICLE 24**  
**MISCELLANEOUS**

Section 24.1 Restriction on Declarant Powers. Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.

Section 24.2 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other Documents shall be through any proceedings at law or in equity brought by any aggrieved Owner, the Association, or Declarant against the Association or any Owner. Such actions may seek remedy by injunction or restraint of a violation or attempted violation, or an action for damages, or any of them, without the necessity of making an election.

Section 24.3 Nonwaiver. Failure by Declarant, the Association, or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 24.4 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions of it by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect.

Section 24.5 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 24.6 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for



reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 24.7 Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Master Association Documents, the Master Association Documents shall control. In case of conflicts in the provisions in the articles of incorporation of the Association and the bylaws of the Association, the articles of incorporation of the Association shall control. The foregoing to the contrary notwithstanding, in the event of any inconsistency between this Declaration or the articles or the bylaws, on the one hand, and the Act, on the other, then in all events the Act shall control.

Section 24.8 Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Executed as of the 23 day of August, 1999.



EAGLE RIVER DEVELOPMENT, LLC, a Colorado limited liability company

By: [Signature]  
Name: ROBERT WARNER, JR.  
Title: MANAGER

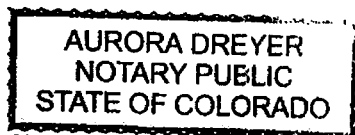
STATE OF Colorado )  
                                  ) ss.  
COUNTY OF Eagle )

The foregoing instrument was acknowledged before me this 23 day of August, 1999, by Robert Warner, Jr. as Manager of Eagle River Development, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.  
My commission expires 9/15/2002.

[SEAL]

[Signature]  
Notary Public



My Commission Expires Sept 15, 2002



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57 of 63 R 315.00 D 0.00 N 0.00 Eagle CO

JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated March 12, 1999, and recorded March 24, 1999, at Reception No. 690503, and Deed of Trust dated February 19, 1999, and recorded March 22, 1999 at Reception No. 690229 in the office of the Clerk and Recorder of Eagle County, Colorado, as amended and supplemented from time to time (the "Deeds of Trust"), for itself and its successors and assigns, approves the foregoing Declaration for Eagle River Commercial Center, affecting the property encumbered by the Deeds of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to either of the Deeds of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by that Declaration.

ALPINE BANK

By: GLENN DAVIS  
Name: Glenn Davis  
Title: PRESIDENT

STATE OF Colorado )  
  ) ss.  
COUNTY OF Eagle )

The foregoing instrument was acknowledged before me this 23 day of August 1999, by Glenn Davis as President of Alpine Bank.

WITNESS my hand and official seal.  
My commission expires 9/15/2002.

[SEAL]

AURORA DREYER  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires Sept. 15, 2002


Aurora Dreyer  
Notary Public

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58 of 63 R 315.00 D 0.00 N 0.00 Eagle CO

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**


Building 1 and Building 2 and Common Elements (depicted as "C.E.") as shown on the Condominium Map, Eagle River Commercial Center-Phase 1, recorded August 12, 1999 at Reception No. 705354, Eagle County, Colorado.

  
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**EXHIBIT B**

**EXPANSION PROPERTY**

Future Development Phase as shown on the Condominium Map, Eagle River Commercial Center-Phase 1, recorded August 12, 1999 at Reception No. 705354, Eagle County, Colorado.

  
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60 of 63 R 315.00 D 0.00 N 0.00 Eagle CO

**EXHIBIT C**

**OWNERS' INTERESTS IN COMMON ELEMENTS**

| <u>Unit No.</u> | <u>Area</u>   | <u>Use</u>           | <u>Percentage Interest in Common<br/>Elements Appurtenant to the Unit</u> |
|-----------------|---------------|----------------------|---|
| 101             | 260           | Storage              | 1.11968%  |
| 102             | 280           | Storage              | 1.20581%  |
| 103             | 280           | Storage              | 1.20581%  |
| 104             | 130           | Management<br>Office | 0.55984%  |
| 105             | 1200          | Residential          | 5.16774%  |
| 106             | 1150          | Storage              | 4.95241%  |
| 107             | 1440          | Storage              | 6.20128%  |
| 108             | 1440          | Storage              | 6.20128%  |
| 109             | 1440          | Storage              | 6.20128%  |
| 110             | 1460          | Storage              | 6.28741%  |
| 111             | 1460          | Storage              | 6.28741%  |
| 112             | 1460          | Storage              | 6.28741%  |
| 113             | 1800          | Residential          | 7.75160%  |
| 114             | 410           | Storage              | 1.76564%  |
| 115             | 570           | Storage              | 2.45467%  |
| 116             | 570           | Storage              | 2.45467%  |
| 201             | 668           | Storage              | 2.87671%  |
| 202             | 665           | Storage              | 2.86379%  |
| 203             | 668           | Storage              | 2.87671%  |
| 204             | 1460          | Storage              | 6.28741%  |
| 205             | 1460          | Storage              | 6.28741%  |
| 206             | 1460          | Storage              | 6.28741%  |
| 207             | <u>1490</u>   | Storage              | <u>6.41661%</u>   |
| <b>TOTAL:</b>   | <b>23,221</b> |                      | <b>100.00000%</b>   |

The formula for computing the percentage undivided interests in the Common Elements is a Unit's square footage as a percentage of the aggregate square footage of all Units, which percentages herein are conclusive and binding on all Owners.



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61 of 63 R 315.00 D 0.00 N 0.00 Eagle CO

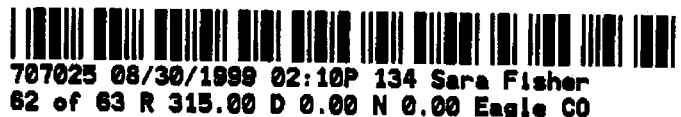
## **EXHIBIT D**

### **RECORDING DATA FOR EASEMENTS, LICENSES AND OTHER TITLE MATTERS**


The recording data for the recorded easements and licenses appurtenant to, or included in, the Property and or to which the Property is or may become subject, are as follows:

1. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded January 12, 1899 in Book 48 at Page 474, and any and all assignments thereof or interest therein.
2. Reservations and exceptions in patents and acts authorizing their issuance as the same may affect the subject property and specifically, the right to ditches and reservoirs used in connection with vested and accrued water rights together with the reservation of a right-of-way for ditches and canals constructed by the authority of the United States as set forth in that certain U.S. Patent filed in the Eagle County Records, January 12, 1899 in Book 48 at page 474, May 10, 1996 in Book 694 at Page 233.
3. Reservation of one-half of all oil, gas and hydrocarbons, in instrument recorded September 18, 1951 in Book 131 at page 437, and any and all assignments thereof or interests therein.
4. Reservation of one-half of all oil, coal and other minerals with appropriate rights of ingress and egress in instrument recorded August 21, 1950 in Book 135 at Page 114, and any and all assignments thereof or interests therein.
5. Easements, reservations and restrictions as shown or reserved on the annexation plats recorded November 19, 1992 in Book 594 at Pages 759 and 760.
6. Any water rights or claims to title to water, in, on or under the land.
7. Terms, conditions, provisions, agreements and obligations specified under the Subdivision Improvements Agreement by and between Town of Gypsum and Airport Gateway Center, L.L.C. recorded August 15, 1996 in Book 703 at Page 42.
8. Easements, conditions, restrictions, reservations and building setbacks as shown or reserved on the recorded plat of Airport Gateway Center.
9. Covenants, conditions and restrictions, which do not include a forfeiture or reverter clause, set forth in instrument recorded August 15, 1996 in Book 703 at Page 37, and First Amendment thereto recorded September 25, 1996 in Book 706 at Page 283. Provisions regarding race, color, creed and national origin, if any, are deleted.

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10. Any existing leases or tenancies.
11. Any easement for underground right of way and incidental purposes granted to Holy Cross Electric Association, Inc. by the instrument recorded September 12, 1996 in Book 705 at Page 90.
12. Terms, conditions, provisions, agreements and obligations specified under the Trench, Conduit and Vault Agreement by and between Airport Gateway Center, L.L.C. and Holy Cross Electric Association, Inc. recorded September 23, 1996 in Book 706 at Page 29.
13. Easements, reservations and restrictions as shown on the Plat recorded April 30, 1998 at Reception No. 654441.

  
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