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Cheri Brunvand - Summit County Recorder

**CONDOMINIUM
DECLARATION
FOR
GORE TRAIL AT WILDERNEST**

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE 1	IMPOSITION OF COVENANTS	1
Section 1.1	Purpose	1
Section 1.2	Intention of Declarant.....	1
Section 1.3	Development and Use.....	1
Section 1.4	Declaration	1
Section 1.5	Covenants Running With the Land	1
ARTICLE 2	DEFINITIONS	2
ARTICLE 3	DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP	6
Section 3.1	Division Into Condominium Units	6
Section 3.2	Delineation of Unit Boundaries.....	6
Section 3.3	Nonpartitionability of Common Elements.....	6
ARTICLE 4	CONDOMINIUM MAP	7
Section 4.1	Condominium Map.....	7
Section 4.2	Amendment	8
ARTICLE 5	OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS	8
Section 5.1	General Common Elements.....	8
Section 5.2	Limited Common Elements.....	8
ARTICLE 6	MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION	9
Section 6.1	Association Membership	9
Section 6.2	Classes of Membership.....	9
Section 6.3	Voting Rights.....	9
Section 6.4	Election of Directors.....	10
Section 6.5	Declarant Control	10
Section 6.6	Owner's and Association's Address for Notices	10
ARTICLE 7	ASSOCIATION DUTIES	11
Section 7.1	Association Management Duties	11
Section 7.2	Reserve Account.....	11
Section 7.3	Owner's Negligence.....	11
Section 7.4	Delegation of Management and Maintenance Duties.....	12
Section 7.5	Acquiring and Disposing of Personal Property	12

Section 7.6	Issuance of Rules and Regulations.....	12
Section 7.7	Enforcement of Association Documents.....	12
Section 7.8	Payments to Working Capital Account.....	12
Section 7.9	Implied Rights.....	13
Section 7.10	Books and Records of the Association.....	13
Section 7.11	Limitation Upon Liability of Association.....	13
ARTICLE 8	ASSESSMENTS	13
Section 8.1	Covenant of Personal Obligation of Assessments.....	13
Section 8.2	Purpose of Assessments	14
Section 8.3	Commencement of Assessments	14
Section 8.4	Amount of Total Annual Assessments	14
Section 8.5	Apportionment of Annual Assessments	15
Section 8.6	Annual Budget.....	15
Section 8.7	Special Assessments.....	15
Section 8.8	Due Dates for Assessment Payments	15
Section 8.9	Declarant's Obligation to Pay Assessments.....	16
Section 8.10	Default Assessments.....	16
Section 8.11	Lien for Assessments.....	16
Section 8.12	Effect of Nonpayment of Assessments.....	16
Section 8.13	Successor's Liability for Assessments	17
Section 8.14	Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments	17
Section 8.15	Statement of Status of Assessments	18
Section 8.16	Liens	19
ARTICLE 9	MAINTENANCE RESPONSIBILITY	19
Section 9.1	Owner's Rights and Duties with Respect to Interiors.....	19
Section 9.2	Responsibility of the Owner.....	19
Section 9.3	Responsibility of the Association.....	20
Section 9.4	Owner's Failure to Maintain or Repair	20
ARTICLE 10	INSURANCE AND FIDELITY BONDS	20
Section 10.1	General Insurance Provisions	20
Section 10.2	Cancellation.....	21
Section 10.3	Policy Provisions.....	21
Section 10.4	Insurance Proceeds	21
Section 10.5	Association Policies.....	21
Section 10.6	Insurer Obligation.....	22
Section 10.7	Repair and Replacement.....	22
Section 10.8	Common Expenses	22
Section 10.9	Fidelity Insurance	22
Section 10.10	Worker's Compensation Insurance	23

Section 10.11	Other Insurance	23
Section 10.12	Insurance Obtained by Owners.....	23
ARTICLE 11	CONVEYANCES AND TAXATION OF CONDOMINIUM UNITS	24
Section 11.1	Contracts to Convey Entered into Prior to Recording of Condominium Map and Declaration	24
Section 11.2	Contracts to Convey and Conveyances Subsequent to Recording of Condominium Map and Declaration	24
Section 11.3	Conveyance Deemed to Describe an Undivided Interest in Common Elements	24
Section 11.4	Separate Tax Assessments.....	24
ARTICLE 12	MECHANICS' LIENS	25
Section 12.1	Mechanics' Liens	25
Section 12.2	Enforcement by the Association.....	25
ARTICLE 13	USE RESTRICTIONS	25
Section 13.1	Use of Condominium Units.....	25
Section 13.2	Conveyance of Condominium Units	26
Section 13.3	Use of Common Elements.....	26
Section 13.4	Prohibition of Increases in Insurable Risk and Certain Activities	26
Section 13.5	Vehicular Parking and Storage	26
ARTICLE 14	EASEMENTS	27
Section 14.1	Easement of Enjoyment.....	27
Section 14.2	Delegation of Use.....	27
Section 14.3	Recorded Easements.....	27
Section 14.4	Easements for Encroachments.....	27
Section 14.5	Utility Easements.....	27
Section 14.6	Reservation of Easements, Exceptions, and Exclusions	28
Section 14.7	Emergency Access Easement	28
Section 14.8	Maintenance Easement.....	28
Section 14.9	Drainage Easement.....	28
Section 14.10	Easements of Access for Repair, Maintenance, and Emergencies.....	28
Section 14.11	Declarant's Rights Incident to Construction and Marketing.....	29
Section 14.12	Right of Declarant and Association to Own Units and to Use Common Elements.....	29
Section 14.13	Remodeling Easement.....	29
Section 14.14	Easements Deemed Created	30
Section 14.15	Reservation for Development.....	30

ARTICLE 15	ASSOCIATION AS ATTORNEY-IN-FACT	30
Section 15.1	Appointment	30
Section 15.2	General Authority	30
ARTICLE 16	DAMAGE OR DESTRUCTION.....	30
Section 16.1	The Role of the Executive Board	30
Section 16.2	Estimate of Damages or Destruction	31
Section 16.3	Repair and Reconstruction	31
Section 16.4	Funds for Repair and Reconstruction	31
Section 16.5	Insurance Proceeds Sufficient to Repair.....	31
Section 16.6	Insurance Proceeds Insufficient to Repair; Special Assessment; Remedies for Failure to Pay Special Assessment	31
Section 16.7	Repairs.....	33
Section 16.8	Notice of Damage or Destruction to First Mortgagees.....	33
ARTICLE 17	OBSOLESCENCE	33
Section 17.1	Adoption of Plan; Rights of Owners	33
Section 17.2	Sale of Obsolete Units	34
ARTICLE 18	CONDEMNATION.....	35
Section 18.1	Consequences of Condemnation	35
Section 18.2	Complete Taking	35
Section 18.3	Partial Taking	35
Section 18.4	Reorganization.....	36
Section 18.5	Repair and Reconstruction	36
Section 18.6	Notice of Condemnation.....	36
Section 18.7	Limitations on Actions of Association.....	36
ARTICLE 19	OTHER ASSOCIATION MATTERS.....	36
Section 19.1	Architectural Control.....	36
Section 19.2	General Reservation	37
Section 19.3	Limit on Timesharing.....	37
Section 19.4	Construction Activities.....	37
ARTICLE 20	DECLARANT'S RIGHTS REGARDING TRANSFER	37
ARTICLES 21	DEVELOPMENT PROPERTY AND EXPANSION	37
Section 21.1	Reservation of Development Rights within Development Property.....	37
Section 21.2	Amendment to Declaration and Map.....	38
Section 21.3	Expansion of Definitions.....	38
Section 21.4	Declaration Operative on New Condominium Units	38
Section 21.5	Effect of Development	39
Section 21.6	Expansion of Property	39

Section 21.7	Termination of Development Rights	39
ARTICLE 22	MORTGAGEE'S RIGHTS	39
Section 22.1	Approval Requirements	40
Section 22.2	Title Taken by Mortgagee	40
Section 22.3	Distribution of Insurance or Condemnation Proceeds.....	40
Section 22.4	Right to Pay Taxes and Charges.....	40
ARTICLE 23	MISCELLANEOUS	41
Section 23.1	Restriction on Declarant Powers	41
Section 23.2	Term	41
Section 23.3	Amendment	41
Section 23.4	Unilateral Amendment Rights Reserved by Declarant.....	41
Section 23.5	Recording of Amendments.....	41
Section 23.6	Enforcement	41
Section 23.7	Severability.....	41
Section 23.8	Conflict of Provisions.....	41
Section 23.9	Nonwaiver	42
Section 23.10	Number and Gender.....	42
Section 23.11	Captions.....	42
Section 23.12	Exhibits.....	42

**CONDOMINIUM
DECLARATION FOR
GORE TRAIL AT WILDERNEST**

THIS CONDOMINIUM DECLARATION FOR GORE TRAIL AT WILDERNEST (this "Declaration") dated as of April 19th, 1999, shall be effective upon recordation and is made by Gore Trail at Wildernest LLC, a Colorado limited liability company ("Declarant"). Declarant is the owner of certain real property in Summit County, Colorado, more particularly described on Exhibit A attached and made part of this Declaration by this reference (the "Property"). Declarant hereby makes the following grants, submissions, and declarations:

**ARTICLE I
IMPOSITION OF COVENANTS**

Section 1.1 Purpose. The purpose of this Declaration is to create a residential condominium project referred to as Gore Trail at Wildernest (the "Project") pursuant to the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes, as amended and supplemented from time to time (the "Act"), within the Buildings (as hereinafter defined) and other improvements located on the Property.

Section 1.2 Intention of Declarant. Declarant desires to (a) protect the value and desirability of the Project, (b) further a plan for the improvement, sales, and condominium ownership of the Project, (c) create a harmonious and attractive residential development within the Project, and (d) promote and safeguard the health, comfort, safety, convenience, and welfare of the owners of condominium units within the Project.

Section 1.3 Development and Use. The Project will consist of a maximum of seventy-six (76) condominium units designated for residential use. No condominium units in excess of this maximum number may be established on the Property by subdivision of existing units, conversion of non-condominium space, or otherwise.

Section 1.4 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 1.5 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:

A. "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 is mandatory.

B. "Additional Units" shall have the meaning set forth in Section 21.1 of this Declaration.

C. "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.

D. "Association" means Gore Trail at Wilderrest Association, a Colorado nonprofit corporation, and its successors and assigns.

E. "Association 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.

F. "Buildings" means the buildings (including all fixtures and improvements contained within them) in which Condominium Units and Common Elements are located, including the Recreation Center. Each of the Buildings may hereinafter be individually referred to as a "Building."

G. "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:

1. The Property, excluding improvements on the Property unless specifically described in this subsection;

2. The Buildings (including, but not by way of limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, fireplaces, chimneys, flues, chimney chases, roofs, patios, decks, balconies, corridors, lobbies, vestibules, entrances and exits; and the mechanical installations of the Buildings consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, and heating and central air-conditioning which exist for use by one or more of the Owners, 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; trash rooms and storage rooms; elevators and stairs), except for the Individual Air Space Units;

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

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

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.

The Common Elements shall be owned by the Owners of the separate Condominium Units, each Owner of a Condominium Unit having an undivided interest in the Common Elements as provided below.

H. "Common Expense(s)" means and includes the following:

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

3. All sums lawfully assessed against the Condominium Units by the Executive Board;

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

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

I. "Condominium Map" or "Map" means and includes any engineering survey or surveys of the Property locating the Condominium Units in the Buildings and the Buildings 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, as recorded by Declarant in the office of the Clerk and Recorder of Summit County, Colorado.

J. "Condominium" or "Unit" or "Condominium 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. Condominium Unit is also referred to as a Unit under the Act.

K. "Declarant" means Gore Trail at Wildernest LLC, a Colorado limited liability company, and its successors and assigns. No party other than Gore Trail at Wildernest LLC shall exercise the rights and privileges reserved herein to Declarant unless such party shall receive and

record in the real property records of Summit County, Colorado, a written assignment from Gore Trail at Wildernest LLC of all or a portion of such rights and privileges.

L. "Declaration" means this Condominium Declaration for Gore Trail at Wildernest together with any supplement or amendment to this Declaration, recorded by Declarant in the office of the Clerk and Recorder of Summit County, Colorado.

M. "Development Property" means that certain property described on the Map as Development Property in which Declarant has reserved development rights and in which Declarant has special Declarant rights as further set forth in Article 21 hereof.

N. "Director" means a member of the Executive Board.

O. "Eligible Mortgage Holder" means a First Mortgagee or any insurer or guarantor of a First Mortgage which has notified the Association in writing of its name and address and its status as the holder, insurer or guarantor of a First Mortgage. Such notice shall be deemed to include a request that the Eligible Mortgage Holder be given the notices and other rights described in Article 22 below, regardless of whether such Article requires notice to such party.

P. "Excutive Board" means the governing body of the Association, as provided in this Declaration and in the articles of incorporation and bylaws of the Association.

Q. "First Mortgage" means a Mortgage which 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).

R. "First Mortgagee" means the Mortgagee under a First Mortgage.

S. "General Common Elements" means the Common Elements, except for Limited Common Elements.

T. "Individual Air Space Unit" means that portion of a single Condominium Unit designated for separate ownership by an Owner, depicted on the Map and consisting of enclosed rooms and bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof. For the purpose of defining an Individual Air Space Unit, the terms set forth below shall be defined as follows:

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

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

3. "Unfinished floor" means 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 walls, ceilings, and floors; provided, however, that an Individual Air Space Unit shall not include any of the structural components of the Buildings or utility or service lines located within the Individual Air Space Unit but serving more than one Individual Air Space Unit.

U. "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 Condominium 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, if any, designated as Limited Common Elements serving those particular Individual Air Space Units, parking spaces, if any, designated as Limited Common Elements for particular Condominium Units on the Map, and any individual fireplace chimneys and flues in the Buildings, individual air-conditioning units and fixtures, and individual water and sewer service lines, hot 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. The deck, balcony and/or patio 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.

V. "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.

W. "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 management services for the Project.

X. "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.

Y. "Mortgage" means any unpaid and outstanding mortgage, deed of trust, or other security instrument recorded in the office of the Clerk and Recorder of Summit County,

Colorado, which secures financing for the construction or development of the Project or which encumbers a Condominium Unit.

Z. "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.

AA. "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 Condominium 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 Condominium Unit pursuant to foreclosure or any proceedings in lieu of foreclosure).

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

CC. "Recreation Center" shall have the meaning set forth in Section 21.1 of this Declaration.

DD. "Successor Declarant" means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record executed by both Declarant and the transferee or assignee and recorded in the office of the Clerk and Recorder of Summit County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

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 INTO CONDOMINIUM OWNERSHIP

Section 3.1 Division Into Condominium Units. As of the recording of this Declaration, the Property is hereby divided into forty-two (42) Condominium Units. Each Condominium 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 B. The formula used to establish the allocation of undivided interests is also set forth on Exhibit B. Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Units.

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 B.

Section 3.3 Nonpartitionability of Common Elements. No part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be partitioned or separated from any other part thereof during the period of condominium ownership prescribed in this Declaration. Each Condominium Unit shall always be conveyed, transferred, devised,

bequeathed, encumbered, and otherwise affected only as a complete Condominium Unit. Every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Condominium Unit or any part thereof shall be presumed to be a disposition of the entire Condominium Unit, together with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Association. Except for the rights of Declarant as set forth in Article 21 with respect to the Development Property, any attempted conveyance of an interest in any General Common Elements and/or Limited Common Elements separately from the Unit to which they are appurtenant shall be void.

Notwithstanding the foregoing with respect to all of the Property (excluding the Development Property until it is fully developed so that the Project contains the seventy-six (76) maximum number of Units or until Declarant no longer has any development rights or other special Declarant rights in the Development Property), the Association shall have the right to dedicate, sell or otherwise transfer all or any part of the Common Elements to any public, governmental, or quasi-governmental agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. However, such dedication or transfer of the Common Elements shall not be effective unless an instrument has been signed by at least sixty-seven percent (67%) of the Owners, agreeing to such dedication, sale or transfer. Notwithstanding the preceding sentence, subject to the reservations by Declarant with respect to the Development Property, the granting of easements by a majority of voting Directors of the Executive Board for public utilities, for access by pedestrians or for other public purposes not inconsistent with the intended use of the Common Elements shall not be deemed a transfer requiring such consent of the Owners within the meaning of this Section.

ARTICLE 4 CONDOMINIUM MAP

Section 4.1 Condominium Map. The Map shall be filed for record in the office of the Clerk and Recorder of Summit 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 those portions of the Building or Buildings subject to this Declaration and prior to the conveyance of any Condominium Unit depicted on the Map to a purchaser. The Map shall show the location of the Building or Buildings on the Property; the floor and elevation plans; the location of the Condominium Units within the Building or Buildings, both horizontally and vertically; the thickness of the common walls, if any, between or separating the Condominium Units one from the other, or from Common Elements, as applicable; the Condominium 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 or Buildings and the Condominium Units, the dimensions and, if Declarant directs, the square foot areas of the Condominium 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.

ARTICLE 5 OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS

Section 5.1 General Common Elements. Every Owner and the family members, guests, tenants, and licensees of each Owner shall have a perpetual right and easement of access over, across, and upon the General Common Elements for the purpose of entering and exiting such Owner's Condominium Unit and the public ways for both pedestrian and vehicular travel, and shall be entitled to the use of the Recreation Center and related amenities, which rights and easements shall be appurtenant to and pass with the transfer of title to such Condominium 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 Condominium Map;

5.1.2 The right of the Association to regulate on an equitable basis the use of the Recreation Center, parking spaces and storage spaces which are General Common Elements or Limited Common Elements from time to time;

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

5.1.4 The right of the Association to adopt, from time to time, any and all rules and regulations concerning the Common Elements, including the Recreation Center, as the Association may determine are necessary or prudent, subject to the terms of Section 7.6 and Article 13 hereof; and

5.1.5 The right of Declarant to create additional Units and other improvements constituting Common Elements within the Development Property and to redesignate the General Common Elements therein as reflected within an amendment to the Map and an amendment to the Declaration.

Notwithstanding the foregoing, the Association shall take no action which unreasonably restricts any Owner's or his family members', guests', tenants' or licensees' right and easement of access over, across and upon the General Common Elements to his Unit(s).

Section 5.2 Limited Common Elements.

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

5.2.2 Parking. Individual parking spaces located within the parking areas of the Project and storage spaces may be designated on the Map as Limited Common Elements appurtenant to the Condominium Units and reserved for the exclusive use of the Owners and the tenants, guests, lessees, licensees, permittees and invitees of the Owners of the Condominium Units; provided, however, any such designation shall not be construed as granting any Owner of a Unit the ownership of such parking or storage spaces.

5.2.3 Redesignation of Limited and General Common Elements. Except with respect to the redesignation of the General Common Elements within the Development Property by Declarant as set forth in Article 21, any redesignation of the boundaries of the General Common Elements or of the General Common Elements to Limited Common Elements shall be approved by a majority of voting Directors of the Executive Board. Subject to the provisions of Section 22 below, Declarant hereby reserves the right and grants to the Association the right 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 Condominium Unit. No Owner, whether one or more persons, shall have more than one membership per Condominium Unit owned, but all of the persons owning a Condominium 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 Condominium Unit. However, any Owner may appoint, in a written instrument furnished to the secretary of the Association, a delegate to exercise the rights of such Owner as a member of the Association, and in the event of such appointment, the delegate shall have the power to cast votes on behalf of the Owner as a member of the Association, subject to the provisions of and in accordance with the procedures more fully described in the bylaws of the Association.

Section 6.2 Classes of Membership. There shall be one class of membership in the Association consisting of all Owners of Condominium Units and the Declarant so long as Declarant continues to own an interest in a Condominium Unit.

Section 6.3 Voting Rights. Except as otherwise provided for in this Declaration, each Owner shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one (1) vote for each Condominium Unit. 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 which are required by this Declaration or the Act to be submitted to the vote of the Owners.

Section 6.4 Election of Directors. The Executive Board shall consist of no less than three (3) and no more than seven (7) persons, as provided in the bylaws of the Association. The Directors shall be elected by the Owners.

Section 6.5 Declarant Control. Declarant shall be entitled to appoint and remove the members of the Executive Board and officers of the Association to the extent permitted in the bylaws of the Association and in compliance with 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 Summit County, Colorado. 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 6.6 Owner's and Association's Address for Notices. All Owners of each Unit shall have one and the same mailing address to be registered with the Association and 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 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.

If no address is registered or if all of the Owners cannot agree, then the address set forth in the deed to 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.

Any notice delivered to a First Mortgagee in accordance with the terms of this Declaration shall be sent to the address for such party specified in the First Mortgage unless the First Mortgagee notifies the Association in writing of a different address.

All notices and demands intended to be served upon the Executive Board shall be sent to the following address or such other address as the Executive Board may designate from time to time by notice to all of the Owners:

Executive Board
Gore Trail at Wildernest Association
c/o Wildernest Property Management LLC
204 Wildernest Road
P.O. Box 1069
Silverthorne, Colorado 80498

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 (1) 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 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 the Recreation Center and related improvements (including facilities, furnishings, and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. Such responsibility shall include satisfying the requirements of Summit County, Colorado in connection with the preparation of and compliance with a long term plan for monitoring and maintaining a detention pond and all associated drainage facilities which may be or are a part of the Common Elements, including the preparation of any reports and work which may be required as a part of the County program. 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 Notwithstanding the foregoing, if any Limited Common Element is exclusively allocated to one or more Units, the Owners of such individual Unit(s) shall be responsible for any Limited Common Elements allocated to such Unit(s) (except that parking spaces designated as Limited Common Elements, if any, shall be maintained by the Association in the same manner as the General Common Elements described above), and also responsible for other areas which may be designated for use in connection with the Owner's Condominium Unit, and each Owner shall also be responsible 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, adequate reserve accounts 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 any member of an Owner's family, or by an Owner's guests, invitees, or tenants, 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 Condominium Unit, enforceable by the Association in accordance with Sections 8.10, 8.11 and 8.12 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 one or more Managing Agents, including Declarant. Notwithstanding the delegation by the Executive Board to one or more Managing Agents, the Directors shall not be relieved of their responsibilities under this Declaration.

Section 7.5 Acquiring and Disposing of Personal Property. The Association may acquire, own, and hold tangible and intangible personal property for the use and benefit of all Owners, 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 Condominium Unit. A conveyance of a Condominium 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 Condominium Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium Unit.

Section 7.6 Issuance of Rules and Regulations. The Executive Board may make and amend reasonable rules and regulations governing the use and rental of the Condominium Units and the use of the Common Elements, including the use of the Recreation Center, which rules and regulations shall be substantially consistent with the rights and duties established in this Declaration. 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 7.7 Enforcement of Association 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 Association Documents to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

Section 7.8 Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall collect at the time of the sale of each Condominium Unit an amount equal to three (3) months' installments of annual Assessments at the rate in effect at the time of the sale. The Association shall maintain the working capital funds to meet unforeseen expenditures or to acquire additional equipment or services in connection with the General Common Elements for the benefit of the members of the Association, subject to the budget approval procedures of Section 8.6 below. Such payments to this fund shall not be considered advance payments of annual Assessments. The amount of the

working capital deposit contributed by an Owner shall be returned to such Owner, to the extent such deposit has not been used or restored to the full amount if used, upon the sale of such Owner's Condominium Unit, provided that the new purchaser of the Unit has deposited the required working capital deposit with the Association.

Section 7.9 Implied Rights. The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the other Association 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 Association Documents or reasonably necessary to effectuate any such right or privilege.

Section 7.10 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 Managing Agent or the Executive Board at convenient weekday business hours, as further provided in the bylaws of the Association. 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.

Section 7.11 Limitation Upon Liability of Association. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROJECT, AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 10, 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.

ARTICLE 8 ASSESSMENTS

Section 8.1 Covenant of Personal Obligation of Assessments. Declarant, by creating the Condominium Units pursuant to this Declaration, and every other Owner, by acceptance of the deed or other instrument of transfer of his Condominium Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree 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 Condominium 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 Condominium 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, including the Recreation Center, 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 Association Documents; and

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

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 sixty (60) days 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 Condominium 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 Association 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 Condominium Units in proportion to the respective undivided interests in the Common Elements appurtenant to the Units, as shown in Exhibit B. The total annual Assessments of the Association shall be apportioned among all Condominium Units as provided in this Section.

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 a majority 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 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 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 Condominium Units in proportion to the respective undivided interests in the Common Elements appurtenant to the Units as shown in Exhibit B; provided, however, that any extraordinary insurance costs incurred as a result of the value of a particular Owner's Condominium Unit or the actions of a particular Owner (or such Owner's 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.

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 8), 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 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

Condominium 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 Condominium Unit owned by it.

Section 8.10 Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents or any expense of the Association which is the obligation of an Owner shall become a lien 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 Condominium Unit to which such Assessments apply. To further evidence such lien upon a specific Condominium 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 Summit 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 Condominium 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 Condominium 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 Condominium 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 Condominium 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 Condominium Unit at foreclosure or other legal sale and to acquire and hold, lease, or mortgage the Condominium Unit, and to convey, or otherwise deal with the Unit acquired in such proceedings.

First Mortgagees shall be entitled to cure any delinquency in the payment of Assessments of the Owner of a Condominium Unit encumbered by the First Mortgagee. 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 Condominium Unit to pay all Assessments on the Unit, and notwithstanding the Association's perpetual lien upon a Condominium Unit for such Assessments, all successors in interest to the fee simple title of a Condominium 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 Condominium 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 Condominium 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 Condominium 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; and

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.

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

All other persons not holding liens described in subparts 8.14.1 or 8.14.2 above and obtaining a lien or encumbrance on any Condominium 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 Condominium Unit, including but not limited to a foreclosure sale, except as provided in Section 8.14 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 Condominium Unit from liability for, or the Condominium 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 (furnished in the manner described below for the response to such request) 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 Condominium Unit, or Mortgagee shall be furnished, by personal delivery or by certified mail, first class postage prepaid, 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 Condominium 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 Condominium Unit; and

8.15.4 Any other information deemed proper by the Association.

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 the Owner of any Condominium Unit in the Common Elements.

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 conveyancing documents executed by Declarant in connection with sales or leases to initial purchasers of the Condominium Units, each Owner shall have the exclusive right and duty to paint, tile, 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.

Section 9.2 Responsibility of the Owner. The Owner at the Owner's expense shall maintain and keep in good repair the interior of the Condominium Unit, including the fixtures and utilities located in the Condominium Unit. All fixtures, equipment, and utilities installed and included in an Individual Air Space Unit serving only that 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. An Owner shall also maintain and keep in repair all windows and other glass items related to such Owner's Condominium Unit, any entry door or doors serving such Unit. An Owner shall not 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 Buildings, or impair any easement or hereditament. Crawl spaces within Units may not be used by Owners as storage. Except as otherwise provided in Section 7.1 above, an Owner or class of Owners, shall also have the obligation to maintain and keep in repair all appurtenant Limited Common Elements at such

Owner's or class of Owners' expense. 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, the General Common Elements (including the Recreation Center) and all the Project not required in this Declaration to be maintained and kept in good repair by an Owner, a class or group of Owners or Declarant.

Section 9.4 Owner's Failure to Maintain or Repair. In the event that portions of a Condominium 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 Condominium 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 Condominium Unit to perform such work as is reasonably required to restore the Condominium 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 Condominium Unit, upon demand. All unreimbursed costs shall be a lien upon the Condominium 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 and the Units 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, personal property and other items normally excluded from property policies;

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 as applicable. 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; and

10.1.3 Such other and further insurance that the Executive Board considers appropriate, including insurance on Condominium 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 Section 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 Section 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 No 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 Section 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 First Mortgagees as their interests may appear. Subject to the provisions of Section 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 Section 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 votes 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 Condominium 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 damaged Common Elements 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 shall be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two (2) months' current Assessments plus reserves as calculated from the current budget of the Association. In addition, if

responsibility for handling funds is delegated to a Managing Agent, such bond may be obtained for the Managing Agent and its officers, employees, and agents, as applicable. 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 Worker's Compensation Insurance. If the Association has employees, 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 and officers against any liability asserted against a Director or officer or incurred by him in his capacity of or arising out of his status as a Director or officer. 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 Condominium 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 Condominium Unit caused by any improvement to the Condominium 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 Condominium 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 CONDOMINIUM UNITS

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

Section 11.2 Contracts to Convey and Conveyances Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Condominium Map and this Declaration, contracts to convey, instruments of conveyance of Condominium Units, and every other instrument affecting title to a Condominium 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:

Condominium Unit _____, Gore Trail at Wilderrest, according to the Condominium Map recorded April 9th, 1999, at Reception No 592485 and as defined and described in the Condominium Declaration for Gore Trail at Wilderrest, recorded April 9th, 1999, at Reception No 592486 in the office of the Clerk and Recorder of Summit County, Colorado (with applicable recording information inserted herein).

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 Condominium 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 Condominium 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 Condominium Map for record in Summit County, Colorado, Declarant shall deliver a recorded copy of this Declaration and the Map to the Assessor of Summit County, Colorado, as provided by law, which notice shall set forth the descriptions of the Condominium Units, including the interest in the Common Elements appurtenant to the Unit, 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 Condominium 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 Condominium 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 Condominium 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 Condominium Unit shall be confined to such Owner's Individual Air Space Unit and to the appurtenant undivided interest in the Common Elements. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium 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 Condominium 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 Condominium 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 Condominium Unit against the Condominium 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 Condominium 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 Condominium 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 Condominium Unit, and enforceable by the Association in accordance with Sections 8.10, 8.11 and 8.12 above.

ARTICLE 13 USE RESTRICTIONS

Section 13.1 Use of Condominium Units. All Units shall be used for dwelling and lodging purposes only, in conformity with all zoning laws, ordinances and regulations. Owners of Condominium Units may rent or lease such Units to others, on a long term or short term basis, for these purposes and may use the Condominium Units for home occupations which do not

cause unreasonable disturbance to other Owners and which are permitted by applicable zoning codes. All Owners will be subject to any rules and regulations of the Association. Any such lease shall expressly state that the tenancy is subject to all of the terms and conditions of this Declaration. Notwithstanding the foregoing, Declarant may use any Condominium Unit as a sales office, management office, rental management office, storage facility and/or such other uses as may be permitted under the Act.

Section 13.2 Conveyance of Condominium Units. All Condominium 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 Condominium 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 Condominium 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 member of the Owner's family, or by any guest, invitee, 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, the members of his family, or his guests, invitees, 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 Condominium 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 Sections 8.10, 8.11 and 8.12 above.

Section 13.5 Vehicular Parking and Storage. Except for sales and construction trailers permitted by the terms of this Declaration, no house trailer, camper, camping trailer, boat trailer, hauling trailer, other trailer of any kind, van, snowmobile, motorcycle, boat, or accessories thereto, truck (larger than 3/4 ton), self-contained motorized recreational vehicle or motor home, other type of recreational vehicle, motor home or recreational equipment, or other motor vehicle (except a passenger car) may be parked or stored within the Project. This restriction, however, shall not restrict trucks or other commercial vehicles within the Project which are necessary for construction or for the maintenance of the Common Elements, Units, or any improvements thereto, which vehicles may be restricted by the Association. No vehicles may be parked on

roads or streets within the Project. The prohibition in this paragraph against the parking of self-contained motorized recreational vehicles and motor homes within the Project shall not be amended without the approval of Summit County, Colorado.

ARTICLE 14 EASEMENTS

Section 14.1 Easement of Enjoyment. Subject to the rights of Declarant with respect to the Development Property as set forth in Article 21, 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 Condominium Unit, subject to the easements set forth in this Article.

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

Section 14.3 Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat affecting the Property, and as shown on the recorded Condominium Map. The recording data for recorded easements and licenses 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 Condominium 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 on 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; and

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 14.4 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Building or any Condominium Unit constructed on the Property, by error in the Condominium 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 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 within the Common Elements for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, consistent with the condominium 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 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 14.8 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 14.9 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 14.10 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. In addition, an easement is hereby created for such Common Elements as they currently exist within the Individual Air Space Units. 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 14.11 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 family members, guests, or invitees of an Owner. Declarant, for itself and its successors and assigns, hereby retains a right to maintain any Condominium Unit or Units as sales offices, management offices or model residences so long as Declarant, or any successor to the rights of Declarant under this Declaration, continues to be an Owner of a Condominium Unit. The use by Declarant of any Unit as a model residence, office or other use shall not affect the Unit's designation on the Map as a separate Unit.

Section 14.12 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, storage areas, conference areas, and recreational areas for use by the Association within the Common Elements subject to all rules and regulations established under this Declaration and subject to Declarant's rights in connection with the Development Property as set forth in Article 21 herein. The Association shall also have the right (but not the obligation) to purchase and own any Condominium 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 Condominium Unit shall be part of the Common Expenses.

Section 14.13 Remodeling Easement. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the Buildings 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 Condominium 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.

connection with such development of the Development Property by Declarant, including the Additional Units and the Recreation Center, shall be consistent with the original improvements in structure type and quality of construction and shall be substantially completed prior to being created by an amendment to this Declaration and to the Map.

Section 21.2 Amendments to Declaration and Map. Such development by Declarant may be accomplished by the filing for record by Declarant in the office of the Clerk and Recorder for Summit County, Colorado, of one or more amendments to the Declaration and to the Map depicting that portion of the Development Property on which Additional Units and/or the Recreation Center, as applicable, have been constructed. Any amendment to the Declaration shall set forth the Building(s) and real property which has been developed by Declarant. The development contemplated within the Development Property, which shall permit no more than thirty-four (34) additional Condominium Units and the Recreation Center within the Project, may be accomplished in stages by successive amendments or in one amendment. Declarant may exercise such rights for development on all or any portion of the Development 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 Condominium Units initially submitted to this Declaration.

Section 21.3 Expansion of Definitions. In the event of such development by Declarant within the Development Property, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Additional Units and Common Elements developed therein. For example, "Condominium Unit" shall mean the Condominium Units as shown on the Map plus any Additional Units added by an amendment to the Declaration and the Map, and reference to this Declaration shall mean this Declaration as amended. All conveyances of Condominium Units shall be effective to transfer rights in the Property as developed.

Section 21.4 Declaration Operative on New Condominium Units.

21.4.1 The Additional Units developed by Declarant within the Development Property shall be subject to all of the terms and conditions of this Declaration and of any amendment to the Declaration upon placing the amendment to the Map depicting the Development Property and the amendment to the Declaration of public record in the real estate records of Summit County, Colorado.

21.4.2 It is contemplated that additional Condominium 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 Condominium Units. In the event that a portion of the Development Property is developed in accordance with the provisions of this Declaration, Declarant shall retain the right to, but shall not be obligated to, develop any additional portion of the Development Property. The rights of Declarant and any Successor Declarant, as described herein, shall apply to all Condominium Units which are added to this Declaration in accordance with these provisions.

21.4.3 No rights of any character of any owner in units in the Development Property shall attach until an amendment to the Declaration and an amendment to the Map are

Section 14.14 Easements Deemed Created. All conveyances of Condominium 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.

Section 14.15 Reservation for Development. Declarant hereby reserves to itself for the benefit of the Association and Owners in all future phases of the Project an easement and right-of-way over, upon and across the Property for construction, utilities, drainage, and ingress to and egress from the Development Property, and other 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 on the Development Property or the remainder of 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 Project 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, Summit County, Colorado.

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 the General 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 Condominium Units unless covered by insurance obtained by the Association. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his 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, and if such damage is not more than seventy percent (70%) of the total replacement cost of all of the Condominium 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 Condominium Units. 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 16.6 shall be a debt of each Owner and a lien on the Owner's Condominium 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 Condominium 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 Condominium Unit of the delinquent Owner shall be sold by the Association as attorney-in-fact pursuant to the provisions of this Section 16.6. The 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 Condominium 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 Condominium Unit;

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

16.6.4 For payment of junior Mortgages affecting the Condominium 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 Condominium 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 Condominium 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 Condominium 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, 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 Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the Condominium 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 Condominium 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 Condominium 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 Association Documents.

Section 16.8 Notice of Damage or Destruction to First Mortgagees. 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, a copy of such plan shall be recorded in the office of the Clerk and Recorder of Summit 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 such Owner's Condominium 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 15-day period within which to cancel such plan. If such plan is not canceled, the Condominium 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 on the fair market value of the Unit, they shall appoint another appraiser to be umpire between them, if they can agree on such person, which umpire shall independently determine the fair market value of the Unit in the case of continued disagreement. If the two appraisers 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 Condominium 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 Summit 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 Condominium 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 Condominium Unit. Each such account shall be in the name

of the Association, and shall be further identified by the Condominium 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 condominium 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 interest 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 condominium 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 General Common Elements;

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

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

Section 19.1 Architectural Control.

19.1.1 No exterior addition to or change or alteration to a Condominium Unit shall be made until the plans and specifications showing the nature, kind, shape, height, color,

materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Executive Board of the Association.

19.1.2 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 19.2 General Reservation. Subject to any applicable restrictions under the Act, Declarant reserves the right to dedicate any access roads and streets serving the Property for and to public use and to allow such street or road to be used by owners of adjacent land.

Section 19.3 Limit on Timesharing. No Owner of any Condominium Unit shall offer or sell any interest in such Condominium Unit under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Association.

Section 19.4 Construction Activities. Each Owner is hereby advised that substantial construction-related activities relating to the development of Gore Trail at Wildernest or other development near Gore Trail at Wildernest may cause considerable noise, dust and other inconveniences to the Owners.

ARTICLE 20 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, only by written instrument executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and Recorder of Summit County, Colorado. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

ARTICLE 21 DEVELOPMENT PROPERTY AND EXPANSION

Section 21.1 Reservation of Development Rights within Development Property.

21.1.1 Declarant reserves the right for itself and any Successor Declarant to further develop that certain portion of the Property denoted on the Map as the Development Property. Declarant shall be entitled to construct, at its own cost, four (4) additional Buildings on the Development Property, three (3) of which shall contain up to a maximum of thirty-four (34) additional Units ("Additional Units") and any Common Elements within such Buildings, and one (1) of which shall be a recreational facility ("Recreation Center"). In constructing the Additional Units, the Recreation Center and any related improvements on the Development Property, Declarant shall be entitled to modify the boundaries of the Common Elements constituting the Development Property as shown on the Map. Any improvements made in

filed of record describing the units constructed in such area within the Project. Upon the recording of such amendment to the Declaration and the amendment to the Map, the units constructed in the area shall be deemed to be governed in all respects by the provisions of this Declaration.

Section 21.5 Effect of Development.

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

21.5.2 Notwithstanding any inclusion of additional Condominium Units under this Declaration, each Owner (regardless of whether such Owner is the owner of a Condominium Unit shown on the original Map, or is the owner of a Condominium Unit constructed in the Development 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 an amendment to the Declaration or amendment of the Map shall not alter the amount of the Common Expenses assessed to a Condominium Unit prior to such recording.

Section 21.6 Expansion of Property. 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.

Section 21.7 Termination of Development Rights. The rights reserved to Declarant for itself, its successors and assigns for the development of the Development Property ("Development Rights") shall expire twenty (20) years from the date of recording this Declaration, unless terminated earlier pursuant to the terms and provisions of the Act, or unless the 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 Development Rights by Declarant.

**ARTICLE 22
MORTGAGEE'S 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 22.1 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 encumbering a Unit), and at least 67% of the Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to:

22.1.1 By act or omission seek to abandon, partition, subdivide, sell, or transfer all or part of the Common Elements (provided, however, that the exercise of Declarant's rights with respect to the Development Property under Article 21 and 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);

22.1.2 Subject to the development rights of Declarant set forth in Article 21, change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner;

22.1.3 Fail to maintain insurance required to be maintained under this Declaration; or

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

Section 22.2 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 (a) is acquired, or (b) 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 22.3 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 22.4 Right to Pay Taxes and Charges. Mortgagees who hold First Mortgages against Units 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 23 MISCELLANEOUS

Section 23.1 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 23.2 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 23.3 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 sixty-seven percent (67%) or more of the Owners, subject, however, to any other provisions of this Declaration requiring the consent of a certain percentage of First Mortgagees.

Section 23.4 Unilateral Amendment Rights Reserved by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration to the fullest extent permitted under the Act.

Section 23.5 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 Summit 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 Condominium Units were obtained and are on file in the office of the Association.

Section 23.6 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other Association 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 23.7 Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 23.8 Conflict of Provisions. In case of any conflict between this Declaration and the articles of incorporation or the bylaws of the Association, this Declaration shall control. In case of any conflict between the articles of incorporation and the bylaws, the articles of incorporation shall control. The foregoing to the contrary notwithstanding, in the event of any

inconsistency between this Declaration or the articles of incorporation or the bylaws, on the one hand, and the Act, on the other, then in all events the Act shall control.

Section 23.9 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 23.10 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 23.11 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 23.12 Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Executed as of the ___ day of April, 1999.

GORE TRAIL AT WILDERNEST LLC, a Colorado limited liability company

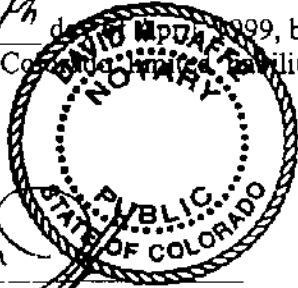
By *Andy C. Wallace*
Andy C. Wallace, Manager

STATE OF COLORADO)
) ss.
COUNTY OF Front)

The foregoing instrument was acknowledged before me this 6th day of April, 1999, by Andy C. Wallace as Manager of Gore Trail at Wilderdest LLC, a Colorado limited liability company.

WITNESS my hand and official seal.
My commission expires 8/21/2001
[SEAL]

David M. [Signature]
Notary Public
My Commission Expires 08/21/2001



JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated October 7, 1998, and recorded October 8, 1998, at Reception No. 577841 in the office of the Clerk and Recorder of Summit County, Colorado, as amended and supplemented from time to time (the "Norwest Deed of Trust"), for itself and its successors and assigns, approves the foregoing Condominium Declaration for Gore Trail at Wildernest, affecting the Property encumbered by the Norwest Deed of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to the Norwest Deed of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by that Declaration.

NORWEST BANK COLORADO, NATIONAL ASSOCIATION

By: Daniel V. Sheehan
Daniel V. Sheehan, Vice President

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 6 day of April, 1999, by Daniel V. Sheehan as Vice President of Norwest Bank Colorado, National Association.

WITNESS my hand and official seal
My commission expires My Commission Expires July 11, 2000



Dickinson
Notary Public

JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated August 3, 1998, and recorded August 5, 1998, at Reception No. 571955 in the office of the Clerk and Recorder of Summit County, Colorado, as amended and supplemented from time to time (the "ISL Deed of Trust"), for itself and its successors and assigns, approves the foregoing Condominium Declaration for Gore Trail at Wildemest, affecting the Property encumbered by the ISL Deed of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to the ISL Deed of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by that Declaration.

INCLUSIVE SOLUTIONS LLC

By: Raydean Acevedo
Name: RAYDEAN ACEVEDO
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 6th day of April, 1999, by RAYDEAN ACEVEDO as PRESIDENT of Inclusive Solutions LLC.

WITNESS my hand and official seal.
My commission expires 8/24/2001.

[SEAL]

Will M. [Signature]
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lots 19 and 25, Wildernest Filing No. 2 according to the Plat thereof recorded June 8, 1971 at Reception No. 120793, County of Summit, State of Colorado.

EXHIBIT B

OWNERS' INTERESTS IN COMMON ELEMENTS

BUILDING NO. 1

<u>Unit No.</u>	<u>% Interest in GCE</u>
Unit A1	.022381
Unit A2	.022381
Unit A3	.022381
Unit A4	.022381
Unit A5	.022381
Unit A6	.022381
Unit A7	.022381
Unit B1	.025238
Unit B2	.025238
Unit B3	.025238
Unit B4	.025238
Unit B5	.025238
Unit B6	.025238
Unit B7	.025238

BUILDING NO. 2

<u>Unit No.</u>	<u>% Interest in GCE</u>
Unit A1	.022381
Unit A2	.022381
Unit A3	.022381
Unit A4	.022381
Unit A5	.022381
Unit A6	.022381
Unit A7	.022381
Unit B1	.025238
Unit B2	.025238
Unit B3	.025238
Unit B4	.025238
Unit B5	.025238
Unit B6	.025238
Unit B7	.025238

BUILDING NO. 3

<u>Unit No.</u>	<u>% Interest in GCE</u>
Unit A1	.022381
Unit A2	.022381
Unit A3	.022381
Unit A4	.022381
Unit A5	.022381
Unit A6	.022381
Unit A7	.022381
Unit B1	.025238
Unit B2	.025238
Unit B3	.025238
Unit B4	.025238
Unit B5	.025238
Unit B6	.025238
Unit B7	.025238
	<hr/>
	100%

The formula used to establish such allocation of ownership interests and assessments is based upon equal assessments for all Units with two bedrooms and equal assessments for all Units with two bedrooms plus a loft.

EXHIBIT C

EASEMENTS, LICENSES AND TITLE MATTERS

1. Unpatented mining claims: reservations or exceptions in Patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
2. Reservations and exceptions in Patents and in Acts authorizing their issuance as the same may affect the subject property and, specifically, the rights 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 and subject to such rights for pipe lines as Buffalo Placer Mining and Milling Company may have under the act of February 1, 1905, as set forth in that certain U.S. Patent filed in Book 105 at Page 482.
3. Dedications and Easements set forth on the Plat of Wildernest Filing No. 2 filed June 8, 1971 under Reception No. 120793.
4. Terms, Conditions and Provisions contained in Protective Covenants for Wildernest Filing No. 2 recorded May 20, 1971 under Reception No. 120553.
5. Terms, Conditions and Provisions contained in Resolution No. 92-1 recorded January 17, 1992 under Reception No. 416133.
6. Terms, Provisions, Conditions, Easements and Restrictions created by and set forth in the Wildernest Planned Unit Development (PUD) Declaration and the Amendments thereto filed November 4, 1992 under Reception Nos. 431845 and 431846.
7. Terms, Conditions and Provisions contained in Wildernest Road Improvements Agreement recorded January 12, 1982 under Reception No. 234543, and the Addendum thereto recorded January 14, 1991 under Reception No. 398538.
8. Terms, Conditions and Provisions contained in Resolution No. 94-130 recorded January 4, 1995 under Reception No. 483861.
9. Terms, Conditions and Provisions contained in Wildernest General Information As To Protective Covenants For All Lots In Wildernest recorded May 22, 1995 under Reception No. 491510.
10. Terms, Conditions and Provisions contained in Site Improvement Plan Improvements Agreement for Public/Private Development recorded June 12, 1998 under Reception No. 567658.
11. Terms, Conditions and Provisions contained in Resolution No. 98-23 approving a Site Plan recorded July 8, 1998 under Reception No. 569622.

12. Terms, Conditions and Provisions contained in Broadband Easement and Right of Entry Agreement recorded December 28, 1998 under Reception No. 584816.
13. Dedications and Easements set forth on the Condominium Map for Gore Trail at Wildernest filed April 9th, 1999 under Reception No. 592485