



1090316

Kathleen Neel—Summit County Recorder

81 Pages

8/31/2015 8:58 AM

DF: \$0.00

**CONDOMINIUM DECLARATION
AND PLAN OF VACATION OWNERSHIP
FOR
GRAND COLORADO ON PEAK 8**

Table of Contents

ARTICLE 1 IMPOSITION OF COVENANTS	1
Section 1.1. Purpose.....	1
Section 1.2. Name.....	1
Section 1.3. Condominium Declaration.....	1
Section 1.4. Covenants Running With the Land.....	1
ARTICLE 2 DEFINITIONS.....	1
Section 2.1. "Act".....	1
Section 2.2. "Additional Improvements"	2
Section 2.3. "Additional Reserved Rights"	2
Section 2.4. "Allocated Interests"	2
Section 2.5. "Applicable Laws"	2
Section 2.6. "Articles of Incorporation".....	2
Section 2.7. "Assessments"	2
Section 2.8. "Association"	2
Section 2.9. "Administrative Unit"	2
Section 2.10. "Board of Directors"	2
Section 2.11. "Budget".....	2
Section 2.12. "Bylaws"	2
Section 2.13. "Class".....	2
Section 2.14. "Class Committee".....	2
Section 2.15. "Commercial Activities"	2
Section 2.16. "Commercial Owner"	2
Section 2.17. "Commercial Unit"	2
Section 2.18. "Common Elements".....	3
Section 2.19. "Common Expenses"	3
Section 2.20. "Common Expense Liability"	4
Section 2.21. "Condominium Documents"	4
Section 2.22. "Costs of Enforcement".....	4
Section 2.23. "Deck LCE"	4
Section 2.24. "Declarant".....	4
Section 2.25. "Declaration"	4
Section 2.26. "Deed".....	4
Section 2.27. "Default Assessment"	4
Section 2.28. "Development Rights"	4

Section 2.29.	"Eligible First Mortgagee"	4
Section 2.30.	"Expansion Property"	5
Section 2.31.	"First Mortgagee"	5
Section 2.32.	"Governing Documents"	5
Section 2.33.	"Improvement(s)"	5
Section 2.34.	"Limited Common Elements"	5
Section 2.35.	"Majority of Owners"	5
Section 2.36.	"Management Agreement"	5
Section 2.37.	"Managing Agent"	5
Section 2.38.	"Map"	5
Section 2.39.	"Master Association"	6
Section 2.40.	"Master Association Documents"	6
Section 2.41.	"Master Common Elements"	6
Section 2.42.	"Nonprofit Act"	6
Section 2.43.	"Occupant"	6
Section 2.44.	"One-bedroom Unit"	6
Section 2.45.	"Owner"	6
Section 2.46.	"Period of Declarant Control"	6
Section 2.47.	"Person"	6
Section 2.48.	"Plan of Vacation Ownership"	6
Section 2.49.	"Project"	6
Section 2.50.	"Property"	6
Section 2.51.	"Real Estate"	7
Section 2.52.	"Records"	7
Section 2.53.	"Reserved Declarant Rights"	7
Section 2.54.	"Residential Owner"	7
Section 2.55.	"Residential Unit"	7
Section 2.56.	"Rules and Regulations"	7
Section 2.57.	"Restroom LCE"	7
Section 2.58.	"Security Interest"	7
Section 2.59.	"Special Declarant Rights"	7
Section 2.60.	"Suite"	7
Section 2.61.	"Total Voting Power"	7
Section 2.62.	"Unit"	7
Section 2.63.	"VSR"	8
Section 2.64.	"Withdrawn Property"	8
ARTICLE 3.....		8
DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP		8

Section 3.1.	Division Into Units.....	8
Section 3.2.	Delineation of Unit Boundaries.	8
Section 3.3.	Inseparability of Unit.	8
Section 3.4.	Non-Partitionability of Common Elements.	9
Section 3.5.	Subdivision of Units; Relocation of Boundaries Between Adjoining Units.	9
Section 3.6.	WARRANTY LIMITATION.	9
ARTICLE 4.....		9
ALLOCATED INTERESTS		9
Section 4.1.	Allocation of Interests.....	9
Section 4.2.	Formula for the Allocation of Percentage Interest.	9
Section 4.3.	Rounding Convention.	10
Section 4.4.	Effective Date of Reallocation.	10
ARTICLE 5.....		10
CONDOMINIUM MAP		10
ARTICLE 6.....		11
LEGAL DESCRIPTION AND TAXATION OF UNITS		11
Section 6.1.	Contracts to Convey Prior to Recording of Declaration and Map.	11
Section 6.2.	Contracts to Convey Subsequent to Recording of Declaration and Map.....	11
Section 6.3.	Conveyance Deemed to Include an Undivided Interest in Common Elements.	11
Section 6.4.	Separate Tax Assessments.	11
ARTICLE 7.....		11
MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION		11
Section 7.1.	Association Membership.....	11
Section 7.2.	Voting Rights and Meetings.	12
Section 7.3.	Meeting to Approve Annual Budget.	12
Section 7.4.	Transfer Information.	12
Section 7.5.	Declarant Control of the Association.....	12
Section 7.6.	Required Election of Owners.....	13
Section 7.7.	Requirements for Turnover of Declarant Control.	13
Section 7.8.	Classes of Membership.	13
Section 7.9.	Reserved Powers: Directions to Board of Directors.	13
ARTICLE 8.....		14
ASSOCIATION POWERS AND DUTIES		14
Section 8.1.	Association Management Duties.....	14
Section 8.2.	Association Powers.....	14
Section 8.3.	Actions by Board of Directors.	16
Section 8.4.	Board of Directors Meetings.....	16
Section 8.5.	Right to Notice and Hearing.	17

Section 8.6.	Payments to Working Capital Account.....	17
Section 8.7.	LIMITATION ON ASSOCIATION LIABILITY.	17
ARTICLE 9.....		17
ASSESSMENTS.....		17
Section 9.1.	Commencement of Annual Assessments.....	17
Section 9.2.	Annual Assessments.	17
Section 9.3.	Apportionment of Annual Assessments.....	17
Section 9.4.	Common Expenses for Commercial Units.....	18
Section 9.5.	Deck LCE.....	18
Section 9.6.	Central Mechanical Equipment.....	19
Section 9.7.	Disputes Regarding Apportionment of Assessments.....	19
Section 9.8.	Special Assessments.	20
Section 9.9.	Due Dates for Assessment Payments.....	21
Section 9.10.	Default Assessments.	21
Section 9.11.	Covenant of Personal Obligation for Assessments.	21
Section 9.12.	Lien for Assessments; Assignment of Rents.....	21
Section 9.13.	Remedies for Nonpayment of Assessments.....	22
Section 9.14.	Purchaser's Liability for Assessments.....	22
Section 9.15.	Waiver of Homestead Exemption; Subordination of Lien for Assessments.....	22
Section 9.16.	Statement of Status of Assessments.....	23
Section 9.17.	Liens.....	23
ARTICLE 10.....		24
MAINTENANCE RESPONSIBILITY		24
Section 10.1.	Rights and Duties of Owners.	24
Section 10.2.	Owner's Negligence.	24
Section 10.3.	Responsibility of the Association.	24
ARTICLE 11.....		25
MECHANICS' LIENS		25
Section 11.1.	Mechanics' Liens.....	25
Section 11.2.	Enforcement by the Association.	25
ARTICLE 12.....		25
USE RESTRICTIONS.....		25
Section 12.1.	Use of Units.	25
Section 12.2.	Use of Common Elements.	25
Section 12.3.	Commercial Activities.	26
Section 12.4.	Exclusive Use.....	26
Section 12.5.	Prohibition of Increases in Insurable Risks and Certain Activities.....	26
Section 12.6.	Structural Alterations and Exterior Appearance.	26

Section 12.7. Pet and Use Restrictions.	27
Section 12.8. Limit on Timesharing.....	27
Section 12.9. Restriction on Signs.	27
Section 12.10. Restrictions on Use of Parking and Storage Areas.	27
Section 12.11. Liquor License.	28
ARTICLE 13.....	28
OTHER ASSOCIATION MATTERS	28
Section 13.1. Locker/First Aid Unit.....	28
Section 13.2. Development of Peak 8 Base Area.....	28
Section 13.3. Peak 8 Activities.	29
ARTICLE 14.....	30
EASEMENTS.....	30
Section 14.1. Easement of Enjoyment; Common Elements.	30
Section 14.2. Easement of Enjoyment; Limited Common Elements.....	30
Section 14.3. Delegation of Use.....	30
Section 14.4. Recorded Easements.	30
Section 14.5. Easements for Encroachments.	30
Section 14.6. Utility Easements.	31
Section 14.7. Emergency Access Easement.....	31
Section 14.8. Maintenance Easement.	31
Section 14.9. Easements of Access for Repair, Maintenance, and Emergencies.....	31
Section 14.10. Reservation of Air Rights and Rights in Subjacent Areas.	32
Section 14.11. Easements Deemed Created.....	32
Section 14.12. Easement for Warranty Work.	32
Section 14.13. Additional Easements.	32
ARTICLE 15.....	33
SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS	33
Section 15.1. Special Declarant Rights.....	33
Section 15.2. Additional Reserved Rights.	34
Section 15.3. Limitations on Special Declarant Rights and Additional Reserved Rights.	34
Section 15.4. Interference with. Special Declarant Rights or Additional Reserved Rights.	34
Section 15.5. Rights Transferable.....	34
ARTICLE 16.....	35
RESERVATION OF DEVELOPMENT RIGHTS.....	35
Section 16.1. Expansion Rights.	35
Section 16.2. Development and Withdrawal Rights.	35
Section 16.3. Amendment of Declaration.	35
Section 16.4. Supplement to the Map.	35

Section 16.5. Interpretation.....	36
Section 16.6. Maximum Number of Units.....	36
Section 16.7. Construction Easement.....	36
Section 16.8. Reciprocal Easements.....	36
Section 16.9. Termination of Development Rights.....	37
Section 16.10. Interference With Development Rights.....	37
Section 16.11. Transfer of Development Rights.....	37
ARTICLE 17.....	37
INSURANCE.....	37
Section 17.1. Coverage.....	37
Section 17.2. Required Provisions.....	38
Section 17.3. Claims by Owner.....	39
Section 17.4. Adjustment of Claims.....	39
Section 17.5. Copies of Policies.....	39
ARTICLE 18.....	39
RESTORATION UPON DAMAGE OR DESTRUCTION.....	39
Section 18.1. Duty to Restore.....	39
Section 18.2. Cost.....	40
Section 18.3. Plans.....	40
Section 18.4. Replacement of Less Than Entire Property.....	40
Section 18.5. Insurance Proceeds.....	40
Section 18.6. Certificates by the Board of Directors.....	40
Section 18.7. Certificates by Attorneys or Title Insurance Companies.....	40
ARTICLE 19.....	41
CONDEMNATION.....	41
ARTICLE 20.....	41
MORTGAGEE PROTECTIONS.....	41
Section 20.1. Introduction.....	41
Section 20.2. Percentage of First Mortgagees.....	41
Section 20.3. Notice of Actions.....	41
Section 20.4. Consent Required.....	42
Section 20.5. Notice of Objection.....	42
Section 20.6. First Mortgagees' Rights.....	42
Section 20.7. Limitations on First Mortgagee's Rights.....	43
Section 20.8. Reserved Declarant Rights.....	43
Section 20.9. Lien Protection for Mortgagees.....	43
ARTICLE 21.....	43
DURATION OF COVENANTS; AMENDMENT AND TERMINATION.....	43

Section 21.1.	Term.....	43
Section 21.2.	Amendment of Declaration.....	43
Section 21.3.	Amendment of Other Condominium Documents.....	44
Section 21.4.	Execution of Amendments; Expenses.....	44
Section 21.5.	When Modifications Permitted.....	44
Section 21.6.	Recording of Amendments.....	44
Section 21.7.	Rights of Declarant.....	45
Section 21.8.	Rights of Vail Summit Resorts.....	45
Section 21.9.	Rights of Eligible First Mortgagees.....	45
Section 21.10.	Termination of the Project.....	45
ARTICLE 22.....		45
PLAN OF VACATION OWNERSHIP.....		45
Section 22.1.	Submission of Units to the Plan of Vacation Ownership.....	45
Section 22.2.	Definitions.....	46
Section 22.3.	Submission of Unit to the Plan of Vacation Ownership.....	47
Section 22.4.	Conveyance by Purchaser.....	47
Section 22.5.	Legal Description of a Vacation Estate.....	48
Section 22.6.	Administration and Management.....	48
Section 22.7.	Powers and Duties of the Association with Respect to Vacation Estates.....	48
Section 22.8.	Vacation Assessment.....	49
Section 22.9.	Acceptance; Enforcement; Indemnification.....	50
Section 22.10.	Factors Pertaining to Floating Vacation Estates.....	51
Section 22.11.	Biennial Vacation Estate.....	52
Section 22.12.	Combination and Reconveyance.....	53
Section 22.13.	Right of Repurchase.....	53
ARTICLE 23.....		54
MISCELLANEOUS.....		54
Section 23.1.	Enforcement.....	54
Section 23.2.	Notices.....	54
Section 23.3.	Nonwaiver.....	54
Section 23.4.	Severability.....	54
Section 23.5.	Number and Gender.....	54
Section 23.6.	Captions.....	54
Section 23.7.	Conflicts in Legal Documents.....	54
Section 23.8.	Exhibits.....	55
Section 23.9.	Choice of Law.....	55
Section 23.10.	Third Party Beneficiary.....	55

LIST OF EXHIBITS

Exhibit A	Legal Description
Exhibit B	Allocated Interests
Exhibit C	Easements and License of Record
Exhibit D	Legal Description of Expansion Property
Exhibit E	Units Submitted to the Plan of Vacation Ownership
Exhibit F	Seasonal Calendar
Exhibit G	Issues for Class Voting

**CONDOMINIUM DECLARATION AND PLAN OF VACATION OWNERSHIP
FOR
GRAND COLORADO ON PEAK 8**

THIS CONDOMINIUM DECLARATION AND PLAN OF VACATION OWNERSHIP FOR GRAND COLORADO ON PEAK 8 (the "Declaration") dated August 25, 2015, shall be effective upon recordation and is made by Peak 8 Properties 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 hereto and incorporated herein by this reference (the "Property"). Declarant hereby makes the following grants, submissions, and declarations:

ARTICLE 1 IMPOSITION OF COVENANTS

Section 1.1. Purpose. This Declaration hereby creates a condominium project (the "Project") by submitting the Property to the condominium form of ownership and use pursuant to the provisions of the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes (the "Act") and the provisions of Sections 38-33-110 to 38-33-113 of the Colorado Condominium Ownership Act as set forth in Article 33, Title 38, Colorado Revised Statutes, to elect to have the Property treated as a common interest community and thereby subject the Project to the provisions of the Act and not to the general common law of tenancy-in-common, and to establish a uniform plan for the development, sale and ownership of Units and Vacation Estates. The Residential Units may be committed to a plan of fractional ownership (sometimes referred to herein as a plan of vacation ownership or "Plan") under Colorado law.

Section 1.2. Name. The name by which this condominium is to be identified for legal description purposes is GRAND COLORADO ON PEAK 8 (the "Condominium"). The Condominium may utilize such other names for marketing purposes as the Declarant or, after the Declarant Control Period, the Association, as hereinafter defined, may determine.

Section 1.3. Condominium 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 condominium ownership under 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, 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 1.4. Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land, or as 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 expressly requires otherwise:

Section 2.1. "Act" means the Colorado Common Interest Ownership Act as defined in ARTICLE 1 hereof. In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable to this Declaration.

Section 2.2. "Additional Improvements" has the meaning set forth in Section 16.2.

Section 2.3. "Additional Reserved Rights" has the meaning set forth in Section 15.2.

Section 2.4. "Allocated Interests" means the undivided interest in the Common Elements and the Common Expense Liability and the votes in the Association allocated to each of the Units in the Project. The formulae used to establish the Allocated Interests are described in ARTICLE 4. The Allocated Interests for each Unit are set forth on Exhibit B attached hereto and incorporated herein by this reference.

Section 2.5. "Applicable Laws" has the meaning set forth in Section 3.5.

Section 2.6. "Articles of Incorporation" means the Articles of Incorporation of Grand Colorado on Peak 8 Owners Association, Inc. filed with the Colorado Secretary of State, as amended from time to time.

Section 2.7. "Assessments" means the annual, special, Default Assessments and Vacation Assessments levied pursuant to this Declaration.

Section 2.8. "Association" means Grand Colorado on Peak 8 Owners Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

Section 2.9. "Administrative Unit" means any Unit designated with the prefix "A" or designated as an Administrative Unit in the Declaration or on the Map for use exclusively in connection with the administration and operation of the Project, or to serve the convenience of Owners, renters and guests, who are staying in the Project. An Administrative Unit may be given as collateral security to the holder of a blanket mortgage on the Project. The Declarant may elect to convey the Administrative Units to the Association, but may not convey them to a third party, except in connection with the sale and assignment of Declarant's interest in the Project.

Section 2.10. "Board of Directors" or "Board" means the governing body of the Association, as provided in this Declaration and in the Articles of Incorporation and Bylaws of the Association, and defined as the "Board of Managers" in the Act.

Section 2.11. "Budget" means the annual budget of the projected revenues, expenditures (both ordinary and capital) and reserves for the Association.

Section 2.12. "Bylaws" means the bylaws adopted by the Association, as amended from time to time.

Section 2.13. "Class" has the meaning set forth in Section 7.8.

Section 2.14. "Class Committee" has the meaning set forth in Section 7.8, and includes the Residential Committee, the Vacation Committee and the Commercial Committee as specified therein.

Section 2.15. "Commercial Activities" has the meaning set forth in Section 12.3.

Section 2.16. "Commercial Owner" means any Owner of a Unit identified on the Map and in the Exhibit B with a "C" unit type as a Commercial Unit.

Section 2.17. "Commercial Unit" means any Unit designated with the prefix "C" or otherwise designated as a Commercial Unit in the Declaration or on the Map for business or commercial uses, including Commercial Activities. Without limiting the foregoing, Commercial Units shall include the restaurant, lobby bar, spa, front desk, concierge desk, sales center and sales kiosks and management offices.

Section 2.18. "Common Elements" means all of the Project, other than the Units, but including, without limiting the generality of the foregoing, the following components:

- (a) the Property;
- (b) the Improvements (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, elevator(s), corridors, lobbies, vestibules, entrances and exits, exterior doors and windows on a perimeter wall of a Unit, and the mechanical and utility installations and systems consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, cable television, telecommunications systems 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 Units;
- (c) the yards, sidewalks, walkways, paths, grass, shrubbery, trees, planters, driveways, roadways, landscaping, gardens, courtyards and related facilities upon the Property;
- (d) the pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and, in general, all apparatus, installations, and equipment of the Improvements existing for use of one or more of the Owners;
- (e) the swimming pool, hot tubs, ski storage, lobby, amenities and family fun center;
- (f) 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;
- (g) any parcels of real property, and improvements and fixtures located thereon, that are owned by a Person other than the Association but in which the Association has rights of use or possession pursuant to this Declaration or to a lease, license, easement or other agreement, and used or possessed by the Association for the benefit of all Owners;
- (h) the Common Elements shall also include those areas as shown on the Map labeled "Common Elements" including the areas labeled as "Master Common Elements", as further defined in this Declaration; and
- (i) except for the Master Common Elements, access to the Common Elements shall be restricted to the Residential Owners, the Declarant, the Association, their guests, renters, exchange users, employees and agents, subject to the Rules and Regulations of the Association.

The Common Elements shall be owned by the Owners, each Unit being allocated an undivided interest in the Common Elements as allocated pursuant to ARTICLE 4.

Section 2.19. "Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including, without limiting the generality of the foregoing, the following items:

- (a) 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 provided in this Declaration;

- (b) expenses identified as Common Expenses by the provisions of this Declaration or the Bylaws;
- (c) all sums lawfully assessed against the Units by the Board of Directors;
- (d) expenses agreed upon as Common Expenses by the members of the Association; and
- (e) expenses to be paid pursuant to any Management Agreement.

Section 2.20. "Common Expense Liability" means the liability for Common Expenses allocated to each Unit pursuant to this Declaration.

Section 2.21. "Condominium Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the Articles of Incorporation and Bylaws, the Map, and any Rules and Regulations, procedures, or policies relating to the Project adopted under such documents by the Association or the Board of Directors.

Section 2.22. "Costs of Enforcement" means all monetary fees, fines, late charges, interest, expenses, costs, including receiver's and appraiser's fees, collection agency fees, court costs and fees, and reasonable attorneys' fees and disbursements, including legal assistants' fees, incurred by the Association in connection with the collection of Assessments or in connection with the enforcement of the terms, conditions and obligations of the Condominium Documents.

Section 2.23. "Deck LCE" means the deck and patio area identified on the Map as "Deck LCE", which is a Limited Common Element reserved for the use of Commercial Unit___, subject to the provisions of Section 9.6(a) of this Declaration.

Section 2.24. "Declarant" means Peak 8 Properties, LLC, a Colorado limited liability company, and its successors and assigns as the same may be specified in a recorded instrument specifically describing those rights of Declarant transferred to a successor or assignee.

Section 2.25. "Declaration" means this Declaration, together with any supplement or amendment to this Declaration, and any other recorded instrument however denominated that exercises a Development Right and is executed by Declarant and recorded in the Records. The term Declaration includes the Map and all amendments and supplements to this Declaration, and the Map without specific reference thereto.

Section 2.26. "Deed" means each initial deed recorded after the date hereof by which Declarant conveys a Unit and, after the initial sale by Declarant, any deed or other instrument by which an Owner transfers title to a Unit (expressly excluding an instrument creating a Security Instrument).

Section 2.27. "Default Assessment" means an Assessment levied pursuant to this Declaration in connection with an unpaid amount for which an Owner is responsible including, without limitation, for Costs of Enforcement, overdue amounts charged by the Association to an Owner, liability for negligence and indemnification obligations.

Section 2.28. "Development Rights" means all of the expansion rights, withdrawal rights and development rights set forth in ARTICLE 16 of this Declaration, and in the Act.

Section 2.29. "Eligible First Mortgagee" means a First Mortgagee that has notified the Association in writing of its name and address and status as a First Mortgagee and has requested that it receive the notices provided for in ARTICLE 20 entitled "Mortgagee Protections".

Section 2.30. "Expansion Property" has the meaning set forth in Section 16.1.

Section 2.31. "First Mortgagee" means a holder of a Security Interest in a Unit or a Vacation Estate which has priority over all other Security Interests in the Unit, including Declarant in connection with its providing financing to any Vacation Owner, provided that, if Declarant shall have pledged or assigned such financing to a third party, such third party shall be deemed to be a "First Mortgagee."

Section 2.32. "Governing Documents" means the Condominium Documents and the Master Association Documents.

Section 2.33. "Improvement(s)" means the building(s) (including all fixtures and improvements contained within it) located on the Property in which Units or Common Elements are located, together with landscaping and hardscaping located on the Property.

Section 2.34. "Limited Common Elements" means those parts of the Common Elements that are limited to and reserved for the use in connection with one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Elements shall include any balcony, deck, patio, courtyard or porch appurtenant to and accessible only from a Unit, any shutters, awnings, window boxes, doorsteps, hallways, lobbies, entryways, stoops, porch, balcony or patio designated or designed to serve a single Unit but located outside the Unit's boundaries, including, but not limited to, the patio appurtenant to the restaurant, any maid/maintenance closets, laundry facilities, storage spaces, ski lockers and health club located outside of the Units and designated as Limited Common Elements in this Declaration or on the Map, if any. If any chute, flue, duct, wire, conduit, bearing wall, hearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof outside of the Unit but serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements. Limited Common Elements also include any portion of the Common Elements allocated by this Declaration or on the Map as Limited Common Elements. All Limited Common Elements shall be used in connection with the appurtenant Unit(s) to the exclusion of the use thereof by the other Owners, except by invitation and except as otherwise set forth in ARTICLE 14. No reference to Limited Common Elements need be made in any instrument of conveyance or encumbrance in order to convey or encumber the Limited Common Elements appurtenant to a Unit. Those areas of the Common Elements related solely to the Commercial Units shall be Limited Common Elements appurtenant to the Commercial Units and those areas of the Common Elements related solely to the Residential Units shall be Limited Common Elements appurtenant to the Residential Units.

Section 2.35. "Majority of Owners" means a majority of the Total Voting Power (rather than a majority of those present or voting by proxy at a meeting or the majority of a quorum). Votes allocated to any Units owned by the Association may not be cast and shall not be included in any calculation of voting power.

Section 2.36. "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance, and management of the Project.

Section 2.37. "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 Association.

Section 2.38. "Map" means that part of this Declaration that depicts all or any portion of the Project in three dimensions, is executed by Declarant and is recorded in the Records. The Map shall also be a land survey plat as set forth in Section 38-51-106, Colorado Revised Statutes. In a Map, a

"Horizontal Boundary" means a plane of elevation relative to a described benchmark that defines either a lower or upper dimension of a Unit such that the real estate respectively below or above the defined plane is not part of the subject Unit. In a Map, a **"Vertical Boundary"** means the defined limit of a Unit that is not a Horizontal Boundary of that Unit.

Section 2.39. "Master Association" means the Breckenridge Mountain Master Association, Inc., a Colorado non-profit corporation.

Section 2.40. "Master Association Documents" means the Master Declaration of Covenants, Conditions and Restrictions for Breckenridge Mountain Master Planned Community, Summit County, Colorado, recorded on September 18, 2002, under Reception No. 696212 and amendments thereto, the Articles, Bylaws and Rules and Regulations of the Master Association.

Section 2.41. "Master Common Elements" means those areas of the Property shown on the Map as Master Common Elements ("MCE") which shall be repaired operated and maintained by the Master Association pursuant to a Master Easements Agreement, entered into among Declarant, the Master Association and VSR, which shall be recorded simultaneously with the Declaration and Map, or applicable supplement, as they may be amended from time to time. A Master Common Element may also include areas shown on the Map as a Common Element, a Commercial Unit or a Limited Common Element.

Section 2.42. "Nonprofit Act" means the Colorado Revised Nonprofit Corporation Act, Articles 121-137, Title 7, Colorado Revised Statutes, as may be amended and supplemented from time to time.

Section 2.43. "Occupant" means any member of an Owner's family or an Owner's guests, invitees, servants, tenants, employees, or licensees who occupy a Unit or are on the Common Elements solely in such capacity for any period of time in accordance with the Rules and Regulations or as part of the Plan of Vacation Ownership.

Section 2.44. "One-bedroom Unit" has the meaning set forth in Section 4.2 hereof.

Section 2.45. "Owner" means Declarant or any other Person who owns record title to a Unit or Vacation Estate (including a contract seller, but excluding a contract purchaser) but excluding any Person having a Security Interest in a Unit or Vacation Estate unless such Person has acquired record title to the Unit or Vacation Estate pursuant to foreclosure or other proceedings or by conveyance in lieu of foreclosure. For purposes of use and occupancy rights an Owner of a Vacation Estate shall only be considered an Owner during the time of the Owner's confirmed reservation for use of a Unit at the Project or such other use solely in accordance with the Rules and Regulations or as part of the Plan of Vacation Ownership.

Section 2.46. "Period of Declarant Control" means the maximum period of time defined and limited by the Act and Section 7.5 of this Declaration during which Declarant may, at its option, control the Association.

Section 2.47. "Person" means an individual, association, partnership, limited liability company, corporation, trust, governmental agency, political subdivision or other legal entity or any combination thereof.

Section 2.48. "Plan of Vacation Ownership" or "Plan" means the system of mutual use rights and mutual obligations created and established by this Declaration for Owners of Vacation Estates as set forth in ARTICLE 22. Additional definitions related to the Plan are set forth in ARTICLE 22.

Section 2.49. "Project" has the meaning set forth in Section 1.1 hereof.

Section 2.50. "Property" means the real property described in the attached Exhibit A.

Section 2.51. "Real Estate" means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that, by custom, usage or law, pass with the conveyance of land though not described in the contract of sale or instrument of conveyance. Real Estate includes parcels with or without Horizontal Boundaries and spaces that may be filled with air or water.

Section 2.52. "Records" means the Office of the Clerk and Recorder of Summit County, Colorado.

Section 2.53. "Reserved Declarant Rights" means all rights reserved by Declarant in this Declaration, including, without limiting the generality of the foregoing, those rights reserved to Declarant in ARTICLE 15 and ARTICLE 16 hereof.

Section 2.54. "Residential Owner" means any Owner of a unit identified on the Map and in Exhibit B with an "R", as a Residential Unit. Residential Owners shall include Vacation Owners.

Section 2.55. "Residential Unit" means any Unit designated with the prefix "R" or otherwise designated as a Residential Unit in the Declaration or on the Map or limited to dwelling purposes in the Declaration or by Applicable Law.

Section 2.56. "Rules and Regulations" means the rules and regulations promulgated by the Association for the management, preservation, safety, control, and orderly operation of the Project in order to effectuate the intent and to enforce the obligations set forth in the Condominium Documents, as amended and supplemented from time to time. Separate Rules and Regulations may be promulgated to apply only to Residential Units, Vacation Units or to Commercial Units, or to any combination thereof.

Section 2.57. "Restroom LCE" means the restroom area identified on the Map as "Restroom LCE", which is a Limited Common Element reserved for the use of Commercial Unit, subject to the provisions of Section of this Declaration.

Section 2.58. "Security Interest" means an interest in Real Estate or personal property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation. The holder of a Security Interest includes any insurer or guarantor of the obligation secured by a Security Interest after such insurer or guarantor has been fully paid or otherwise fully performed such obligation.

Section 2.59. "Special Declarant Rights" has the meaning set forth in Section 15.1 hereof.

Section 2.60. "Suite" has the meaning set forth in Section 4.2 hereof.

Section 2.61. "Total Voting Power" means the aggregate number of votes of the members of the Association or a Class, as applicable, that are eligible and entitled to vote on or consent to or reject the decision or action in question.

Section 2.62. "Unit" means a physical portion of the Project which is designated for separate ownership or occupancy and the boundaries of which are described in or determined by this Declaration and depicted on the Map. A Unit shall consist of enclosed rooms and shall be bounded by the interior surfaces of Unfinished Perimeter Walls, Unfinished Floors and Unfinished Ceilings thereof, each of which shall be defined as follows:

(a) "Unfinished Perimeter Wall" means the studs, supports, and other wooden, metal, or similar structural materials which constitute the interior face of a wall of a Unit.

(b) "Unfinished Ceiling" means the beams, joists, and wooden, metal or other structural materials which constitute the ceiling of a Unit.

(c) "Unfinished Floor" means the beams, floor joists, and floor deck material which constitute the floor of a Unit.

A Unit shall include any lath, furring, wallboard, plasterboard, plaster, drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, any fireplace or stove hearth, facing brick, tile or firebox, fixtures and hardware, all improvements contained within the area bounded by the Unfinished Perimeter Walls, Ceilings, and Floors, and any heating and refrigerating elements or related equipment, utility lines and outlets, telecommunications lines, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air conditioning, hot and cold water, electrical, communications, or other utility services to such Unit and located within the Unfinished Perimeter Walls, Ceilings, and Floors; provided, however, that such Unit shall not include any of the structural components of the Improvements or utility or service lines located within such Unit but serving more than one Unit. Each Unit shall be designated by a separate number, letter, address or other symbol or combination thereof that identifies only one Unit in the Project as more specifically set forth on Exhibit B. The term Unit may be used to refer to a Residential Unit, a Commercial Unit or a Vacation Unit.

Section 2.63. "VSR" means Vail Summit Resorts, Inc., a Colorado corporation, its successors, subsidiaries, parent corporations and assigns.

Section 2.64. "Withdrawn Property" has the meaning set forth in Section 16.8.

ARTICLE 3.

DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP

Section 3.1. Division Into Units. The Property is hereby and hereafter divided into those Units identified on Exhibit B, as amended from time to time. The undivided interests in the Common Elements, as allocated in Exhibit B, are hereby declared to be appurtenant to the respective Units. The total of the undivided interests in the Common Elements set forth in Exhibit B, rounded to the nearest 1%, shall be deemed to equal one hundred percent (100%) for purposes of this Declaration.

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

Section 3.3. Inseparability of Unit. Except as provided in Section 3.5 below, and in the Article entitled "Reservation of Development Rights," and in the Article entitled "Plan of Vacation Ownership": (a) no part of a Unit or of the legal rights comprising ownership of a Unit may be partitioned or separated from any other part thereof during the period of condominium ownership prescribed in this Declaration; (b) each Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Unit; and (c) every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the entire Unit, together with the undivided interests in the Common Elements and all appurtenant rights and interests created by Applicable Law or by this Declaration, including the Owner's membership in the Association. Notwithstanding the foregoing provisions of this Section, nothing herein shall prevent or limit Declarant's exercise or enjoyment of any Reserved Declarant Rights, except as provided in ARTICLE 20.

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

Section 3.5. Subdivision of Units; Relocation of Boundaries Between Adjoining Units. Except as expressly otherwise set forth herein in connection with the Reserved Declarant Rights and in connection with the Commercial Unit(s), Owner(s) may only subdivide their Units, relocate boundaries between their Unit and an adjoining Unit, and/or reallocate Limited Common Elements between or among Units after obtaining the prior approval of the Board of Directors pursuant to the Rules and Regulations and the consent of all Owners and Eligible First Mortgagees of the Units affected by such change. Any such approved change shall also be subject to the applicable provisions and requirements of this Declaration and of the Act and any other law, ordinance, regulation, or requirement of any governmental authority having jurisdiction over the Units or the Project ("**Applicable Laws**"). Owners shall be responsible for ensuring that all alterations comply with all Applicable Laws and that all necessary approvals are obtained from governmental authorities. No approval given by Declarant or the Association shall be deemed to imply that Declarant or the Association has reviewed any applicable requirements or the requesting Owner's compliance therewith. In no event shall anything in Sections 3.3, 3.4 or this 3.5 be deemed to prohibit a submission of a Unit to the Plan or withdrawal of a Unit or Common Elements from the Project by Declarant in accordance with applicable provisions of this Declaration and of the Act.

Section 3.6. WARRANTY LIMITATION. EXCEPT FOR THOSE WARRANTIES REQUIRED BY COLORADO LAW, THE DECLARANT DOES NOT MAKE ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND THE DECLARANT HEREBY DISCLAIMS ANY SUCH WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND THE OWNERS AND THE ASSOCIATION ASSUME ALL RISK AND LIABILITY RESULTING FROM THE USE OF THIS PROPERTY.

ARTICLE 4 ALLOCATED INTERESTS

Section 4.1. Allocation of Interests. The Allocated Interests assigned to each Unit are set forth on Exhibit B. These interests have been allocated in accordance with the formulae set out in Section 4.2 below. These formulae are to be used in reallocating interests if Units are added to the Project, if Units are converted to a different type of Unit or if Units are converted to Common Elements or Limited Common Elements.

Section 4.2. Formula for the Allocation of Percentage Interest. The percentage of the undivided interests in the Common Elements (the "**Percentage Interest**") allocated to each Unit shall be determined by dividing the Allocation Factor assigned to such Unit by the sum total of the Allocation Factors assigned to all Units in the Project, as shown on Exhibit B.

(a) Allocation Factors. There shall be assigned to each Unit in the Project certain factors (the "**Allocation Factors**"), as follows:

(i) For the two different types of one-bedroom Residential Units (a "**One-bedroom Unit**") in the Project, each "A" or "D" approximately 955 square foot One-

bedroom Unit shall be assigned an Allocation Factor of "1.15", and each "E" approximately 1,240 square foot One-bedroom Unit shall be assigned an Allocation Factor of "1.45" to reflect the functional and operational equivalency of these Units;

(ii) for the suite type Residential Units (a "Suite") in the Project, each "B", "C", "F", "G", "H" or "I" approximately 435 square foot Suite shall be assigned an Allocation Factor of ".85" to reflect the functional and operational equivalency of these Units;

(iii) For all other Units in the Project, an Allocation Factor equal to the total square footage of each such Unit divided by the average square footage assigned to the Residential Units based on the type of Unit as provided in Sections 4.2(a)(i) and (a)(ii) (or 695, calculated as follows: $955 + 435 / 2$) shall be assigned to reflect an equivalent bedroom allocation to these Units.

For the purposes of calculating the allocation factors set forth in Exhibit B, the square footage numbers assigned to the types of Residential Units shall be deemed to be applicable notwithstanding the fact that the actual sizes of individual Units may be greater or smaller than the square footage assigned to the designated type of Unit.

(b) Common Expense Liability. The percentage of Common Expense Liability allocated to each Unit is based upon and is equivalent to the percentage of the undivided interest in the Common Elements allocated to the Unit pursuant to Subsection (a) above. Allocations for Common Expense Liability may be further adjusted as set forth in Section 9.3 of this Declaration.

(c) Votes. Each Residential Unit (including each Employee Housing Unit) shall be allocated one (1) vote. Each Commercial Unit shall be allocated the number of votes proportional to such Unit's percentage share of Common Expense Liability in relation to the total Common Expense Liability, rounded up or down to the nearest whole number (*e.g.*, if the percentage share of Common Expense Liability for a Commercial Unit is 3.49%, such Unit will be allocated three (3) votes; if the percentage share of Common Expense Liability for a Commercial Unit is 3.5%, such Unit will be allocated four (4) votes).

Section 4.3. Rounding Convention. Any Allocated Interest, expressed as a percentage, shall be rounded up to the nearest one percent (1%). The total of all Allocated Interests shall be deemed to equal to one hundred percent (100%) for purposes of this Declaration.

Section 4.4. Effective Date of Reallocation. The effective date for reallocating Allocated Interests to Units as a result of the exercise of Development Rights set forth in ARTICLE 16 of this Declaration shall be the date on which the amendment required by Section 16.3 hereof is recorded in the Records.

ARTICLE 5 CONDOMINIUM MAP

The Map shall be filed in the Records. Any Map filed subsequent to the initial Map shall be termed a supplement to the initial Map, and the numerical sequence of such supplements shall be shown thereon. The Map shall be filed following substantial completion of the Improvement(s) depicted on the Map and prior to the conveyance of any Unit depicted on the Map to a purchaser. The Map shall satisfy the provisions of Section 38-33.3-209 of the Act and of Section 38-51-106, Colorado Revised Statutes.

The Map shall contain a certificate of a registered and licensed land surveyor certifying that the Map was (a) prepared subsequent to the substantial completion of the Improvements and (b) contains all information required by this Declaration and the Act. Each supplement shall set forth a like certificate when appropriate. In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries; provided, however, that any variation in actual as-built square footage for a Unit shall have no effect on the Allocated Interests, as described herein.

ARTICLE 6

LEGAL DESCRIPTION AND TAXATION OF UNITS

Section 6.1. Contracts to Convey Prior to Recording of Declaration and Map. A contract or other agreement for the sale of a Unit entered into prior to the filing of this Declaration in the Records may legally describe such Unit in substantially the manner set forth in this ARTICLE 6 and may indicate that this Declaration and the Map are to be recorded.

Section 6.2. Contracts to Convey Subsequent to Recording of Declaration and Map. Subsequent to the recording of this Declaration and the Map, contracts to convey, instruments of conveyance of Units, and every other instrument affecting title to a Unit shall be in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required by the circumstances or appropriate to conform to the requirements of any governmental authority, practice or usage or requirement of law with respect thereto:

Unit _____, according to the Condominium Declaration and Plan of
Vacation Ownership for Grand Colorado on Peak 8, recorded
_____, 201_, at (Reception No.) and the Condominium
Map recorded _____, 201_, at (Reception No.) in the office of
the Clerk and Recorder of Summit County, Colorado.

Section 6.3. Conveyance Deemed to Include an Undivided Interest in Common Elements. Every instrument of conveyance, Security Interest, or other instrument affecting the title to a Unit which legally describes the Unit substantially in the manner set forth above shall be construed to include the Unit, together with the undivided interest in the Common Elements appurtenant to such Unit, as allocated on Exhibit B, and together with all fixtures and improvements contained in such Unit, and to incorporate all the rights incident to ownership of a Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, including the easement of enjoyment to use the Common Elements.

Section 6.4. Separate Tax Assessments. Upon the filing for record of this Declaration and the Map in the Records, Declarant shall deliver a copy of this Declaration to the assessor of each county specified in the Records as provided by law. The lien for taxes assessed shall be confined to the Unit(s). No forfeiture or sale of any Unit for delinquent taxes, assessments, or other governmental charge shall divest or in any way affect the title to any other Unit, including, without limitation, the Common Elements appurtenant to any other Unit.

ARTICLE 7

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 7.1. Association Membership. The Articles of Incorporation shall be filed no later than the date Declarant delivers the first Deed conveying a Unit in the Project. Every Owner shall be a member of the Association and shall remain a member for the period of the Owner's ownership of a Unit. No Owner, whether one or more Persons, shall have more than one membership per Unit owned, but all of the Persons

owning a Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit during the time of the Owner's confirmed reservation for use of a Unit at the Project or such other time and use solely in accordance with the Rules and Regulations. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit. If title to a Unit is held by either a Person other than an individual or by more than one individual, such individuals or Person other than an individual Persons shall appoint and authorize one Person or alternate Persons to represent the Owners of the Unit pursuant to the Bylaws, and there shall be a single registered address for each Unit, as applicable, for notice and delivery purposes as further set forth in the Bylaws.

Section 7.2. Voting Rights and Meetings. Each Unit in the Project shall have the votes allocated in accordance with Section 4.2; provided, however, no vote allocated to a Unit owned by the Association may be cast. Cumulative voting shall not be allowed in the election of the Board of Directors or for any other purpose. The voting power required for any action or determination shall be calculated in accordance with the Bylaws. A meeting of the Association shall be held at least once each year, and special meetings of the Association may be called in accordance with the Bylaws.

Section 7.3. Meeting to Approve Annual Budget. Prior to the first levy of any Assessment, and thereafter at the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Owners shall be afforded the opportunity to review the Budget proposed by the Board of Directors for the Association's next fiscal year. A summary of the proposed Budget approved by the Board of Directors shall be delivered to the Owners within ninety (90) days after its approval by the Board of Directors along with a notice of a meeting of the Association to be held not fewer than ten (10) nor more than fifty (50) days after delivery of the summary to the Owners. Unless at the meeting a Majority of Owners reject the proposed Budget, such Budget shall be deemed ratified whether or not a quorum is present at the meeting. In the event the proposed Budget is rejected, the then existing Budget shall continue in effect until such time as a subsequent Budget is proposed by the Board of Directors and is not rejected in accordance with the above procedures. Specific Budget items applicable to a Class may be modified pursuant to Section 7.9.

Section 7.4. Transfer Information. All Persons who acquire Unit(s) other than from Declarant shall provide written notice of the transfer, together with all information required under the Bylaws and/or the Rules and Regulations, to the Association within ten (10) days after the date of transfer. Such Person shall also provide a true and correct copy of the recorded instrument conveying or transferring the Unit or such other evidence of the conveyance or transfer as is reasonably acceptable to the Association. The Association or Managing Agent shall have the right to charge the Person, excluding any First Mortgagee, a reasonable administrative fee for processing the transfer in the records of the Association.

Section 7.5. Declarant Control of the Association. There shall be a Period of Declarant Control of the Association, during which Declarant, or Persons designated by Declarant, may appoint and remove the officers of the Association and the members of the Board of Directors. The Period of Declarant Control shall commence upon filing of the Articles of Incorporation and shall terminate no later than the earlier of:

- (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Owners other than a Declarant;
- (b) two (2) years after Declarant's last conveyance of a Unit in the ordinary course of business; or
- (c) two (2) years after any right to add new Units was last exercised.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before the termination of the Period of Declarant Control, but in that event, Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

Section 7.6. Required Election of Owners. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created by Declarant to Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created by Declarant to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors must be elected by Owners other than Declarant. Not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of Directors of the number of members established pursuant to the Bylaws, at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant. In order to assure representation of each Class in the affairs of the Association and to protect the valid interests of the Owners within each Class in the operation of the Project following the termination of the Period of Declarant Control, then from and after the date on which one or more Units have been submitted to the Plan, the Vacation Owners, voting as a Class, shall be entitled to elect the greater of one member or twenty-five percent (25%) of the members of the Board of Directors; the Residential Owners, voting as a Class, shall be entitled to elect the greater of one member or twenty-five percent (25%) of the members of the Board of Directors; and the Commercial Owners, voting as a class, shall be entitled to elect the greater of one member or twenty-five percent (25%) of the members of the Board of Directors. The Board of Directors shall elect the officers. The members of the Board of Directors and officers shall take office upon election. Each member of the Board of Directors shall serve for the term specified in the Bylaws and may be removed only in accordance with the Bylaws. In the event the Project does not contain any of the particular type of a Unit constituting a Class, the member of the Board of Directors to be elected by such Class shall instead be elected by all of the Owners until such time as the applicable Class exists.

Section 7.7. Requirements for Turnover of Declarant Control. Within sixty (60) days after the Owners other than Declarant elect a majority of the members of the Board of Directors, Declarant shall deliver to the Association (a) all property of the Owners and of the Association held by or controlled by Declarant, and (b) the documents, information, funds and other items required by Section 38-33.3-303(9) of the Act, as further specified in the Bylaws (to the extent they are in Declarant's possession or control).

Section 7.8. Classes of Membership. Owners of Residential Units, Owners of Vacation Estates and Owners of Commercial Units shall each make up a separate class of voting members in the Association (each a "**Class**") for purposes of voting on certain issues as described in Exhibit G. The Board of Directors shall establish a committee for each Class and shall appoint to such committee the member(s) of the Board of Directors elected by the Owners within such Class, such that there will be a "**Residential Committee**" made up of the member(s) of the Board of Directors elected by the Owners of Residential Units voting as a Class, a "**Vacation Committee**" made up of the member(s) of the Board of Directors elected by the Owners of Vacation Estates voting as a Class, and a "**Commercial Committee**" made up of the member(s) of the Board of Directors elected by Commercial Unit Owners voting as a Class (each a "**Class Committee**"). Actions to be taken and issues to be determined by the Board of Directors shall be determined by the appropriate Class Committee to the extent such actions or issues fall within the categories of issues described in Exhibit G for such Class.

Section 7.9. Reserved Powers: Directions to Board of Directors. Notwithstanding anything to the contrary set forth in this Declaration, no issue, action or decision which would operate to discriminate against any Class or otherwise unreasonably interfere with the operation of the Units owned by the Class as

otherwise permitted under the Condominium Documents, shall be effective without a vote or agreement of at least sixty-seven percent (67%) of the voting power of the Class. The Board of Directors shall be required to act in accordance with the directions of a Majority of Owners within the Class with respect to any Class issue acted upon by such Class, including, without limitation, in the following circumstances:

(a) If the Majority of Owners within the Class votes to change specific items reflected in the Budget that affect only the Class including, without limitation, a change in services available to the Class, or if the Class Committee proposes such a Budget item or change, the Board of Directors shall be so notified in writing and the Budget proposed by the Board of Directors pursuant to Section 9.3 for the following year shall include the requested changes.

(b) If the Majority of Owners within the Class votes to change specific items reflected in the Rules and Regulations that affect only the Class or if the Class Committee proposes such a change, the Board of Directors shall be so notified, in writing, and the Board of Directors shall, at its next meeting, act to effectuate such amendment to the Rules and Regulations accordingly.

Notwithstanding anything to the contrary set forth herein, the Board shall not be required to take any action that would cause a breach of any legal duty of the Board or that would result in a violation of the Act.

ARTICLE 8 ASSOCIATION POWERS AND DUTIES

Section 8.1. Association Management Duties. 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 Common Elements, including the maintenance, repair and replacement of the Limited Common Elements, other than routine maintenance for which the Residential and Commercial Unit Owners are responsible pursuant to Section 10.1. The Association shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The expenses, costs, and fees of such management, operation, maintenance, and repair by the Association shall be part of the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees. The Association shall establish and maintain, out of the installments of the annual Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be maintained, repaired and/or replaced on a periodic basis. The Association shall adopt and amend, annually and in accordance with the provisions hereof, a Budget which will be the basis for collection of Assessments from Owners. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirement to provide statements of status of Assessments, as described in Section 9.17. All financial and other records of the Association shall be made reasonably available for examination by any Owner and such Owner's authorized agents and requesting First Mortgagees, all in accordance with the Bylaws.

Section 8.2. Association Powers. The Association shall have, subject to the limitations contained in this Declaration, the Bylaws, and the Act, all powers necessary or appropriate for the administration of the affairs of the Association and the upkeep of the Project, which shall include, but not be limited to, the following:

- (a) Adopt and amend the Bylaws and the Rules and Regulations;
- (b) Adopt and amend the Budget;
- (c) Collect Assessments from Owners;

- (d) Suspend the voting interests allocated to a Unit, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or during any time in which an Owner is in violation of any other provision of the Condominium Documents;
- (e) Hire and discharge Managing Agents and delegate to such Managing Agents the power and duty to enforce the Rules and Regulations and other powers and duties of the Association, subject to the requirements of the Act;
- (f) Hire and discharge employees, independent contractors and agents other than Managing Agents;
- (g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Condominium Documents in the Association's name, on behalf of the Association or on behalf of two or more Owners in matters affecting the Project;
- (h) Adjust and settle insurance claims;
- (i) Receive notices, join in any litigation or administrative proceeding, and execute any and all documents in the Association's name, on behalf of the Association, or on behalf of the two or more Owners, in connection with any change in zoning, annexation, subdivision approval, building permit, or other type of governmental approval required to accomplish or maintain the purposes of the Association;
- (j) Make contracts and incur liabilities, including those related to managing any permitted external exchange program on the Owners' behalf;
- (k) Regulate the use, maintenance, repair, replacement, and modification of all Common Elements (other than those Common Elements required to be maintained and repaired by Owners as provided herein), all Association property within the Project or property which serves the Project but which is outside its boundaries;
- (l) Establish policies and procedures for entry into Units under authority granted to the Association in the Condominium Documents for the purpose of cleaning, maintenance and repair (including emergency repair) and for the purpose of responding to or investigating any nuisance, dangerous or unlawful activity, emergency or of same and taking such action as the Association may deem necessary or appropriate under the circumstances;
- (m) Cause additional improvements to be made as a part of the Common Elements;
- (n) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property (provided that Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 38-33.3-312 of the Act);
- (o) Grant easements, including permanent easements, and grant leases, licenses and concessions, through or over the Common Elements;
- (p) Impose and receive a payment, fee, or charge for (i) services provided to Owners, and (ii) for the use, rental or operation of the Common Elements (other than for the use or rental of the Limited Common Elements);

(q) Establish from time to time, and thereafter impose, charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a reasonable fine for a violation of the Condominium Documents;

(r) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid Assessments and for services provided to Owners;

(s) Recover Costs of Enforcement for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated;

(t) Provide for the indemnification of the Association's officers and the Board of Directors to the extent permitted by law and maintain directors' and officers' liability insurance;

(u) Assign the Association's right to future income, including the right to receive Assessments;

(v) Except with respect to members of the Board of Directors appointed by Declarant during the Period of Declarant Control (who may be removed only by Declarant), declare the office of a member of the Board of Directors to be vacant in the event such member is absent from three (3) regular meetings of the Board of Directors during any one year period;

(w) Appoint any committee as required or permitted by the Declaration or the Bylaws, and by resolution, establish committees, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee;

(x) By resolution, set forth policies and procedures which provide for corporate actions and powers which are different than those set forth in the Nonprofit Act, which are permitted to be "otherwise set forth in the Bylaws." Such resolutions shall be given the same force and effect as if specifically enumerated in the Declaration or the Bylaws;

(y) Exercise any other powers conferred by the Condominium Documents, the Act, or the Nonprofit Act or that may otherwise be exercised by entities of the same type as the Association under Colorado law; and

(z) Exercise any other power necessary or proper for the governance and operation of the Association.

Section 8.3. Actions by Board of Directors. Except as specifically otherwise provided in this Declaration, the Bylaws or the Act with respect to powers reserved to the Owners and the Classes, the Board of Directors may act in all instances on behalf of the Association. Notwithstanding anything to the contrary contained herein, those matters that constitute Class issues as described in Exhibit G are subject to the exclusive jurisdiction of the applicable Classes and the Board of Directors shall have no power or authority to act in contravention or frustration of any action properly taken by a Class with respect to a Class issue and shall, instead, take all actions required to effectuate such properly taken actions of the Class.

Section 8.4. Board of Directors Meetings. All meetings of the Board of Directors, at which action is to be taken by vote, will be open to the Owners and Eligible First Mortgagees, and agendas for meetings of the Board of Directors shall be made reasonably available for examination by all members of the Association or their representatives and Eligible First Mortgagees, except as set forth in the Bylaws.

Section 8.5. Right to Notice and Hearing. Whenever the Condominium Documents require that an action be taken after "notice and hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board of Directors, a committee, an officer, a Managing Agent, etc.) shall give notice of the proposed action to all Owners and Eligible First Mortgagees whose interests the proposing party reasonably determines would be significantly affected by the proposed action. The notice shall be given not less than three (3) days before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected Person shall have the right, personally or by a representative, to give testimony orally and/or in writing, subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected Person shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner or Eligible First Mortgagee having a right to notice and hearing shall have the right to appeal to the Board of Directors from a decision of a proposing party other than the Board of Directors by filing a written notice of appeal with the Board of Directors within ten (10) days after being notified of the decision. The Board of Directors shall conduct a hearing within forty-five (45) days, giving the same notice and observing the same procedures as were required for the original hearing.

Section 8.6. Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association may collect from purchasers, at the time of the initial sale by Declarant of each Unit, an amount not to exceed three (3) months' worth of annual Assessments based on the Association's Budget in effect at the time of the conveyance. Such payments to this fund shall not be considered advance payments of annual Assessments.

Section 8.7. LIMITATION ON ASSOCIATION LIABILITY. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROPERTY, 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 THE PROPERTY TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION, OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

ARTICLE 9 ASSESSMENTS

Section 9.1. Commencement of Annual Assessments. Until the Association makes an Assessment for Common Expenses, Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments for Residential Units shall be made no less frequently than annually and shall be based on the Budget.

Section 9.2. Annual Assessments. The Association shall levy annual Assessments to pay for the Common Expense Liability allocated to each Unit pursuant to this Declaration. The total annual Assessments shall be based upon the Budget. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and after any prepayment of or provision for reserves, as determined by the Board of Directors, shall be refunded to the Owners in proportion to their Common Expense Liability or credited to them to reduce their future Assessments for Common Expenses, as determined by the Board of Directors in its discretion.

Section 9.3. Apportionment of Annual Assessments. Subject to Section 9.2, the total annual Assessments for any fiscal year of the Association shall be assessed to the Units in proportion to their percentage of Common Expense Liability as allocated pursuant to Section 4.2, subject to: (a) Common

Expenses which are separately metered or assessed to the Units by third parties or pursuant to service agreements with third parties; (b) Common Expenses associated with the operation, maintenance, repair or replacement of Limited Common Elements, which shall be assessed equally or on such other equitable basis as the Board of Directors shall determine to the Units to which the specific Limited Common Elements are appurtenant; (c) Common Expenses or portions thereof benefiting fewer than all of the Units which shall be assessed exclusively against the Units benefited, and Common Expenses or portions thereof which benefit certain Units more than others which shall be allocated in proportion to such benefit; (d) any increased cost of insurance based upon risk which shall be assessed to Units in proportion to the risk; (e) any Common Expense caused by the misconduct of any Owner(s), which may be assessed exclusively or on such other equitable basis as the Board of Directors shall determine against such Owner(s); and (f) any expenses which are otherwise charged equally to the Units. All such allocations of Common Expense Liability to the Units on a basis other than the Units' percentage of Common Expense Liability shall be determined by the Board of Directors. To the extent certain items or services benefit only the Owners of a certain type of Unit and/or within a certain Class or Classes and/or to the extent real or personal property owned by the Association is only available for use by or only benefits the Owners of a certain type of Unit and/or within a certain Class or Classes, costs and expenses associated with such items shall be assessed only against the Owners of such type of Unit or within the applicable Class(es).

Section 9.4. Common Expenses for Commercial Units. In apportioning the Common Expenses between the Residential Units and the Commercial Units, the Association shall endeavor to do so in a manner which reasonably reflects the actual costs of operating and managing the Project, including apportionment to the Residential Units of expenses associated with areas set aside for, or used exclusively only by Owners of Residential Units, and apportionment to the Commercial Units of expenses associated with areas set aside for, or used exclusively by only Owners of Commercial Units. Without limitation, in apportioning the Common Expenses, the Association shall:

(a) Separate Meter. All Commercial Units together with any Limited Common Element assigned to such Unit, and specifically including the Restroom LCE and the Deck LCE shall, to the extent feasible, be separately metered for payment of all charges for electricity, cable, water and sewer, which shall be the responsibility of the Owner of the Commercial Unit;

(b) Trash Removal. Trash removal shall be apportioned to the individual Commercial Units in a manner which reasonably reflects the particular uses of the Commercial Units;

(c) Signage. The Association shall have the right to control the signage to the Commercial Units; and

(d) Common Elements, Residential Hallways and Pool Area. The cost of operating, maintaining, repairing, painting and recarpeting of areas designated as Common Elements, including but not limited to the hallways exclusively in portions of the Project where Residential Units are located, shall be allocated to the Residential Units. The costs of operating, repairing and maintaining the pool area, hot tubs, recreational and entertainment areas shall also be allocated to the Residential Units.

Section 9.5. Deck LCE.

(a) The Deck LCE as shown on the Map shall be a Limited Common Element to Commercial Unit C-1 and shall be under the exclusive control of Commercial Unit C-1.

(b) The Owner of Commercial Unit C-1 shall be solely responsible for the routine cleaning, snow removal and operation of the Deck LCE. The Association shall be responsible for its maintenance and repair, unless otherwise provided by agreement with the Master Association.

Section 9.6. Central Mechanical Equipment.

(a) The Association will operate the Central Mechanical Equipment to provide (A) domestic hot and cold running water for the use of the Units and, as the Association deems necessary or desirable, the Common Elements; (B) heating and cooling as the Association deems necessary or desirable for the interior Common Elements and the Units, specifically including fan coils which may be located in the Common Elements or within certain Units. The Association shall have the right to access Units for inspection, service, repair and replacement of any fan coils units located within a Unit; and (C) other utilities and services as the Association deems necessary or desirable for the use of the Units or the Common Elements. The Association's costs to operate the Central Mechanical Equipment, including the costs of utilities not otherwise paid directly by the Owners, will be included in Common Expenses, subject to the provisions of Section 9.6(b) below. The Association is not responsible if any utilities are unavailable through no fault of the Association.

(b) Either Declarant or the Association may install meters or similar measuring devices on some of the Central Mechanical Equipment or Utility lines to measure the Central Mechanical Equipment services or utilities (not otherwise paid directly by the Owners) separately supplied to the residential portion (including all Residential Units and LCE-R) and the commercial portion (including all Commercial Units and LCE including the Restroom LCE and Deck LCE) of the Condominium Project. From and after the date of installation of such meters or measuring devices, the costs of operating or providing the Central Mechanical Equipment or utilities separately metered or measured pursuant to this paragraph will be divided among the Residential Units and the Commercial Units based upon usage as measured by the meters or measuring devices and will be assessed against each Unit as provided in this Declaration.

(c) The Association may install meters or similar measuring devices on some or all of the Central Mechanical Equipment or utility lines to measure the Central Mechanical Equipment services or utilities (not otherwise paid directly by the Owners) separately supplied to each Unit and Common Element. From and after the date of installation of such meters or measuring devices, the costs of operating or providing the Central Mechanical Equipment or utilities separately metered or measured pursuant to this paragraph will be divided among the Units and Common Elements based upon usage as measured by the meters or measuring devices.

Section 9.7. Disputes Regarding Apportionment of Assessments. Except for actions to enforce the payment of any Assessment imposed under this ARTICLE 9, any disputes between Commercial Owners, Residential Owners and the Association, concerning the apportionment of Common Expense Assessments shall be resolved in accordance with the following:

(a) Mediation. The parties shall attempt in good faith to resolve any dispute promptly by mediation between persons who have authority to settle the controversy ("**Executive**") in accordance with this subparagraph. Any party may give another party written notice of any breach, any objection to a notice of breach, any failure to cure a breach, or any dispute not resolved in the normal course of business ("**Mediation Notice**"). Within ten (10) days after receipt of any Mediation Notice, the parties to the dispute shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to select an unrelated third party mediator. If the parties cannot agree on the selection of a mediator twenty (20) days after the Mediation Notice, they each shall appoint an unrelated third party within thirty (30) days of the Mediation Notice and, within forty (40) days of the Mediation Notice, such third parties shall appoint a neutral third party to mediate the dispute within sixty (60) days of the Mediation Notice.

(b) Arbitration. Any dispute which has not been resolved by mediation as set forth above within sixty (60) days of the date of the Mediation Notice, shall be finally settled by binding arbitration conducted in accordance with the terms of this subparagraph, upon written demand for arbitration by any party ("**Arbitration Demand**") provided, however, that if one party has requested the other to participate in mediation and the other has failed to participate, the requesting party may make demand for arbitration before expiration of such sixty (60) days. Arbitration proceedings shall be conducted pursuant to the Rules of the American Arbitration Association.

(i) As soon as reasonably possible following the Arbitration Demand, but not later than fifteen (15) days after the date of such Demand, the parties, in good faith, shall attempt to select a mutually acceptable arbitrator to hear and decide the matter or matters in controversy. In the event the parties cannot agree on a mutually acceptable arbitrator within thirty (30) days after the date of such Demand, each party shall appoint an unrelated third party within forty (40) days after the date of such Demand and, within fifteen (15) days of the date of the appointment of the last such unrelated third parties, such third parties shall appoint an arbitrator to hear and settle the dispute in accordance with the terms and provisions hereof. If any party does not appoint an unrelated third party in a time manner or if such third parties cannot or do not appoint an arbitrator in a timely manner, then any party may make application to the District Court for Summit County, Colorado for appointment of an arbitrator.

(ii) The arbitration shall be conducted by a single arbitrator and the decision of the arbitrator shall be final, enforceable, binding, and unappealable to any court or tribunal, except as otherwise may be provided by Colorado law. Such decision shall be enforceable with the same force and effect as if issued by any court of competent jurisdiction. The decision of the arbitrator shall be based upon the evidence and facts presented by the parties and shall be in accordance with Colorado law. The arbitrator is not empowered to award damages in excess of compensatory damages.

(iii) The costs of the arbitration, including reasonable attorney fees, shall be awarded to the prevailing party. If there is no prevailing party, such fees and costs may be awarded at the discretion of the arbitrator who, in making such award, shall assess the relative good or bad faith of the parties throughout the dispute.

(iv) All arbitration proceedings shall be conducted to expedite resolution and minimize cost. Disclosures shall be required and discovery shall be allowed and both shall be governed by Rules 26-37 of the Colorado Rules of Civil Procedure, as amended, except that upon application of either party, the arbitrator, in the interest of justice and efficiency, may limit discovery as such arbitrator deems appropriate.

(v) The place of arbitration shall be Breckenridge, Colorado.

Section 9.8. Special Assessments. In addition to the annual Assessments authorized above, the Board of Directors may at any time and from time to time determine, levy, and assess in any fiscal year a special Assessment applicable to that particular fiscal year (and for any such longer period as the Board of Directors 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, specifically including any fixtures and personal property related to it and any other unbudgeted or unanticipated costs of the Association. Any amounts determined, levied, and assessed pursuant to this Declaration shall be assessed to the Units pursuant to the provisions in Section 9.3 above.

Section 9.9. Due Dates for Assessment Payments. Unless otherwise determined by the Board of Directors, the Assessments which are to be paid in installments shall be paid annually in advance and shall be due and payable to the Association at its office or as the Board of Directors may otherwise direct in any Management Agreement, without notice (except for the initial notice of any special Assessment), on the date and in the installments determined by the Board of Directors, as set forth in the Rules and Regulations. The Board of Directors may establish different installments for different types of Units (Residential/Commercial Vacation) or for Owners of multiple Units of any type. The Association shall be responsible for charging, collecting, and enforcing the obligations of the Owners to pay Assessments, including any Assessments levied solely against any Class. If any such installment shall not be paid when due and payable, then the Board of Directors may assess a late charge, default interest charge (not to exceed the rate from time to time allowed by Section 38-33.3-315 of the Act or other Applicable Law), fee, or such other charge as the Board of Directors may fix by rule from time to time to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of the applicable payment period. However, if the Common Expense Liability is re-allocated in accordance with this Declaration, any installment(s) of an Assessment not yet due shall be recalculated to reflect the re-allocated Common Expense Liability.

Section 9.10. Default Assessments. All Costs of Enforcement assessed against an Owner pursuant to the Condominium Documents, or any expense of the Association which is the obligation of an Owner pursuant to the Condominium Documents and is not paid when due shall become a Default Assessment assessed against the Owner's Unit. Notice of the amount and demand for payment of such Default Assessment shall be sent to the Owner prior to enforcing any remedies for non-payment hereunder.

Section 9.11. Covenant of Personal Obligation for Assessments. Declarant, by creating the Units pursuant to this Declaration, and all other Owners, by acceptance of the Deed or other instrument of transfer of such Owner's Unit (whether or not it shall be so expressed in such Deed or other instrument of transfer), are deemed to personally covenant and agree, jointly and severally, with all other Owners and with the Association, and hereby do so covenant and agree to pay to the Association the (a) annual Assessments, (b) special Assessments, and (c) Default Assessments applicable to the Owner's Unit. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Elements or the facilities located on or in the Common Elements or by abandoning or leasing such Owner's Unit.

Section 9.12. Lien for Assessments: Assignment of Rents. All Assessments (including installments of the Assessments) arising under the provisions of the Condominium Documents shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Unit to which such Assessments apply. To further evidence such lien upon a specific Unit, the Association shall 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 Rules and Regulations, the name of the Owner or Owners, and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board of Directors, an officer of the Association, or the Managing Agent and shall be recorded in the Records. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied. Upon any default in the payment of any Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Unit payable to the Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Owner, by ownership of a Unit, agrees to the assignment of such rents, profits and income to the Association effective immediately upon any default in the payment of annual, special, or Default Assessments.

Section 9.13. Remedies for Nonpayment of Assessments. If any 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, (a) the Association may charge a fee for late payment as set forth in the Rules and Regulations, (b) interest shall accrue at the default rate set by the Rules and Regulations on any amount of the Assessment in default plus any late fee imposed, accruing from the due date until date of payment, (c) the Association may declare due and payable all unpaid installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, (d) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, (e) the Association may proceed to foreclose its lien pursuant to the power of sale granted to the Association by this Declaration or in the manner and form provided by Colorado law for foreclosure of real estate mortgages, and (f) the Association may suspend the Owner's right to vote in Association matters until the Assessment is paid. An action at law or in equity by the Association (or counterclaims or cross-claims for such relief in any action) 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. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent Default Assessments. The Association shall have the power and right to bid in or purchase any Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, and to convey, or otherwise deal with the Unit acquired in such proceedings.

Section 9.14. Purchaser's Liability for Assessments. Notwithstanding the personal obligation of each Owner to pay all Assessments on the Unit, and notwithstanding the Association's perpetual lien upon a Unit for such Assessments, all purchasers of a Unit shall be jointly and severally liable with the prior Owner(s) of such Unit for any and all unpaid Assessments against such Unit, without prejudice to any such purchaser's right to recover from any prior Owner any amounts paid thereon by such purchaser. A purchaser's obligation to pay Assessments shall commence upon the date the purchaser becomes the Owner. For Assessment purposes, the date a purchaser becomes the Owner shall be determined as follows: (a) in the event of a conveyance or transfer by foreclosure, the date a purchaser becomes the Owner shall be deemed to be upon the expiration of all applicable redemption periods; (b) in the event of a conveyance or transfer by deed in lieu of foreclosure a purchaser shall be deemed to become the Owner of the Unit upon the execution and delivery of the deed or other instruments conveying or transferring title to the Unit, irrespective of the date the deed is recorded; and (c) in the event of conveyance or transfer by Deed, a purchaser shall be deemed to become the Owner upon the execution and delivery of the Deed or other instruments conveying or transferring title of the Unit, irrespective of the date the Deed is recorded. However, such purchaser shall be entitled to rely upon the existence and status of unpaid Assessments as shown upon any certificate issued by or on behalf of the Association to such named purchaser pursuant to the provisions of this Declaration.

Section 9.15. Waiver of Homestead Exemption; Subordination of Lien for Assessments. By acceptance of the Deed or other instrument of transfer of a Unit, each Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. The Association's perpetual lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following:

- (a) 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;
- (b) liens recorded prior to this Declaration unless otherwise agreed by the parties thereto; and

(c) the lien of any First Mortgagee except to the extent the Act grants priority for Assessments to the Association.

Any First Mortgagee who acquires title to a Unit by virtue of foreclosing a First Mortgage or by virtue of a Deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Assessments and Costs of Enforcement against the Unit which accrue prior to the time such First Mortgagee acquires title to the Unit except to the extent the amount of the extinguished lien may be reallocated and assessed to all Units as a Common Expense and except to the extent the Act grants lien priority for Assessments to the Association. All other Persons not holding liens described in this Section and obtaining a lien or encumbrance on any Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's lien for Assessments and Costs of Enforcement as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

The sale or other transfer of any Unit shall not affect the Association's lien on such Unit for Assessments due and owing prior to the time such purchaser acquired title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof except (a) as provided above with respect to First Mortgagees, (b) in the case of foreclosure of any lien enumerated in this Section, and (c) as provided in the next Section. Further, no such sale or transfer shall relieve the purchaser of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

Section 9.16. Statement of Status of Assessments. Within fourteen (14) calendar days after receipt of written notice to the Managing Agent or, in the absence of a Managing Agent, to the Board of Directors and payment of a reasonable fee set from time to time by the Board of Directors as set forth in the Rules and Regulations, any Owner, holder of a Security Interest, prospective purchaser of a Unit or their designees shall be furnished a statement of the Owner's account setting forth:

- (a) the amount of any unpaid Assessments then existing against a particular Unit;
- (b) the amount of the current installments of the annual Assessment and the date that the next installment is due and payable;
- (c) the date(s) for payment of any installments of any special Assessments outstanding against the Unit; and
- (d) any other information, deemed proper by the Association, including the amount of any delinquent Assessments created or imposed under the terms of this Declaration.

Upon the issuance of such a certificate signed by a member of the Board of Directors, 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. An Eligible First Mortgagee holding 20% or more of the outstanding First Mortgagees shall be entitled to obtain a Statement of Status of Assessments annually, without charge.

Section 9.17. Liens. Except for Assessment liens as provided in this Declaration, mechanics' liens (except as prohibited by this Declaration), tax liens, judgment liens and other liens validly arising by operation of law, and liens arising under Security Interests, there shall be no other liens obtainable against the Common Elements or against the interest of any Owner in the Common Elements (except a Security Interest in the Common Elements that may be granted by the Association pursuant to the requirements of the Act).

ARTICLE 10

MAINTENANCE RESPONSIBILITY

Section 10.1. Rights and Duties of Owners. The provisions of this Section 10.1 shall apply to all Units other than the Vacation Units.

(a) Except as may be provided in the purchase and sale agreement or other conveyancing documents executed by Declarant in connection with sales to initial purchasers of the 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, windows and doors forming the boundaries of such Owner's Unit and all walls, floors, ceilings, and doors within such boundaries. Notwithstanding the foregoing, no Owner shall be permitted to install any hardwood floor or other hard surface improvements in any Unit that might affect adjoining Units by increasing noise or vibrations, without the prior written approval of the Board of Directors, which approval may be denied, or conditioned, in the Board's sole discretion.

(b) The Owner of any Unit shall, at the Owner's expense, maintain and keep in repair all fixtures, equipment, and utilities installed and included in a Unit commencing at a point where the fixtures, equipment, and utilities enter the 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 Improvement(s), or impair any easement or hereditament. Without limiting the generality of the foregoing, with respect to any utility line, cable, conduit, pipe or similar improvement serving a Unit, the Owner shall be responsible for its maintenance and repair from the point at which the improvement meets the boundary of the Limited Common Elements appurtenant to and accessible only from that Unit and the Association shall be responsible for such maintenance and repair where such improvements run on or under the Common Elements to such point. These clarifying provisions are not intended to and shall not be deemed to expand or alter the obligations of Owners or the Association, as applicable, with respect to utility providers or other service providers. Each Owner shall be responsible for routine maintenance and care of the walls, floors, ceilings, windows and doors of any Limited Common Element balcony and of any other Limited Common Elements appurtenant to and accessible only from the Owner's Unit, and for keeping the same in a good, clean, sanitary, and attractive condition, provided that the Association (a) shall be responsible for all structural repairs, replacements, and non-routine maintenance and repairs such as painting, and (b) may choose to maintain all or any portion of the Limited Common Elements for reasons of uniformity or structural considerations.

Section 10.2. Owner's Negligence. Except as expressly provided in ARTICLE 18, regarding insurance, in the event that the need for maintenance, repair, or replacement of all or any portion of the Project is caused through or by the negligent or willful act or omission of an Owner or Occupant, 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 days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner, and such expenses shall automatically become a Default Assessment determined and levied against such Unit, enforceable by the Association in accordance with this Declaration.

Section 10.3. Responsibility of the Association. Subject to the Obligations of the Master Association, the Association, without the requirement of approval of the Owners, shall maintain and keep in good repair, replace, and improve, as a Common Expense, all of the Project not required in this Declaration to be maintained and kept in good repair by an Owner. Further, the Association shall exercise all rights, including voting rights, and perform any obligations, including the payment of assessments, with respect to the Property under the Master Association Documents; provided, however,

the Association may revise or amend such obligations pursuant to written agreement between the Association and Master Association.

ARTICLE 11 MECHANICS' LIENS

Section 11.1. Mechanics' Liens. Subsequent to recording of this Declaration and the filing of the Map in the Records, no labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner or the Owner's agent, contractor or subcontractor, shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the 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 mechanics' lien or for labor performed or for materials furnished in work on such Owner's Unit, against the Unit of another Owner or against the Common Elements, or any part thereof.

Section 11.2. 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 this ARTICLE 11 by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanics' lien, to pay all costs and reasonable attorneys' fees incidental to the lien, and to obtain a release of such lien. If the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to indemnify within five (5) days after the Association shall have given notice to such Owner of the total amount of the claim, then the failure to so indemnify shall be a default by such Owner under the provisions of this ARTICLE 11, and such amount to be indemnified shall automatically become a Default Assessment determined and levied against such Unit, and enforceable by the Association pursuant to this Declaration.

ARTICLE 12 USE RESTRICTIONS

Section 12.1. Use of Units. Except for uses reserved to Declarant in ARTICLE 15 entitled "Special Declarant Rights and Additional Reserved Rights," all Residential Units shall be used for dwelling purposes only and shall otherwise be used only in accordance with all Applicable Laws. Except as otherwise restricted herein or in the Rules and Regulations, an Owner, other than the Owner of Residential Units submitted to the Plan, may rent or lease such Residential Unit(s) to others for residential purposes and may otherwise use its Unit(s) for any residential purpose that does not cause unreasonable disturbance to other Owners and which are permitted by Applicable Law. Notwithstanding anything to the contrary set forth in the Condominium Documents, Declarant, any First Mortgagees, and the assignee of a Unit or a Vacation Estate acquired from Declarant's First Mortgagee and held for resale purposes, shall have the right to rent any Units and Vacation Estates owned by Declarant. Subject to the provisions of Section 12.3 and Section 12.5 and the requirements of the Rules and Regulations, the Commercial Units may be used for any purposes and uses permitted by Applicable Law.

Section 12.2. Use of Common Elements. Except as may be permitted in the Limited Common Elements pursuant to the Governing Documents, 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 Board of Directors. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Board of Directors. Owners and Occupants shall not disturb, damage, or have access to, certain restricted access

areas in the Common Elements such as those specified in Section 14.1 and any other areas so designated on the Map or in the Rules and Regulations.

Section 12.3. Commercial Activities. A variety of commercial activities may be conducted in and adjacent to the Project (as further described below, the "**Commercial Activities**"). The Commercial Activities may generate an unpredictable amount of visible, audible and odorous impacts and disturbances. The Commercial Activities may include, without limitation, to the extent permitted by Applicable Law: (i) office and retail uses, (ii) retail sales and rentals, (iii) restaurant and bar operations (including, without limitation, sales of food and alcoholic and non-alcoholic beverages for consumption on and immediately adjacent to the Project and at other locations, preparation of hot and cold food and beverages at indoor and outdoor facilities on and immediately adjacent to the Project), (iv) sales of services relating to recreational activities, (v) the installation, operation and maintenance of illuminated and non-illuminated signage, (vi) meetings and conferences, (vii) recreation and club-related activities, (viii) the provision of food and beverage services to other portions of the Property (to the extent permitted by law), and (ix) any other uses or activities permitted by Applicable Law. The Commercial Activities may occur during the day or night. Commercial Activities within the Commercial Units at the Project must comply with any Rules and Regulations applicable to the Commercial Units.

Section 12.4. Exclusive Use.

(a) The occupant of Commercial Unit C-1 shall have the exclusive right to sell, serve, deliver, and dispense food and beverages on the Property.

(b) Operation of Commercial Unit. The Association reserves the right to adopt Rules and Regulations governing the operation of the bar and restaurant in Commercial Unit C-1. These Rules and Regulations may, without limitation, include hours of operation and service availability to Residential Owners and their guests.

Section 12.5. Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Project or in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Board of Directors. Nothing shall be done or kept in any Unit or in or on the Common Elements which would be in violation of any Applicable Law. No damage to or waste of the Common Elements shall be committed by any Owner or Occupant, 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 such Owner or an Occupant of such Owner's Unit (including all Costs of Enforcement incurred in the defense of claims arising by reason of this Section or incurred in establishing the right to indemnification). Failure to so indemnify shall be a default by such Owner under this Section and shall give rise to a Default Assessment against such Owner's Unit. 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 foregoing indemnity as a Default Assessment levied against such Unit.

Section 12.6. Structural Alterations and Exterior Appearance. No structural alterations to any Unit, including the construction of any additional skylight, window, door or other alteration visible from the exterior of the Unit or to any Common Element shall be made or caused to be made by any Unit Owner without the prior written approval of Declarant during the Period of Declarant Control and, thereafter, the Board of Directors. The Association shall promulgate Rules and Regulations establishing procedures for the approvals required by this Section 12.6. Such Rules and Regulations shall include, but shall not be limited to, requirements that the Owner submit (a) plans and specifications showing the nature, kind, shape, height, color, materials, and location of the proposed alterations in sufficient detail for the Association and Declarant to review them; and (b) processing and/or review fees, which may include any professional fees

the Association or Declarant might incur in retaining architects or engineers to review the plans and specifications. Unit Owners shall be responsible for ensuring that all alterations comply with all Applicable Laws and that all necessary approvals are obtained from governmental authorities. No approval given by Declarant or the Association shall be deemed to imply that Declarant or the Association has reviewed any applicable requirements or the requesting Owner's compliance therewith.

Section 12.7. Pet and Use Restrictions. No animal pens, sheds, fences or other outbuildings or structures of any kind shall be erected by any Owner. No activity shall be allowed which interferes unduly with the peaceful possession and proper use of the Project by the Owners, nor shall any fire hazard or unsightly accumulation of refuse be allowed. No lights shall be emitted which are unreasonably bright or cause unreasonable glare; no sound shall be emitted which is unreasonably loud or annoying; and no odor shall be emitted which is nauseous or unreasonably offensive to others. The Board of Directors may (but shall not be obligated to) approve a request of an Owner of a Residential Unit to keep personal household pets with such conditions as the Board of Directors in its discretion may impose, including, without limitation, that each such pet shall be registered, licensed and inoculated as may be required by the Board of Directors or Applicable Law from time to time, and that the Board of Directors may impose a special Assessment on such Owner to defray the maintenance costs associated with the pets. The Association may adopt additional restrictions regarding pets in the Rules and Regulations.

Section 12.8. Limit on Timesharing. No Owner, excluding Declarant or Declarant's First Mortgagee who acquires a Unit through foreclosure or a deed in lieu of foreclosure, or an assignee of Declarant's First Mortgagee who holds such Unit(s) for resale, shall offer or sell any interest in a Residential Unit under a "timesharing," "vacation ownership plan," "private residence club," "non-equity club," "fractional plan" or "interval ownership" or membership plan, or any similar plan without the specific prior written approval of Declarant during the Period of Declarant Control, and thereafter the Board of Directors. Any such approval shall be subject to the requesting Owner's compliance with all Applicable Laws.

Section 12.9. Restriction on Signs. No signs, billboards, poster boards, or advertising structure of any kind shall be displayed, erected, or maintained for any purpose whatsoever except such signs as have been approved by Declarant during the Period of Declarant Control and, thereafter, the Board of Directors, except those expressly required to be permitted under the Act (such as certain flags and political signs), if any. Such approval shall be given only if such signs are of attractive design and as small a size as reasonably possible and shall be placed or located as directed or approved by the Board of Directors. Any signs which are permitted under the foregoing restrictions shall be erected or maintained only if and to the extent they are in compliance with all Applicable Laws.

Section 12.10. Restrictions on Use of Parking and Storage Areas. Unless written permission is granted by the Board of Directors, (a) no parking shall be permitted at any location on the Common Elements unless specifically designated for parking by the Association, or in a location designated as a Limited Common Element appurtenant to a specific Unit, and (b) no storage is permitted outside of Units except in specifically designated storage areas, if any. No Owner may use any parking or storage space assigned to another without permission of the Owner to whom the parking or storage space is assigned. No Owner may use any parking space for storage or use any parking or storage space in any manner that obstructs or interferes with any other Owner's parking or storage rights or that constitutes a safety hazard. Without limiting the generality of the powers of the Association with respect to parking or storage, the Association may promulgate Rules and Regulations governing parking and storage, and the Association is specifically authorized, but not obligated, to (i) remove any abandoned or inoperable vehicle, any vehicle parked in any area not designated for parking, or any vehicle parked in any space that is assigned to another Person or reserved for a specific use, or any vehicle parked in an obstructing or hazardous manner, except if and to the extent such parking of such vehicle is expressly required to be permitted under the Act, and (ii) remove any improperly stored or hazardous materials, in all cases at the expense of the Owner or Occupant

that owns such vehicle or materials. Expenses incurred by the Association in connection with such removal (and storage, if necessary) shall be a personal obligation of such Owner and, if the Owner fails to pay such amount within seven (7) days after notice to the Owner of the amount owed, then the failure to pay shall be a default by the Owner. Notwithstanding the foregoing provisions of this Section, nothing herein shall be construed to prevent Declarant's use of parking spaces or Common Elements to park vehicles and equipment necessary or desirable for the development and construction of Improvements within the Property or improvements adjacent to the Property.

Section 12.11. Liquor License. To the extent necessary to comply with applicable requirements of the Liquor Code of the State of Colorado, the Executive Board and any Managing Agent may grant exclusive possession and control of any portion of the Common Elements and/or any Unit owned or leased by the Association to a duly authorized licensee for the limited purpose of serving all types of alcoholic beverages.

ARTICLE 13 OTHER ASSOCIATION MATTERS

Section 13.1. Locker/First Aid Unit. (a) Pursuant to the Purchase and Sale Agreement dated February 28, 2013 (“**Purchase Agreement**”) between VSR and Declarant, which provided for the purchase of the Property by Declarant, the Declarant agreed to provide, for purchase by VSR in accordance with the terms of the Purchase Agreement, a Commercial Unit comprised of ski patrol and first aid space and an employee locker room, together totaling approximately 5,500 square feet and to be located in the first phase of the Project, identified on the Map as “**Locker/First Aid Unit**”.

(b) The Assessments applicable to the condominium unit or units created for the Locker/First Aid Unit shall include only amounts related to the maintenance, repair and replacement of elements of the Project reasonably related to the Locker/First Aid Unit and do not include any costs associated with any of the amenity space or lobby or similar areas or services intended to serve the Vacation Units, including, without limitation, any Vacation Estates, timeshare interest or any other fractional ownership interest in and to the Project, vacation club or other equity or non-equity ownership or similar arrangements for the use of the Project or portions thereof whereby a party obtains the right to use property for a period of time even though a developer or a third party retains or obtains fee ownership of the property.

(c) After transfer to VSR of title to the Locker/First Aid Unit, VSR shall indemnify and hold Declarant, its affiliates and the Association harmless from and against all liability, claims, losses, damages and expenses (including reasonable attorney fees) (collectively “**Claims**”) arising out of VSR’s operation, management or use of the Locker/First Aid Unit, which Claims arise against Declarant, its affiliates and/or the Association solely as the result of Declarant’s or Association’s ownership of the Property and which are not related to any act or omission of Declarant, its affiliates and/or the Association or such association as may be responsible for the common areas of the Project pursuant to this Declaration.

(d) This Declaration, the Map and any Rules and Regulations may not be amended to limit the use of or access to the Locker/First Aid Unit or to subject the Locker/First Aid Unit to assessments including amounts in addition to those provided for in Section 13.1(b) above.

Section 13.2. Development of Peak 8 Base Area. Each Owner is hereby advised of and acknowledges that (a) other real properties (“**Other Properties**”) located within the base area of Peak 8 of the Breckenridge Ski Area (“**Peak 8 Base Area**”) may be developed pursuant to the land uses and restrictions stated in the Town of Breckenridge, Colorado (“**Town**”) Amended Peak 7 and 8 Master Plan,

as it may be amended from time to time by or with the consent of VSR ("Master Plan"), and the Town's Development Code; (b) VSR, and its employees, agents, officers, directors and affiliates, make no representations as to the planned use of the Other Properties; (c) the zoning for the Property and the Other Properties is established and governed by the Master Plan, as it may be amended from time to time by or with the consent of VSR, and Development Code; and (d) any amendment of the Master Plan requires approval by the Town.

Section 13.3. Peak 8 Activities. Each Owner is hereby advised of the following matters affecting the Property and the Owners, use and enjoyment thereof:

(a) The Property is located near skiing facilities and recreational areas (the "Mountain Recreational Areas"). The Mountain Recreational Areas are expected to generate an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating to the construction, operation, use and maintenance of the Mountain Recreational Areas (the "Mountain Activities"). The Mountain Activities include, without limitation: (a) vehicular traffic, including, without limitation, (i) buses, vans and other vehicles which transport local residents and others who use the Mountain Recreational Areas over, around and through the Mountain Recreational Areas, and (ii) construction vehicles and equipment; (b) activities relating to the construction, operation and maintenance of roads, trails, ski trails, skiways, and skier bridges and tunnels relating to the Mountain Recreational Areas, including, without limitation, (i) tree cutting and clearing, grading and earth moving, and other construction activities; (ii) construction operation and maintenance of access roads, snowmaking equipment and chairlifts, gondolas or other transportation systems; and (iii) operation of snow grooming and other over-the-snow vehicles and equipment, and safety and supervision vehicles; and (c) activities relating to the use of the Mountain Recreational Areas, including without limitation, (i) skiing, snowboarding, ski patrol activities, and other over-the-snow activities, (ii) hiking, horseback riding, bicycling, other recreational and over-the-terrain activities, and organized events and competitions relating to such activities, (iii) restaurants, restrooms, and other public use facilities, and (iv) public access to adjacent United States Forest Service lands.

(b) No representations have been made as to exactly when any of the Mountain Recreational Areas, including chair lifts and recreational facilities, will be operated or available for use by the public.

(c) The Property is located in an area that is subject to ongoing construction activities relating to the development of the Peak 8 Base Area in general (the "Construction Activities"). The Construction Activities are expected to generate an unpredictable amount of visible, audible and odorous impacts and disturbances. The Construction Activities may include, without limitation: (a) construction traffic (including, without limitation, construction vehicles, equipment and vehicles used or owned by VSR, construction contractors, or their employees) traveling on the roads; and (b) construction activities (including, without limitation, grading excavation, clearing, site work and the construction of improvements) relating to infrastructure and improvements of and for the Peak 8 Base Area and the Mountain Recreational Areas.

(d) Mountain Activities and Construction Activities, and the impacts and disturbances generated by the Mountain Activities and the Construction Activities, may occur in and around the Property.

ARTICLE 14 EASEMENTS

Section 14.1. Easement of Enjoyment; Common Elements. Every Owner shall have a perpetual non-exclusive right and easement for the use and enjoyment of, and for access over, across, and upon, any portion of the Common Elements designated for common use (but specifically excluding Common Elements designated for uses such as maintenance, storage, utility installations and service areas), which includes the benefit of a non-exclusive easement of access over, across and upon the Common Elements for the purpose of access to and from the Unit from public ways for both pedestrian and, where appropriate, vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Unit; provided, however, that such right and easement shall be subject to the following:

- (a) the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, and the Map;
- (b) the right of the Association from time to time to assign on an equitable basis portions of the Common Elements such as storage for the exclusive use of the Owner of a particular Unit by a resolution of the Board or other appropriate written instrument;
- (c) 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;
- (d) the right of the Association to adopt, from time to time, such Rules and Regulations concerning the Project as the Association may determine are necessary or prudent for the management, preservation, safety, control, orderly operation, or use of the Project for the benefit of all Owners; and
- (e) the agreement of all Owners, pursuant to this Declaration, to use reasonable and good faith efforts not to interfere with the use and enjoyment of other Owners of the Common Elements and such other Owners' respective Units.

Section 14.2. Easement of Enjoyment; Limited Common Elements. Subject to the provisions of this Declaration and the Rules and Regulations, every Owner shall have the right to use and enjoy the Limited Common Elements appurtenant to such Owner's Unit.

Section 14.3. Delegation of Use. Any Owner may delegate, in accordance with the Governing Documents, the Owner's right of enjoyment in the Common Elements to an Occupant of the Owner's Unit.

Section 14.4. Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat affecting the Property, as shown on the recorded Map, or as reserved or granted under this Declaration. The recording data for recorded easements and licenses appurtenant to or included in the Property as of the date of this Declaration is set forth on Exhibit C attached hereto and incorporated herein by this reference.

Section 14.5. Easements for Encroachments. The Project, and all portions of it, is subject to easements hereby created for encroachments between Units and the Common Elements as follows:

- (a) in favor of all Owners, so that they shall have no legal liability when any part of the Common Elements encroaches upon a Unit;

(b) in favor of each Owner, so that the Owner shall have no legal liability when any part of such Owner's Unit encroaches upon the Common Elements or upon another Unit; and

(c) in favor of all Owners, the Association, and the Owner of any encroaching Unit for the maintenance and repair of such encroachments.

Encroachments referred to in this Section 14.5 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Improvements or any Unit constructed on the Property, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project; provided, however, that encroachments created by the intentional act of an Owner shall not be deemed to create an easement on the Property and shall be considered an encroachment upon the Project. Such encroachment shall be removed at Owner's expense immediately upon notice from the Association. In the event such encroachment is not timely removed, the Association may effect removal of the encroachment and the expense thereof shall be a Default Assessment to the Owner.

Section 14.6. Utility Easements. There is hereby created a general non-exclusive easement upon, across, over, in, and under all of the Property for ingress and egress and for the purpose of installation, replacement, repair, and maintenance of all utilities and services for the Owners, including but not limited to water, sewer, gas, telephone, electricity, security systems, cable television, cable, and other communication systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such utilities to erect and maintain the necessary equipment on the Common Elements and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility or service company using this general easement shall (i) use its best efforts to install and maintain the utilities provided without disturbing the uses of other utilities, the Owners, the Association, or Declarant; (ii) complete its installation and maintenance activities as promptly as reasonably possible; and (iii) restore the surface to its original condition as soon as possible after completion of its work. Should any utility or service company furnishing a service covered by this general easement request a specific easement by separate recordable document, Declarant and the Association (subject to Declarant's approval during the Period of Declarant Control), shall each have the right and authority, but not the obligation, 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 14.6 shall in no way void, extinguish, or modify any other recorded easement on the Property.

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 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. Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Elements are or may be located within the Units or may be conveniently accessible only through the Units. The Owners and the Association shall have the irrevocable right, to be exercised by the Association as the Owners' agent, to have access to each 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 at any time for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit. Unless caused by the negligent

or willful act or omission of an Owner or Occupant, damage to the interior of any part of a 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 Unit at the instance of the Association or of the Owners shall be a Common Expense. In order to effectuate this right, the Association shall retain a pass key or other access device to each Unit and an Owner shall not change the exterior lock or other access system on its Unit without the Board's prior written consent and providing the Association with a replacement key or access device to accommodate the new lock or other access system.

Section 14.10. Reservation of Air Rights and Rights in Subjacent Areas. The Declarant reserves all air rights over and under the Project for future development of the maximum number of units permitted by and subject to applicable land use laws, ordinances and regulations. In connection with the reservation and furtherance of such rights Declarant further reserves (i) the right of subjacent and lateral support for any such improvement in any Common Element to which such improvement abuts, (ii) access over such portions of the Common Elements as may be reasonably necessary to provide ingress to and egress to and from any improvements built in such area, including temporary easements during construction and (iii) utility service for such additional development. Such expansion may be accomplished by the filing of a supplement to the Map or by the filing of a separate declaration and separate map in order to create a separate condominium regime. The supplement shall set forth (A) any Common Elements attributable to the Units shown on the supplement, (B) the floor plans and linear dimensions of the interior of the Units, (C) the designation by number or other symbol of the Units, (D) the elevation of the unfinished interior surfaces of the floors and ceilings of the Units as established from a datum plane and the distances between floors and ceilings, and (E) the number of square feet of space included within such expansion Units. Upon filing such supplement to the Map, the Allocated Interests all of the Units shall be equitably adjusted so that the expansion Units bear a fair share of the cost of operating and maintaining the Project. The rights reserved in this section may be separately assigned or conveyed by the Declarant.

Section 14.11. Easements Deemed Created. All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this ARTICLE 14, even though no specific reference to such easements or to this ARTICLE 14 appears in the instrument for such conveyance.

Section 14.12. Easement for Warranty Work. To the extent that and for as long as any Person remains liable under any warranty, whether statutory, express or implied, for any act or omission in the development or construction of any portion of the Project, then such Person and its contractors, agents and designees shall have the right, from time to time, to enter the Units (after reasonable notice to the affected Owner) and/or the Common Elements for the purpose of making any necessary inspections, tests, repairs, improvements and/or replacements required for such Person to fulfill any of its warranty obligations. Failure of the Association or any Owner to grant such access may result in the applicable warranty being nullified and of no further force or effect.

Section 14.13. Additional Easements. In the event an additional easement is reasonably requested by an Owner or the Association for purposes consistent with the intent of this Declaration, each Owner and the Association, as applicable, will act reasonably and in good faith in evaluating the request and will not unreasonably withhold its consent to the granting of any such easement.

ARTICLE 15

SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 15.1. Special Declarant Rights. Declarant hereby reserves the right, from time to time, to perform the acts and exercise the rights hereinafter specified (the "**Special Declarant Rights**"). Declarant's Special Declarant Rights include the following:

(a) Completion of Improvements. The right to complete Improvements indicated on the Map(s) filed with this Declaration.

(b) Exercise of Development Rights. The right to exercise any Development Right reserved in ARTICLE 16 of this Declaration.

(c) Sales, Management and Marketing. The right to locate, relocate and maintain sales offices, management offices, operational facilities or officers, signs advertising the Project, and models within the Common Elements and any Unit or Units owned by Declarant, and the right to remove the same. Declarant shall have the right to show Units and the Common Elements to prospective purchasers and to arrange for the use of any storage or recreational facilities within the Common Elements by prospective purchasers.

(d) Easements. The right to create and grant easements through the Common Elements to any party for any purpose including, without limitation, for purposes of (i) making Improvements within the Project, (ii) the construction and development of Real Estate which may be added to the Project, including, without limitation, the Expansion Property, and/or (iii) exercising any Reserved Declarant Rights.

(e) Master Association. The right to annex into and make the Project subject to a master association.

(f) Subassociation(s). The right to create one or more subassociations to govern particular Classes and/or types of Units, including the right to record additional declarations applicable thereto.

(g) Control of Association and Board of Directors. During the Period of Declarant Control, the right to appoint or remove any officer of the Association or any member of the Board of Directors appointed by Declarant.

(h) Amendment of Declaration. The right to amend this Declaration in connection with the exercise of any Development Rights.

(i) Amendment of Map. The right to amend the Map in connection with the exercise of any Development Rights.

(j) Signs. The right to maintain signs on the Common Elements advertising the Project.

(k) Post-Sales. The right to use the Common Elements to maintain customer relations and provide post-sale and re-sale services to Owners.

(l) Merger. The right to merge or consolidate the Project with another project of the same form of ownership.

(m) Storage. The right to use and to allow others to use all storage areas (other than storage areas designated as Limited Common Elements appurtenant to Units not owned by Declarant) including the Ski Storage Easement in connection with its marketing efforts.

Section 15.2. Additional Reserved Rights. In addition to the Special Declarant Rights set forth in Section 15.1 above, Declarant also reserves the following additional rights (the "**Additional Reserved Rights**"):

(a) Dedications. The right to establish, from time to time, by grant, dedication or otherwise, utility and other easements for purposes including but not limited to streets, paths, walkways, tramways, ski-ways, drainage, recreation areas, club access, parking areas, driveways, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the benefit of and to serve the Owners within the Project.

(b) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking and/or recreational facilities, which may or may not be a part of the Project, for the benefit of the Owners and/or the Association.

(c) Easement Rights. The right to grant easements in, on, over or through the Common Elements to any third party for the development or improvement of the Property or other Real Estate, as determined by Declarant.

(d) Other Rights. The right to exercise any Additional Reserved Right created by any other provision of this Declaration or the Act.

Section 15.3. Limitations on Special Declarant Rights and Additional Reserved Rights. Special Declarant Rights and Additional Reserved Rights may be exercised at any time during the period described below in this Section unless sooner terminated (i) by an amendment to this Declaration executed by Declarant; (ii) pursuant to a specific provision for earlier termination set forth above; or (iii) if and to the extent otherwise required under the Act. Any Special Declarant Right or Additional Reserved Rights may be exercised by Declarant so long as Declarant (a) is obligated under any warranty or obligation; (b) holds a Development Right; (c) owns any Unit or any interest therein including, without limitation, Vacation Interests created pursuant to ARTICLE 22; or (d) holds a Security Interest in any Unit(s); provided, however, all Special Declarant Rights and Additional Reserved Rights shall terminate thirty (30) years after the date of recording this Declaration.

Section 15.4. Interference with Special Declarant Rights or Additional Reserved Rights. Neither the Association nor any Owner may take any action or adopt any rule and/or regulation that will interfere with or diminish any Special Declarant Rights or Additional Reserved Rights without the prior written consent of Declarant.

Section 15.5. Rights Transferable. Any Special Declarant Rights or Additional Reserved Right created or reserved under this ARTICLE 15 for the benefit of Declarant may be transferred to any Person by an instrument expressly describing the rights transferred and recorded in the Records. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE 16

RESERVATION OF DEVELOPMENT RIGHTS

Section 16.1. Expansion Rights. Declarant expressly reserves the right to subject all or any part of the Real Estate described in Exhibit D attached hereto and hereby incorporated by reference (the "**Expansion Property**") to the provisions of this Declaration upon the substantial completion of Improvements on the Expansion Property. Except as expressly provided for herein, the consent of the existing Owners, First Mortgagees or other holders of Security Interests shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option. In addition, Declarant also expressly reserves the right to add unspecified Real Estate to the Project as allowed by the Act. Additional development rights not previously reserved may be reserved within all or any portion of the Expansion Property as allowed by the Act.

Section 16.2. Development and Withdrawal Rights. Declarant expressly reserves the right to create Units, Common Elements (including Limited Common Elements) (the "**Additional Improvements**"), to combine Units, to subdivide Units, to convert Units into Common Elements, to convert Common Elements into Units, and to allocate Real Estate as Limited Common Elements on all or any portion of the Real Estate reserved for future development in this Declaration. Declarant may exercise any or all of the Development Rights so reserved at any time within the period described in Section 16.9 with respect to all or any of the Real Estate identified as subject to Development Rights in the Declaration. No assurances are made with respect to the boundaries of any parcels that may be developed or the order in which the parcels may be developed. Exercise of a Development Right with respect to any one parcel does not require exercise of a Development Right on any other parcel of Real Estate subject to Development Rights. No assurances are made that any further development will occur. Declarant expressly reserves the right to withdraw all or any portion of the Property that is designated as subject to withdrawal in this Declaration from the Project by recording a document evidencing such withdrawal in the Records; provided, however, that no portion of the Property may be withdrawn after a Unit in that portion of the Property has been conveyed to a purchaser. The Real Estate withdrawn from the Project shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Project. Declarant shall prepare and record in the Records whatever documents are necessary to evidence such easements and shall amend Exhibit C to this Declaration to include reference to the recorded easement. Declarant alone is liable for all expenses in connection with Real Estate subject to Development Rights for as long as the same remains subject to Development Rights.

Section 16.3. Amendment of Declaration. If Declarant elects to submit Additional Improvements to this Declaration, or to subdivide or to convert Units or Common Elements, then at such time as a certificate of completion executed by an independent licensed or registered engineer, surveyor, or architect stating that all structural components of all buildings containing or comprising any Units thereby created are substantially completed is obtained, Declarant shall record an amendment to this Declaration reallocating the Allocated Interests so that the Allocated Interests appurtenant to each Unit will be apportioned according to the total number of Units submitted to this Declaration. The Allocated Interests apportioned to each Unit in the Project shall be based on the formulae set forth in Section 4.2. Mere subdivision of a Unit shall not change the Allocated Interests of any Unit not included in such subdivision. The amendment to this Declaration shall contain, at a minimum, the legal description of the Real Estate on which the Additional Improvements being submitted to this Declaration are located and a revised schedule of the Allocated Interests appurtenant to the Units in the Project.

Section 16.4. Supplement to the Map. Declarant shall, contemporaneously with the amendment of this Declaration, file a supplement to the Map showing the location of the Additional Improvements or the construction, combination, subdivision, conversion or allocation of Units or Common Elements allowed by this Article. The supplement to the Map shall substantially conform to the requirements contained in this Declaration..

Section 16.5. Interpretation. Recording of amendments to this Declaration and supplements to the Map in the Records shall automatically:

- (a) vest in each existing Unit the reallocated Allocated Interests appurtenant to such Unit; and
- (b) vest in each existing holder of a Security Interest a perfected Security Interest in the reallocated Allocated Interests appurtenant to the encumbered Unit.

Upon the recording of an amendment to this Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Property as expanded. The Additional Improvements constructed on the Property as expanded shall be added to and become a part of the Project for all purposes. All conveyances of Units after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made to any amendment to this Declaration or supplement to the Map. Reference to this Declaration and Map in any instrument shall be deemed to include all amendments to this Declaration and supplements to the Map without specific reference thereto.

Section 16.6. Maximum Number of Units. The maximum number of Units in the Project shall not exceed 250 Units, or, if allowed by the Act, the maximum number of Units allowed by any governmental entity having jurisdiction over the Property, pursuant to any development plan or approvals for the Property. Declarant shall not be obligated to expand the Project beyond the number of Units initially submitted to this Declaration.

Section 16.7. Construction Easement. Declarant reserves an easement through, over and across the Common Elements and Units as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration without consent of any party. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Property not designated as reserved for future development in this Declaration or on the Map for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on any of the Property reserved for future development. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Elements not occupied by an Improvement containing Units. If Declarant grants any such easements, Exhibit C to this Declaration will be amended to include reference to the recorded easement.

Section 16.8. Reciprocal Easements. If property is withdrawn from the Project ("Withdrawn Property"):

- (a) the owner(s) of the Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Project; and
- (b) the Owner(s) in the Project shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance, and emergencies over and across the Withdrawn Property. Declarant shall prepare and record in the Records whatever documents are necessary to evidence such easements and shall amend Exhibit C to this Declaration to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the owner(s) of the Withdrawn Property and the Owners in the Project shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section 16.8 shall

conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section 16.8.

Section 16.9. Termination of Development Rights. The Development Rights reserved to Declarant, for itself, its successors and assigns, shall expire thirty (30) years after the date of recording this Declaration in the Records, unless the Development Rights are reinstated or extended by the Association as provided in the Act, subject to whatever terms, conditions, and limitations the Board of Directors may impose on the subsequent exercise of Development Rights by Declarant. Declarant may at any time release and relinquish some or all of the Development Rights with respect to all or any part of the Real Estate subject to such rights by instrument executed by Declarant and effective when recorded in the Records. Upon the expiration or other termination of the Development Rights, any Real Estate then subject to such rights shall become Common Elements or Units, as applicable.

Section 16.10. Interference With Development Rights. Neither the Association nor any Owner may take any action or adopt any rule or regulation that will interfere with or diminish any Development Rights reserved by this ARTICLE 16 without the prior written consent of Declarant. In the event Owner or Association takes any such action, or is the losing party in litigation related to such action, Owner or Association shall be responsible for Declarant's costs, including reasonable attorney's fees, and shall also be responsible for any and all consequential damages, including damages as the result of any delay, related to such action.

Section 16.11. Transfer of Development Rights. Any Development Rights created or reserved under this ARTICLE 16 for the benefit of Declarant may be transferred, in whole or in part to any person by an instrument expressly describing the rights transferred and recorded in the Records. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE 17 INSURANCE

Section 17.1. Coverage. Commencing not later than the first conveyance of a Unit to a purchaser and to the extent reasonably available, the Association shall obtain and maintain insurance coverage as set forth in this Article. The Association shall have the power and authority to obtain additional policies or coverages not specified herein in the Board's discretion. If such insurance is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy, or if the Board of Directors determines that any insurance described herein will not be maintained, the Board of Directors shall promptly cause notice of that fact to be delivered to all Owners and Eligible First Mortgagees at their respective last known addresses.

(a) Property Insurance. The Association shall maintain property insurance on the Project for special form covered causes of loss (or such equivalent coverage as may hereafter be customarily offered in the insurance industry) in an amount not less than the full insurable replacement cost of the insured property (as determined by the Board of Directors) less applicable deductibles at the time insurance is purchased and at each renewal date, exclusive of land and other items normally excluded from property insurance policies. Co-insurance shall not be permitted.

(b) Liability Insurance. The Association shall maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Project, insuring the Board of Directors, the Association, the Managing Agent, and their respective employees, agents and all Persons acting as agents therefor. The Declarant shall be included as an additional insured in Declarant's capacity as an Owner and member of the Board of Directors. Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership interest in, existence, use or management of the Common Elements or

membership in the Association. The insurance shall cover claims of one or more insured parties against the other insured parties.

(c) Fidelity Insurance. The Association shall maintain fidelity insurance on all persons who control or disburse funds of the Association. Coverage shall not be less in the aggregate than two months' current annual Assessments plus reserves, as calculated from the current Budget of the Association. Any person employed as an independent contractor by the Association, including the Managing Agent, shall be an insured employee in the policy of fidelity insurance specified above.

(d) Other Insurance. The Board of Directors may also procure insurance against such additional risks of a type normally carried with respect to properties of comparable character and use that the Board of Directors deems reasonable and necessary in order to protect the Project, the Association and the Owners.

(e) Owners' Policies. Each Owner of a Unit is encouraged to obtain additional insurance at such Owner's own cost for such Owner's own benefit covering all personal property within such Owner's Unit and all Improvements within the interior finished boundaries of such Owner's Unit. All such policies shall contain waivers of subrogation and provide further that the liability of the carriers issuing insurance to the Association hereunder shall not be affected or diminished by reason of any such insurance carried by any Owner. Each Owner waives and releases all claims against the Association to the extent such claim is covered by applicable insurance policies, regardless of whether damage loss or injury arose from the negligence or breach of any agreement by the Association. Each Owner acknowledges that insurance obtained by the Association does not obviate the need for an Owner to obtain separate insurance for such Owner's benefit. Each Owner may also obtain general liability insurance at such Owner's own cost for such Owner's own benefit covering operations and activities within such Owner's Unit. Such coverage may also extend to cover any legal liability imposed on an Owner due to such Owner's interest in the Common Elements.

Section 17.2. Required Provisions. All insurance policies carried by the Association pursuant to the requirements of this ARTICLE 17 must provide that:

(a) each Owner and each Eligible First Mortgagee 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;

(b) the insurer waives its rights to subrogation under the policy against any Owner or member of an Owner's household;

(c) no act or omission by any Owner or Eligible First Mortgagee, unless acting within the scope of such Owner's authority on behalf of the Association, if any, will void the policy or be a condition to recovery under the policy;

(d) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the risks covered by the policy (other than an Owner's policy covering such Owner's personal property), the Association's policy provides primary insurance;

(e) any loss covered by the policies must be adjusted with the Association;

(f) the insurance proceeds for any loss (other than for an Owner's personal property) shall be payable to an insurance trustee designated for that purpose, or otherwise to the Association and not to any holder of a Security Interest;

(g) the insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or holder of a Security Interest; and

(h) the insurer issuing the policy may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been delivered to the Association and any Owner(s) and holder(s) of Security Interests to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

Section 17.3. Claims by Owner. An Owner may file a claim against the policy of the Association to the same extent, and with the same effect, as if the Owner were a named insured if the following conditions are met: (a) the Owner has contacted the Board of Directors or Managing Agent in writing, and in accordance with any applicable association policies or procedures for owner-initiated insurance claims, regarding the subject matter of the claim, (b) the Owner has given the Association at least fifteen (15) days to respond in writing, and, if so requested, has given the Association's agent a reasonable opportunity to inspect the damage; and (c) the subject matter of the claim falls within the Association's insurance responsibilities. The Association's insurer, when determining premiums to be charged to the Association, shall not take into account any request by an Owner for a clarification of coverage.

Section 17.4. Adjustment of Claims. 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 a property insurance claim, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

Section 17.5. Copies of Policies. A copy of each insurance policy obtained by the Association shall be made available for inspection by any Owner at reasonable times.

ARTICLE 18

RESTORATION UPON DAMAGE OR DESTRUCTION

Section 18.1. Duty to Restore. Any portion of the Project, for which the Association is required to carry insurance under the Act, or for which insurance carried by the Association is in effect, that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) the Project is terminated;
- (b) repair or replacement would be illegal under Applicable Law;
- (c) sixty-seven percent (67%) of the actual Total Voting Power of the Owners, including every Owner or Vacation Owner of a Unit or Limited Common Element that will not be rebuilt, vote not to rebuild; or
- (d) prior to the conveyance of any Unit to a purchaser, the holder of a Security Interest on the damaged portion of the Project rightfully demands all or a substantial part of the insurance proceeds.

In the event the Project is not repaired or replaced as allowed by Subsections (a), (b) and (c) above, then the Real Estate in the Project shall be sold and the proceeds distributed pursuant to the procedures provided for in the Act for termination of condominium projects.

Section 18.2. Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 18.3. Plans. The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board of Directors and any percentage of Owners required to approve the same under the Act.

Section 18.4. Replacement of Less Than Entire Property. If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements shall 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:

(a) the insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must be first distributed or credited to the holders of Security Interests and then to the Owner(s) of the Unit or the Vacation Estate to which the Limited Common Elements were allocated, as their interests may appear;

(b) the remainder of the proceeds must be distributed or credited to each Owner or holder of a Security Interest, as their interests may appear, in proportion to the Allocated Interests in the Common Elements of all the Units; and

(c) if the Owners vote not to rebuild a Unit, the Allocated Interests of the Unit shall be reallocated as if the Unit had been condemned, and the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocation.

Section 18.5. Insurance Proceeds. The insurance trustee, or if there is no insurance trustee, then the Board of Directors, acting by the President, shall hold any insurance proceeds in trust for the Association, Owners and holders of Security Interests as their interest may appear. Subject to the provisions of the Sections above, the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Owners and holders of Security Interests are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Project is terminated, in which event the surplus proceeds will be distributed as provided in this Declaration and the Act. Except to the extent otherwise required by the Act, no provision of the Condominium Documents shall be construed to grant to any Owner, any priority over any rights of any First Mortgagees pursuant to the terms of their Security Interests in the case of the distribution to Owners of insurance proceeds for losses to Units, Vacation Estates and/or the Common Elements or any portions thereof.

Section 18.6. Certificates by the Board of Directors. The insurance trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

(a) whether or not damaged or destroyed Property is to be repaired or restored; and

(b) the amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 18.7. Certificates by Attorneys or Title Insurance Companies. If payments are to be made to Owners or holders of Security Interests, the Board of Directors, and the insurance trustee, if any, shall obtain and may rely on a title insurance company or attorney's certificate of title or a title insurance policy based on a search of the Records from the date of recording of this Declaration stating the names of the Owners and the holders of Security Interest.

ARTICLE 19 CONDEMNATION

If all or part of the Project is taken 'by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the provisions on eminent domain in the Act.

ARTICLE 20 MORTGAGEE PROTECTIONS

Section 20.1. Introduction. This ARTICLE 20 establishes certain standards and covenants which are for the benefit of Eligible First Mortgagees. This ARTICLE 20 is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

Section 20.2. Percentage of First Mortgagees. Unless specifically provided otherwise, wherever in this Declaration the approval or consent of a specified percentage of Eligible First Mortgagees is required, it shall mean the approval or consent of the stated percentage of the voting power of Eligible First Mortgagees. Each Eligible First Mortgagee shall be entitled to the same voting power as allocated to the encumbered Unit.

Section 20.3. Notice of Actions. The Association shall give prompt written notice of the following to each Eligible First Mortgagee:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which an interest is held by the Eligible First Mortgagee;
- (b) if requested by such Eligible First Mortgagee, any delinquency in the payment of Assessments which remains uncured for sixty (60) days by an Owner whose Unit is encumbered by a Security Interest held by such Eligible First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action which would require the consent of Eligible First Mortgagees as set forth in this Article;
- (e) any judgment rendered against the Association having a material effect on the ability of the Association to perform its obligations herewith;
- (f) if requested by such Eligible First Mortgagee, a copy of any financial statement of the Association;
- (g) any proposed or approved special assessments under Section 9.9;
- (h) copies of all proposed budgets;
- (i) copies of any amendments to the Declaration; and
- (j) any actions taken under Section 21.2(c) or Section 21.2(d).

Section 20.4 Consent Required. The Association may not take any of the following actions, except as such rights have been specifically reserved by Declarant under the provisions of this Declaration, without the consent of sixty-seven percent (67%) of the Eligible First Mortgagees:

- (a) sale, conveyance or encumbrance of the Common Elements (provided, however, that the granting of easements for public utilities, for construction and maintenance of roads within the Project, or for other purposes provided for in this Declaration will not be deemed a transfer within the meaning of this clause);
- (b) restoration or repair of the Project (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration;
- (c) termination of this Declaration for reasons other than substantial destruction or condemnation, subject to the approval percentages required for such termination;
- (d) merger of the Project with any other common interest community;
- (e) any decision not to repair or to replace the Common Elements when repair or replacement is otherwise required under this Declaration;
- (f) any amendment of Articles 20 or 22;
- (g) any withdrawal from the Declaration of any Property encumbered by an Eligible First Mortgagee;
- (h) any consolidation or subdivision of Residential Units or Vacation Units or conversion of the same to common elements;
- (i) any increase or decrease in the maximum number of Units; and
- (j) any changes contemplated by Section 21.2(b) and (c) to the extent that a Unit or Vacation Estate covered by an Eligible First Mortgagee is affected by such changes.

Section 20.5. Notice of Objection. Unless an Eligible First Mortgagee provides the Secretary of the Association with written notice of its objection, if any, to any proposed action requiring the approval of Eligible First Mortgagees within sixty (60) days following the receipt of notice of such proposed action, the Eligible First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

Section 20.6. First Mortgagees' Rights.

- (a) Advances. First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies for the Common Elements. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.
- (b) Cure Rights. First Mortgagees shall be entitled to cure any delinquency of the Owner of a Unit or Vacation Estate encumbered by a First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 20.7. Limitations on First Mortgagee's Rights. No requirement for approval or consent by a First Mortgagee provided in this ARTICLE 20 shall operate to:

- (a) deny or delegate control over the general administrative affairs of the Association by the Owners or the Board of Directors;
- (b) prevent the Association or Board of Directors from commencing, intervening and/or settling any legal proceeding; or
- (c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of ARTICLE 18 entitled "Restoration Upon Damage or Destruction".

Section 20.8. Reserved Declarant Rights. No provision or requirement of this ARTICLE 20 entitled "Mortgagee Protections" shall apply to or contravene any Reserved Declarant Rights reserved to Declarant in this Declaration, except as expressly provided for herein.

Section 20.9. Lien Protection for Mortgagees. Except as set forth in the Act or as required by other Applicable Law, no violation or breach of or failure to comply with any provision of the Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any Security Interest taken in good faith or for value and perfected by recording in the Records, nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such Security Interest or the title or interest acquired by any purchaser upon foreclosure of any such Security Interest or other lien.

ARTICLE 21

DURATION OF COVENANTS; AMENDMENT AND TERMINATION

Section 21.1. Term. The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Property until this Declaration is terminated pursuant to the terms hereof.

Section 21.2. Amendment of Declaration. This Declaration may be amended as follows:

(a) General Amendments. Except as otherwise expressly permitted or restricted by this Section 21.2 and as provided for in ARTICLE 20, this Declaration may be amended by a vote or agreement of a Majority of Owners. To the extent the proposed amendment involves an issue subject to Class Voting, a majority of a quorum of the Owners in the affected Class will also be required, such that the Majority of Owners must include a majority of a quorum of the Owners in such Class. Notwithstanding the foregoing provision, the percentage of the Total Voting Power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative voting power prescribed for action to be taken under that clause or provision.

(b) Permitted Use Amendments. Except to the extent otherwise expressly permitted or required in this Declaration, this Declaration may be amended to change the uses to which any Unit is restricted only by a vote or agreement of Owners holding at least sixty-seven percent (67%) of the Total Voting Power, including a majority of the voting power allocated to any Class directly affected by such amendment (e.g., amendments changing uses for Vacation Units).

(c) Allocated Interest Amendments. Except to the extent otherwise expressly permitted or required in this Declaration or under the Act, this Declaration may be amended to increase

Reserved Declarant Rights, increase the number of Units or change the boundaries of any Unit or the Allocated Interests of a Unit or Vacation Estate only by a vote or agreement of Owners holding at least sixty-seven percent (67%) of the Total Voting Power, including sixty-seven percent (67%) of the voting power allocated to Units and Vacation Estates not owned by Declarant.

(d) Reserved Amendment Rights. To the extent that this Declaration and the Act expressly permit or require amendments that may be executed by Declarant or by the Association, this Declaration may be amended by amendments executed solely by Declarant or solely by the Association. To the extent not prohibited by the Act, Declarant may execute any amendment required or necessary to comply with Applicable Law and any amendment required or appropriate to comply with the secondary mortgage market or Colorado state regulatory requirements. In the event of an amendment by Declarant in connection with the exercise of the Reserved Declarant Rights pursuant to the terms of this Declaration, recording of such amendments to this Declaration and any associated supplement to the Map in the Records shall automatically:

(i) vest in each existing Owner the reallocated Allocated Interests appurtenant to such Owner's Unit; and

(ii) vest in each existing holder of a Security Interest a perfected Security Interest in the reallocated Allocated Interests appurtenant to the encumbered Unit.

Upon the recording of such an amendment to this Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Property, as expanded. All conveyances of Units after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made to any amendment to this Declaration or supplement to the Map. Reference to this Declaration and Map in any instrument shall be deemed to include all amendments to this Declaration and supplements to the Map without specific reference thereto.

Section 21.3. Amendment of Other Condominium Documents. The Articles of Incorporation and Bylaws may be amended in accordance with the terms of such documents and the Nonprofit Act. The Rules and Regulations may be amended as determined by the Board of Directors.

Section 21.4. Execution of Amendments; Expenses. Any amendment shall be prepared, executed and recorded either by Declarant or by an officer of the Association designated for that purpose or, in the absence of a designation, by the President of the Association. All expenses associated with preparing and recording an amendment to this Declaration shall be the sole responsibility of: (a) any Owners desiring an amendment as provided for in this Declaration or the Act; (b) Declarant, to the extent the right to amend this Declaration is reserved to Declarant and exercised by Declarant; or (c) in all other cases by the Association as a Common Expense.

Section 21.5. When Modifications Permitted. Notwithstanding the provisions of Section 21.2 above, no amendment or termination of this Declaration shall be effective in any event during the Period of Declarant Control, unless the written approval of Declarant is first obtained.

Section 21.6. Recording of Amendments. Any amendment to this Declaration made in accordance with this ARTICLE 21 shall be immediately effective upon the recording of the executed amendment in the Records together with a duly authenticated certificate of Declarant or the Secretary of the Association, as applicable, stating that the required vote of Owners, if any, and required consents of First Mortgagees, if any, were obtained and are on file in the office of the Association or were not required to be obtained pursuant to this Declaration or the Act. The amendment must be indexed in the grantee's index in the name of the Project and the Association and in the grantor's index in the name of each person or entity executing the Amendment.

Section 21.7. Rights of Declarant. Notwithstanding anything to the contrary contained herein, and to the extent permitted by the Act, no amendment or modification to, or impairment of any of the rights contained in, any of ARTICLE 13, ARTICLE 14, ARTICLE 15, Section 21.5, this Section 21.7 or ARTICLE 21 shall be effective or enforceable without the prior consent of Declarant during the Period of Declarant Control.

Section 21.8. Rights of Vail Summit Resorts. Pursuant to a Restrictive Covenant Concerning Plans and Condominium Declaration and Map Approval recorded on May 22, 2013, under Reception No. 1026864 in the Summit County Clerk & Recorder's Office ("**Restrictive Covenant**"), Vail Summit Resorts, Inc., its successors and assigns ("**VSR**") was granted authority to review and approve any amendments to the Declaration and supplements to the Map solely with respect to the matters specified in the Restrictive Covenant. Any amendment to the Declaration or supplement to the Map shall include a written acknowledgement that VSR has reviewed and approved the same.

Section 21.9. Rights of Eligible First Mortgagees. To the extent allowed by the Act, Eligible First Mortgagees shall have the rights to approve specified action of the Owners or the Association as a condition to the effectiveness of those actions as provided in ARTICLE 20 entitled "Mortgagee Protections".

Section 21.10. Termination of the Project. The Project may only be terminated as provided in the Act.

ARTICLE 22

PLAN OF VACATION OWNERSHIP

Section 22.1. Submission of Units to the Plan of Vacation Ownership. Declarant reserves the right to submit all or some of the Residential Units in the Project to the Plan of Vacation Ownership as set forth in this Article. The provisions of this Article relate only to those Residential Units submitted to the Plan and shall govern the ownership of Vacation Estates in said Vacation Units and the rights, duties and obligations of Vacation Owners. So long as Declarant: (a) holds a Development Right; (b) owns any Residential Unit or Vacation Estate; (c) holds a Security Interest in any Residential Unit or Vacation Estate; or (d) for thirty (30) years after the date of recording this Declaration, the right to submit a Residential Unit to the Plan shall extend only to Declarant and shall specifically not be available to purchasers of Residential Units in the Project, their successors, or assigns except with the prior written consent of Declarant. The right of Declarant to subject a Unit to the Plan shall also extend to the holder of any First Mortgage of a Unit who obtains title to the Unit through foreclosure or a deed in lieu of foreclosure or an assignee who acquires the Unit from the Declarant's First Mortgagee and holds the Unit for resale. Thereafter, any Residential Unit Owner may submit a Residential Unit to the Plan, with the prior written consent of the Association, subject to the Owner's compliance with all Applicable Laws. Submission of a Residential Unit to the Plan shall be subject to the prior written consent of any First Mortgagee of the Residential Unit. The provisions of the Declaration shall apply to all Vacation Units and Vacation Estates created hereunder; provided, however, in the event of an inconsistency between this Article and the remaining provisions of the Declaration with respect to the ownership of a Vacation Unit or Vacation Estate and the rights, duties, and obligations of Vacation Owners, then the provisions of this Article shall control. Certain references to Units (where not expressly modified by Residential or Commercial) are hereby expressly deemed to include references to Vacation Estates; in particular, all references relating to Deeds, transfers or conveyances of Units (i.e., in Sections 2.24, 3.4, 7.1, 7.4, 15.5, and 21.2); all references to membership in the Association being tied to ownership of a Unit (i.e., Section 7.1); all references to Assessments being made against Units and the rights, remedies and procedures relating to the collection of Assessments (i.e., ARTICLE 9 and Sections 12.5 and 12.10); all references to easements of enjoyment appurtenant to Units (i.e., Section 14.2); and the mortgagee protections set forth in ARTICLE 20.

Section 22.2. Definitions. Unless the context expressly requires otherwise, words shall have the meanings designated below with respect to those Residential Units which are submitted to the Plan.

- (a) **"Biennial Vacation Estate"** has the meaning set forth in Section 22.12.
- (b) **"Comparable Floating Vacation Estates"** has the meaning set forth in Section 22.10(a).
- (c) **"Fixed Vacation Estate"** means a Vacation Estate which entitles the Vacation Owner to exclusive possession and occupancy of a specific Vacation Unit during the specific Vacation Week specified in the Deed.
- (d) **"Floating Vacation Estate"** means a Vacation Estate subject to the Use Right Easement and Reservation Procedures.
- (e) **"Maintenance Weeks"** means those Floating Vacation Weeks, if any, reserved as Maintenance Weeks or by the Association in advance of the start of the Vacation Week to service, clean, repair, maintain and refurbish the Vacation Unit and for such other purposes as the Association may deem necessary or desirable.
- (f) **"Reservation Procedures"** means the reservation procedures for use of the Vacation Units by Vacation Owners established by the Association from time to time as part of the Rules and Regulations.
- (g) **"Seasonal Calendar"** means the calendar attached hereto as Exhibit F that shows the Vacation Weeks for Fixed Vacation Estates or Floating Vacation Estates available in the Winter, Summer and Spring/Fall seasons; provided, however, that Declarant hereby reserves the right to offer and sell up to an additional ten percent (10%), in the aggregate, of the Floating Vacation Estates in each of the Winter, Summer and Spring/Fall seasons as any combination of Fixed Vacation Estates.
- (h) **"Services"** has the meaning set forth in Section 22.7(k).
- (i) **"Use Right Easement"** has the meaning set forth in Section 22.10(a).
- (k) **"Vacation Assessment"** means the assessment paid by the Vacation Owners pursuant to Section 22.8.
- (1) **"Vacation Calendar"** means the calendar prepared each year by the Association, which assigns Vacation Weeks to Vacation Owners pursuant to the schedule established in the deed conveying the initial Vacation Week in the Vacation Unit to a Vacation Owner.
- (m) **"Vacation Estate"** means a timespan estate consisting of an undivided interest as tenant-in-common in a Vacation Unit of an identified type, together with the exclusive right to possession and occupancy of the Vacation Unit during the Vacation Week assigned to the Vacation Owner as specified in the Deed. The undivided percentage interest in the Vacation Units allocated to each Vacation Estate is a 1/52nd interest of the present estate in fee simple in said Vacation Unit.
- (n) **"Vacation Furnishings"** means all furniture, appliances, moveable equipment, utensils, carpeting, accessories, and other personal property located within a Vacation Unit or in the Limited Common Elements appurtenant to the Vacation Unit.

(o) **"Vacation Owner"** means each Owner vested with legal title to a Vacation Week, all of which are members of the Association.

(p) **"Vacation Unit"** means a Residential Unit or a combination of Residential Units which create a two, three or four bedroom Vacation Unit, which are submitted to the Plan. A Vacation Unit may contain both Vacation Estates and Floating Vacation Estates as set forth in the submission of the Unit to the Plan pursuant to Section 22.3.

(q) **"Vacation Week"** means a period of exclusive possession and occupancy of a Vacation Unit pursuant to a schedule established in a notice recorded by the person submitting the Residential Unit to the Plan or in the deed conveying the initial Vacation Week in the Vacation Unit to a Vacation Owner. Vacation Weeks are established for each Vacation Unit by completion of the following schedule:

Vacation Week No. 1 is the seven days commencing at 4:00 p.m. on the first Saturday or Sunday of each calendar year. All other Vacation Weeks are calculated by working forward and backward from Vacation Week No. 1. Vacation Weeks run from 4:00 p.m. of the first day of the Vacation Week to 10:00 a.m. on the last day of the Vacation Week; provided, however, the Association shall have the right to promulgate rules and regulations establishing arrival and check out times which may result in possession and occupancy of a Vacation Unit commencing later than the commencement of the Vacation Week and terminating prior to the termination of the Vacation Week. All Vacation Weeks in a Vacation Unit shall be computed on the same basis and shall commence and end at the same time, on the same day of the week, according to this paragraph, unless the last Vacation Week established by the Vacation Calendar for Saturday check-in begins on December 31st in any year or on December 30th in certain leap years, in which case the additional seven days (which would otherwise constitute Vacation Week 53) shall be assigned to Vacation Week 51 (three additional days) and Vacation Week 52 (four additional days). In such years, extended Vacation Weeks 51 and 52 will be defined as Holiday Weeks. Holiday Week 52 commences the day after Holiday Week 51 ends, notwithstanding the day of the Week.

Section 22.3. Submission of Unit to the Plan of Vacation Ownership. Declarant may submit a Residential Unit to the Plan either by recording a properly acknowledged notice executed by Declarant describing the Residential Unit to be submitted to the Plan and reciting Declarant's intention to do so or by Declarant's execution, delivery and recordation of a Deed conveying a Vacation Estate to a Vacation Owner and establishing the Vacation Weeks for the Vacation Unit. By acceptance of a Deed to a Vacation Estate, each Vacation Owner waives such Vacation Owner's right to bring a suit for partition. For purposes of Section 7.5 and Section 7.6 of the Declaration, a Residential Unit submitted to the Plan shall be deemed conveyed to an Owner other than a Declarant after conveyance of one hundred percent (100%) of the Vacation Estates in the Vacation Unit. As of the date of recording of this Declaration, the Residential Units submitted to the Plan are those set forth on Exhibit E.

Section 22.4. Conveyance by Purchaser. Each Vacation Estate shall constitute an estate in real property separate and distinct from all other Vacation Estates in the Vacation Unit, which estate may be separately conveyed and encumbered. A purchaser may acquire more than one Vacation Estate and thereafter convey or encumber each Vacation Estate so acquired separately (subject to the Resale Restriction described below and the transfer requirements set forth in the Bylaws and/or Rules and Regulations). In no event, however, shall a Vacation Owner convey or encumber less than a Vacation Estate as defined herein, or attempt to subdivide a Vacation Estate into lesser interests. In the event all Vacation Estates in a Vacation Unit

are acquired by one Vacation Owner, such Vacation Unit may, at such Vacation Owner's election, to the extent permitted by Applicable Law and not otherwise prohibited by a restrictive covenant and with the prior written consent of the Association and with the consent of any Eligible First Mortgagee of the affected Vacation Estates by notice duly recorded, be withdrawn from the Plan.

Section 22.5. Legal Description of a Vacation Estate. A contract for sale of a Vacation Estate written prior to the date this Declaration is filed in the Records may legally describe a Vacation Estate in substantially the manner set forth below and may indicate that the Declaration and Map are to be recorded. Subsequent to the recording of the Declaration and Map, every contract for sale, Deed, lease, mortgage, trust deed, or other instrument relating to a Vacation Estate will legally describe the Vacation Estate as follows:

A [Fixed, Floating or Biennial] Vacation Estate consisting of an undivided 1/52nd interest as tenant-in-common in the _____ Season in Vacation Unit number _____, during Vacation Week _____, GRAND COLORADO ON PEAK 8 Condominium, according to the Condominium Declaration and Plan of Vacation Ownership for The Grand Colorado on Peak 8 recorded in the records of Summit County, Colorado on _____, at Reception No. _____ and amendments thereto, and as further described in the Condominium Map recorded on _____ at Reception No. _____ and supplements thereto, together with the exclusive right to possession and occupancy of a comparable Vacation Unit during a comparable Vacation Week.

Any legal description substantially in the form provided above or which is otherwise sufficient to identify the Vacation Estate shall be good and sufficient for all purposes to sell, convey, transfer and encumber or otherwise affect a Vacation Estate and all Common Elements, Limited Common Elements and easements appurtenant thereto.

Section 22.6. Administration and Management. The administration and management of the Plan shall be performed by the Association. The Association shall have all powers necessary or desirable to effectuate any of the purposes provided for herein. A Vacation Owner, upon becoming the owner of a Vacation Estate, shall be a member of the Association and of the Vacation Class and shall remain a member for the period of time the Vacation Estate is owned by such Vacation Owner. A Vacation Owner shall be entitled to a vote, the size of which vote shall be based upon the vote allocated to the Unit pursuant to ARTICLE 4, further allocated based upon each Vacation Owner's undivided interest as tenant-in-common in a Vacation Unit.

Section 22.7. Powers and Duties of the Association with Respect to Vacation Estates. By way of enumeration and without limitation and in addition to the powers and duties of the Association provided for in the Bylaws, the Association shall also have the following specific powers and duties with respect to Vacation Estates:

- (a) coordinate the plans of Vacation Owners for moving their personal effects into and out of the Vacation Units with a view toward scheduling such moves, so that there will be a minimum of inconvenience to other Vacation Owners;
- (b) cause each Vacation Unit to be maintained in a first class manner and condition. The Association shall determine the color scheme, decor, and furnishing of each Vacation Unit as well as the proper time for refurbishment, redecorating, and replacement thereof;
- (c) acquire and hold title to all Vacation Furnishings. The Association shall, on behalf of all Vacation Owners, hold title in its name to all Vacation Furnishings, and no Vacation Owner

shall have any right, title, or claim thereto, and the Association shall have the right to deal with Vacation Furnishings for all purposes;

(d) maintain property insurance for covered causes of loss to the Vacation Units and Vacation Furnishings in an amount of insurance not less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date and containing the required provisions set forth in Section 17.2;

(e) bill each Vacation Owner for the expense of occupancy of a Vacation Unit during which occupancy the Association determines the individual expenses of the particular Vacation Owner which are not included as part of the Vacation Assessment, including, but not limited to long-distance and other extraordinary telephone charges, extraordinary repairs or charges for damage to the Vacation Unit, the Vacation Furnishings, equipment, fixtures, appliances, and carpeting caused by a Vacation Owner or such Vacation Owner's Occupant, other charges rendered by the Managing Agent on behalf of the particular Vacation Owner and maid service in addition to the standard maid service provided for each Vacation Week and included within the Vacation Assessment provided for in this Article;

(f) collect the Vacation Assessment provided for in this Article;

(g) establish, subject to modification at any time, publish, and administer the Reservation Procedures as provided for in this Article and such other rules and regulations as the Association deems necessary or desirable, specifically including but not limited to fines and restrictions on use and occupancy if a Vacation Owner is not current on Assessments or is otherwise in violation of the provisions of this Article;

(h) prepare the Vacation Calendar;

(i) enter into license agreements or other like agreements with respect to the operation, management, maintenance and/or benefits related to the Plan;

(j) enforce the remedies for non-payment of the Vacation Assessments set forth in this Article; and

(k) establish, subject to modification at any time, publish a list of and administer any services to be offered by the Association to the Vacation Owners (the "**Services**"), the cost of which shall be included in the Vacation Assessment for Owners of Vacation Estates.

Section 22.8. Vacation Assessment. In addition to the Assessment for Common Expenses established by the Association to meet the Common Expenses of the Project, the Association shall also establish a separate Vacation Assessment that will be assessed against Vacation Units to cover the additional costs of operating the Vacation Estates as part of the Plan. The Vacation Assessment for each Vacation Unit may include but is not limited to, the following:

(a) the allocated share of the Common Expense Liability attributable to each Vacation Estate in a Vacation Unit;

(b) maintenance, and regularly scheduled cleaning and maid service and upkeep of the Vacation Unit;

(c) repair and replacement of the Vacation Furnishings;

- (d) any additional premium for property or liability insurance occasioned by the operation of the Plan;
- (e) real and personal property taxes assessed against the Vacation Estates;
- (f) management fees assessed by the Managing Agent to cover the costs of operating the Plan that are in addition to the management fees set by the Managing Agent for management of the Project;
- (g) a reserve for refurbishment and/or replacement of Vacation Furnishings;
- (h) premiums attributable to commercial general liability insurance coverage for death, bodily injury and property damage resulting from the use of a Vacation Unit within the Project by Owners of Vacation Estates, their Occupants or other users;
- (i) membership or similar dues payable by the Association on behalf of all or some of the Vacation Owners for membership in any clubs or facilities; and
- (j) any other expenses incurred in the normal operation of the Project attributable to operation of the Vacation Units as part of the Plan and not otherwise within the definition of Common Expenses provided for in the Declaration.

The Vacation Assessment shall be assessed and prorated among the Vacation Units on the basis of the size and type of the Vacation Unit as compared to the total number of all Vacation Units, further allocated among the Vacation Owners of each Vacation Unit on the basis of each Vacation Owner's undivided interest in the Vacation Unit, as further set forth on Exhibit E. The Vacation Assessment shall be paid by the Vacation Owner pursuant to a schedule established by the Association. These Assessments shall be the personal and individual debt of the Vacation Owner and all sums assessed but unpaid shall constitute a lien on the Vacation Estate, which lien is subject to Section 9.16 hereof. The Association shall have all of the rights in connection with the collection thereof as it has in connection with the collection of unpaid Assessments for Common Expenses.

Section 22.9. Acceptance; Enforcement; Indemnification. By acceptance of a Deed to a Vacation Estate, a Vacation Owner agrees to be bound by the terms and conditions of the Declaration, specifically including, but not limited to, the provisions of this Article. In addition to all remedies provided to the Association elsewhere in the Declaration, the Association shall also have the following special remedies with respect to any Vacation Owner who fails to pay the Vacation Assessment or is otherwise in default of any provision of this Article:

- (a) In the event any Vacation Owner fails to vacate a Vacation Unit after termination of a reserved Vacation Week or otherwise uses or occupies or prevents another Vacation Owner from using or occupying a Vacation Week, that Vacation Owner shall be in default hereunder and shall be subject to immediate removal, eviction or ejection from the Vacation Unit wrongfully occupied; shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection; and shall pay to the Vacation Owner entitled to use the Vacation Unit during such wrongful occupancy, as liquidated damages for the wrongful use of the Vacation Unit, a sum equal to two hundred percent (200%) of the estimated expense of providing the arriving Vacation Owner with equivalent lodging and amenities, as determined by the Association in its sole discretion for each day, or portion thereof, including the day of surrender, during which the Vacation Owner wrongfully occupies a Unit, plus all Costs of Enforcement, which amounts may be collected by the Association in the manner provided herein for the collection of Default Assessments.

(b) Any Vacation Owner who suffers or allows a mechanics' lien or other lien to be placed against such Vacation Owner's Vacation Estate or the entire Vacation Unit shall indemnify, defend and hold each of the other Vacation Owners harmless from and against all liability or loss arising from the claim or such lien. The Association may enforce such indemnity by collecting from the Vacation Owner who suffers or allows such a lien the amount necessary to discharge the lien and all Costs of Enforcement incidental thereto. If such amount is not promptly paid, the Association may collect the same in the manner provided herein for the collection of Default Assessments.

(c) Withhold use or possession of the Vacation Owner's Vacation Estate during the assigned Vacation Week, prohibit the Vacation Owner from making any reservation pursuant to the Reservation Procedures, and upon notice, cancel any reservation previously made by the Vacation Owner and rent or reallocate any Vacation Week to which a Vacation Owner is entitled.

(d) Suspend all of such Person's rights and privileges as a member of the Association, including but not limited to, the right to participate in any vote or other determination provided for in the Governing Documents.

(e) Except as to a transfer to a First Mortgagee by foreclosure or deed in lieu of foreclosure, no transfer of a Vacation Estate shall be permitted unless and until the proposed transferor is current as to all Assessments due to the Association and is otherwise not in default under any other provision of the Declaration. Any purported transfer of a Vacation Estate while a Vacation Owner is delinquent or is in default on any other obligation shall be null and void.

All of the remedies granted by the Condominium Documents, specifically including the specific remedies provided for in this Article are cumulative, and the exercise of one right or remedy by the Association shall not impair the Association's right to exercise any other remedy. The Association shall not be limited to the remedies set forth herein and may invoke any other or additional remedies provided for or allowed by the Act, in law or in equity. The Association may pursue any of the remedies provided for in whatever order is determined by the Association. The failure by the Association to insist in any one or more instances upon the strict compliance with any provision of the Condominium Documents, to exercise any right or option contained therein, to serve any notice or to institute any action or proceeding, shall not be construed as a waiver or relinquishment of any such provision, option or right.

Section 22.10. Factors Pertaining to Floating Vacation Estates. All Floating Vacation Estates are subject to the following cross use easement rights, comparability and reservation procedures:

(a) Cross Use Easement Rights. In order to maximize the availability of space to fulfill Vacation Owners' desired use, subject to the provisions of Paragraph (b) below relating to reservations, Vacation Estates designated as Floating Vacation Estates shall be available for reservation, occupancy and use (the "**Use Right Easement**") by Owners of Comparable Floating Vacation Estates in the Project during the Designated Season. "**Designated Season**" shall mean Summer, Summer Prime, Summer Value, Winter, Winter Prime, Winter Value, or Spring/Fall Seasons and the Vacation Weeks that are a part thereof as set forth in the Seasonal Calendar in Exhibit F. "**Comparable Floating Vacation Estates**" shall be deemed to be all Floating Vacation Estates in the same type of Vacation Unit (e.g. a Suite, One-bedroom Unit, Two-bedroom Unit, etc.). Each Deed conveying a Floating Vacation Estate shall be deemed to include a reservation of this Use Right Easement benefiting all Vacation Owners.

(b) Reservation Procedures. All Owners of Floating Vacation Estates shall be entitled to make reservations with the Association for the Vacation Week(s), or portions thereof, in the Designated Season the Vacation Owner desires to use pursuant to the Reservation Procedures. Reservations shall be (i) made with the Association pursuant to the Reservation Procedures, and (ii) confirmed in a Vacation

Unit that is comparable to the Vacation Unit identified in such Vacation Owner's Deed. The Reservation Procedures shall specify the manner in which reservations are to be requested and confirmed. Owners of Floating Vacation Estates shall be entitled to reserve one Vacation Week each calendar year in the Designated Season for each comparable Vacation Week appurtenant to the Floating Vacation Estate owned. The right to reserve a Vacation Week, if unused in any year, is lost and does not accrue. The Reservation Procedures shall contain such schedules, conditions, restrictions and limitations as are deemed necessary or desirable by the Association. The Association may from time to time, without the consent of the Vacation Owners or Eligible First Mortgagees, amend the Reservation Procedures to include, by way of enumeration and without limitation, one or more of the following features:

(i) A preferential reservation system for Vacation Weeks which include holidays, such as New Year's Day, Martin Luther King Jr. Day, Presidents Weekend, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving, Christmas or other holiday period which allocates the opportunity to reserve the more popular holidays among the Owners of Floating Vacation Estates;

(ii) A procedure for determining priority of reservation by lot, drawing, rotation, or otherwise on an annual or rotating basis;

(iii) Restrictions on use and occupancy of a Vacation Week if a Vacation Owner is not current on Assessments or is otherwise in violation of the provisions of the Governing Documents;

(iv) Penalties, including forfeitures of reservation rights for the calendar year, for untimely cancellations or reservations;

(v) A schedule of fees to be separately charged to Vacation Owners who use a portion of a Vacation Week to cover the additional expenses of such use, including but not limited to, additional administrative, janitorial and maid service costs; or

(vi) Such other conditions, restrictions and limitations as the Association shall deem necessary under the circumstances to assure a manageable and fair system.

(c) Rental. The Reservation Procedures may prohibit or limit the right of Vacation Owners to rent or to allow use by an unaccompanied guest of any Vacation Week otherwise properly reserved by a Vacation Owner. Notwithstanding anything to the contrary in the Condominium Documents, Declarant shall have a right to rent Vacation Weeks associated with Vacation Estates owned by Declarant and notwithstanding anything herein to the contrary, nothing herein shall prohibit the holder of a First Mortgage who has acquired a Vacation Week by foreclosure or by deed in lieu of foreclosure or an assignee who acquires a Vacation Week from the Declarant's First Mortgagee who is holding the Vacation Week for resale from renting the Vacation Week.

(d) Alternative Use Arrangements. In addition to promulgating and amending the Reservation Procedures, the Association shall also have the power to delegate to the Managing Agent or third party service providers, the right to utilize any Vacation Weeks, or parts thereof, not otherwise reserved by Owners as of certain dates in order to maximize utilization of Vacation Weeks and to provide the right for the use of Bonus Time, as defined in the Rules and Regulations, by Owners. Nothing in this Section 21.10(d) shall impair the rights of any First Mortgagees.

Section 22.11. Biennial Vacation Estate. A Biennial Vacation Estate is either a Vacation Estate or a Floating Vacation Estate followed by the designation "E" or "O" which is owned by two Vacation

Owners, each with a 50% undivided interest as tenant-in-common in the Vacation Estate or Floating Vacation Estate and which is subject to an easement granting the exclusive use and occupancy of the Vacation Estate to each Owner in alternating years. Biennial Vacation Estates followed by the letter "E" shall be available for exclusive use and occupancy by the Owner thereof during even numbered years and Biennial Vacation Estates followed by the letter "O" shall be available for exclusive use and occupancy by the Owner thereof during the odd numbered years.

Section 22.12. Combination and Reconveyance. So long as Declarant may exercise any Additional Reserved Right pursuant to this Declaration and with the consent of any Eligible First Mortgagee, there is hereby reserved to the Declarant, and thereafter to the Association, the right to change the Vacation Weeks assigned to Vacation Estates upon the request of any two or more Owners. Each reassignment shall be accomplished by conveyance of the Vacation Estates involved to the Declarant or the Association followed by reconveyance of such Vacation Estates to the Owners with the Vacation Weeks reassigned as requested. All costs and expenses, including attorneys' fees, of such reassignment shall be paid by the Owners requesting it.

Section 22.13. Right of Repurchase. The Vacation Estates, and any and all rights and interests now or hereafter appurtenant to each of them, shall be subject to a right of first refusal to repurchase ("**Repurchase Option**") by Declarant if, during the term of Declarant's Additional Reserved Rights, an Owner wants to or is required to sell, assign, or otherwise transfer its Vacation Estate (not including a Deed in lieu of foreclosure, transfer by public trustee or sheriff's Deed, or any transfer of such Owner's entire interest in its Vacation Estate in connection with the merger, consolidation, liquidation or reorganization in Owner) (a "**Transfer**"). A Transfer shall not include the sale, assignment or other transfer of a First Mortgagee of its right or interest in a Vacation Estate who acquired the Vacation Estate by foreclosure or by deed in lieu of foreclosure or an assignee who has acquired the foreclosed Vacation Estate from Declarant's First Mortgagee and who is holding the same for resale. Declarant shall have the right to exercise the Repurchase Option by giving written notice at any time within sixty (60) calendar days after the date upon which Owner shall have given written notice to Declarant of the a potential Transfer, together with a copy of the proposed contract of sale or other document affecting the Transfer, which includes all material terms to the Transfer. If any such notice shall not be so given by Declarant to Owner on or before the expiration of the respective 60 day period and if Owner completes the Transfer to a third party, Declarant's right to exercise the Repurchase Option with regard to the Vacation Estate shall thereupon cease and terminate. If Owner does not complete the Transfer within ninety (90) days of giving written notice to Declarant, the Repurchase Option with regard to the Vacation Estate shall not terminate and Owner shall be required to provide a successive written notice(s) of a proposed Transfer.

(a) The "**Repurchase Option Price**" shall mean the bona fide purchase price offered to an Owner with respect to a Vacation Estate.

(b) Within 60 days after Declarant gives notice of the exercise of the Repurchase Option, Owner shall tender to Declarant Owner's Special Warranty Deed for the Vacation Estate to be exchanged for "good funds," as defined under Colorado law, from Declarant in the amount of the Repurchase Option Price. Owner shall deliver title to the Vacation Estate to Declarant at the closing of the Repurchase Option in the same condition as when delivered by Declarant to Owner, except as to nondelinquent property taxes and assessments for the year of said closing, which taxes and assessments shall be prorated between Declarant and Owner to the date of such closing, so that Owner bears such taxes and assessments for the period of its ownership of the Vacation Estate. Owner agrees to pay all costs and expenses for such closing, including the premium for an extended owners title insurance policy in the amount of the Repurchase Option Price, insuring that title to the Vacation Estate is vested in Declarant.

(c) In the event Declarant fails to exercise the Repurchase Option within the time and in the manner set forth above, Declarant shall not have any further right to exercise the Repurchase Option with

regard to such Vacation Estate and Declarant agrees, upon Owner's written request, to record in the Records a duly executed and acknowledged release releasing Declarant's right to exercise the Repurchase Option with regard to such Vacation Estate. Upon expiration of the term of Declarant's Additional Reserved Rights or, at any earlier time in Declarant's sole and absolute discretion, Declarant shall duly execute and record in the Records an acknowledgment of termination of the Repurchase Option with regard to all Vacation Estates.

(d) This Repurchase Option shall be subordinate and junior to the legal operation and effect of the Security Interests of First Mortgagees.

ARTICLE 23 MISCELLANEOUS

Section 23.1. Enforcement. The provisions of the Act and the provisions of the Condominium Documents may be enforced by any Person subject to this Declaration through proceedings at law or in equity against any Person subject to this Declaration who has violated or is violating or attempting to violate such provisions, all as more specifically set forth in the Act.

Section 23.2. Notices. All notices, demands, or other communications required or permitted to be given hereunder shall be in writing, and any and all such items shall be deemed to have been duly delivered upon personal delivery; upon actual receipt, in the case of notices forwarded by certified mail, return receipt requested, postage prepaid; as of 12:00 Noon on the immediately following business day after deposit with Federal Express or a similar overnight courier service; or as of the third business hour (a business hour being one of the hours from 8:00 a.m. to 5:00 p.m. on business days) after transmitting by telecopier, facsimile, or electronic mail.

Section 23.3. Nonwaiver. Failure by Declarant, the Association, or any Owner or Eligible First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in the Governing Documents shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 23.4. Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions of this Declaration by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect. Any provision which would violate the rule against perpetuities and the rule prohibiting unlawful restraints on alienation shall be construed in a manner as to make this Declaration valid and enforceable.

Section 23.5. Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 23.6. Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 23.7. Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 23.8. Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Section 23.9. Choice of Law. This Declaration shall be construed and interpreted in accordance with the laws of the State of Colorado, and specifically, the provisions of the Act and not the general common law (including remedies) of tenancy-in-common.

Section 23.10. Third Party Beneficiary. This Declaration is submitted, imposed, and declared solely for the benefit of Declarant, Owners, First Mortgagees, and their respective successors, assigns, heirs, executors, administrators, and personal representatives. No party shall be deemed a third party beneficiary of this Declaration.

[Remainder of Page Intentionally Left Blank]

Executed as of the 25th day of August, 2015.

PEAK 8 PROPERTIES, LLC, a Colorado limited liability company

By: _____

Name: _____

Title: _____

MORTGAGEE'S CONSENT

The undersigned hereby consents to the execution and recording of the foregoing Declaration and Map and hereby subordinates the lien of its Deed of Trust and Security Agreement dated March 26, 2014, and recorded on March 31, 2014, in the Summit County Recorder's Office, under Reception No. 1051667, and all other documents recorded in connection with such Deed of Trust, to this Declaration and the effect hereof.

Dated this 26 day of August, 2015.

FIRSTBANK, a Colorado banking corporation

By: [Signature]
Blake Davis, Executive Vice President

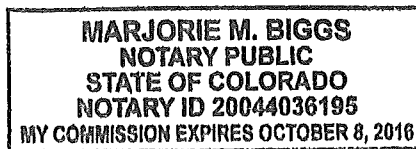
STATE OF Colorado
COUNTY OF Summit) ss.

The foregoing instrument was acknowledged before me this 26th day of August, 2015 by Blake Davis, as Executive Vice President of First Bank, a Colorado Banking corporation.

Witness my hand and official seal.

[Signature]
NOTARY PUBLIC

My Commission Expires: 10/8/16

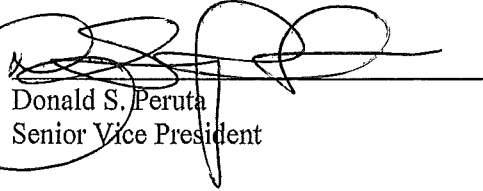


LIBERTY BANK'S CONSENT

The undersigned hereby consents to the execution and recording of the foregoing Declaration and Map.

Dated this 25 day of August, 2015

LIBERTY BANK,
a Connecticut non-stock banking corporation

By: 
Name: Donald S. Peruta
Title: Senior Vice President

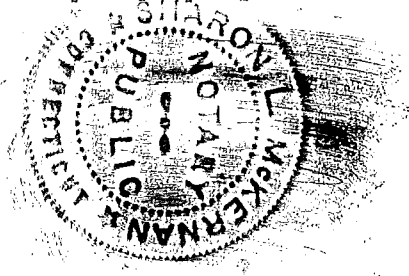
STATE OF CONNECTICUT)
) ss.
COUNTY OF MIDDLESEX)

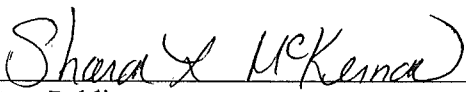
The foregoing instrument was acknowledged before me this 25 day of August, 2015, by Donald S. Peruta, Senior Vice President of Liberty Bank, a Connecticut non-stock banking corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: 5/31/2019

[SEAL]




Notary Public

SHARON L. MCKERNAN
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2019

CAPITAL ONE'S CONSENT

The undersigned hereby consents to the execution and recording of the foregoing Declaration and Map.

Dated this 11th day of August, 2015

CAPITAL ONE, NATIONAL ASSOCIATION,
a national banking association

By: 

Name: April Skolen

Title: VP - Portfolio Management

STATE OF MARYLAND)

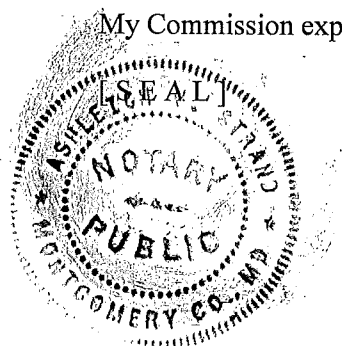
) ss.

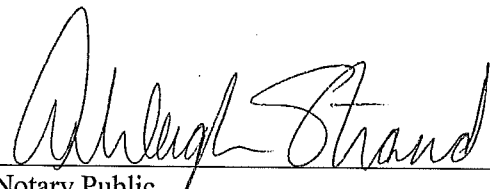
COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this 11 day of August, 2015, by April Skolen, as VP - Portfolio Management of Capital One, National Association, a national banking association.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: 9/12/18




Notary Public

Ashleigh V Strand
NOTARY PUBLIC
Montgomery County, Maryland
My Commission Expires 9/12/2018

VAIL SUMMIT RESORTS, INC.'S CONSENT

The undersigned hereby consents to the execution and recording of the foregoing Declaration as provided for in the Restrictive Covenant Concerning Plans and Condominium Declaration and Map Approval recorded in Summit County, Colorado on May 22, 2013 at Reception No. 1026864 and Section 7.24 of the Master Declaration, which is one of the Master Association Documents.

Dated this 25th day of August, 2015.

Vail Summit Resorts, Inc., a Colorado corporation

By: _____

Name: James O'Donnell

Title: SVP - Lodging & Real Estate

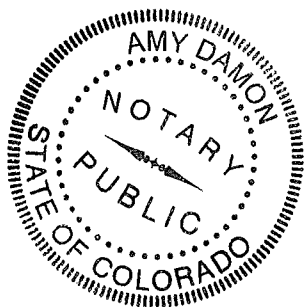
STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 25th day of August, 2015, by James O'Donnell, as SVP - Lodging & Real Estate of Vail Summit Resorts, Inc., a Colorado corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: 3/26/2016

[SEAL]



Amy Damon
Notary Public

**Exhibit A
To
Declaration**

LEGAL DESCRIPTION

The Property referred to in the Declaration is described as follows:

LOT 2, A RESUBDIVISION PLAT OF THE REMAINDER OF TRACT C, PEAK 8
SUBDIVISION, FILING NO. 1, AS SHOWN ON THE PLAT RECORDED MAY 15, 2013
UNDER RECEPTION NO. 1026374, COUNTY OF SUMMIT, STATE OF COLORADO,

TOGETHER WITH SHORING EASEMENT BETWEEN SKIWATCH CONDOMINIUM
MAP AND PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY
COMPANY, RECORDED JUNE 28, 2013 UNDER RECEPTION NO. 1030174,

TOGETHER WITH ENCROACHMENT LICENSE AGREEMENT BETWEEN PEAK 8
PROPERTIES, LLC, AND TOWN OF BRECKENRIDGE RECORDED AUGUST 14,
2013 UNDER RECEPTION NO. 1034157.

Also known by street address as:

1627 Ski Hill Rd
Breckenridge, Colorado 80424
County of Summit, State of Colorado

Exhibit B
to
Declaration

ALLOCATED INTERESTS

	Use	Unit No.		Allocation Factor	Average Square Feet	Percentage Interest in Common Elements	Percentage Share of Common Expense Liability	Votes in the affairs of the Association	Vacation Estates Undivided Interest in Vacation Unit
1	R	1010	A	1.1500	955	2.1296%	2.1296%	1	1/52
2	R	1010	B	0.8500	435	1.5741%	1.5741%	1	1/52
3	R	1010	C	0.8500	435	1.5741%	1.5741%	1	1/52
4	R	1010	D	1.1500	955	2.1296%	2.1296%	1	1/52
5	R	1012	A	1.1500	955	2.1296%	2.1296%	1	1/52
6	R	1012	B	0.8500	435	1.5741%	1.5741%	1	1/52
7	R	1020	A	1.1500	955	2.1296%	2.1296%	1	1/52
8	R	1020	B	0.8500	435	1.5741%	1.5741%	1	1/52
9	R	1020	C	0.8500	435	1.5741%	1.5741%	1	1/52
10	R	1020	D	1.1500	955	2.1296%	2.1296%	1	1/52
11	R	1022	A	1.1500	955	2.1296%	2.1296%	1	1/52
12	R	1022	B	0.8500	435	1.5741%	1.5741%	1	1/52
13	R	1220	E	1.4500	1,240	2.6852%	2.6852%	1	1/52
14	R	1220	G	0.8500	435	1.5741%	1.5741%	1	1/52
15	R	1220	H	0.8500	435	1.5741%	1.5741%	1	1/52
16	R	1220	I	0.8500	435	1.5741%	1.5741%	1	1/52
17	R	1221	A	1.1500	955	2.1296%	2.1296%	1	1/52
18	R	1221	B	0.8500	435	1.5741%	1.5741%	1	1/52
19	R	1221	C	0.8500	435	1.5741%	1.5741%	1	1/52
20	R	1221	D	1.1500	955	2.1296%	2.1296%	1	1/52
21	R	1222	E	1.4500	1,240	2.6852%	2.6852%	1	1/52
22	R	1222	F	0.8500	435	1.5741%	1.5741%	1	1/52
23	R	1222	G	0.8500	435	1.5741%	1.5741%	1	1/52
24	R	1222	H	0.8500	435	1.5741%	1.5741%	1	1/52
25	R	1320	E	1.4500	1,240	2.6852%	2.6852%	1	1/52
26	R	1320	G	0.8500	435	1.5741%	1.5741%	1	1/52
27	R	1320	H	0.8500	435	1.5741%	1.5741%	1	1/52
28	R	1320	I	0.8500	435	1.5741%	1.5741%	1	1/52
29	R	1321	A	1.1500	955	2.1296%	2.1296%	1	1/52
30	R	1321	B	0.8500	435	1.5741%	1.5741%	1	1/52
31	R	1321	C	0.8500	435	1.5741%	1.5741%	1	1/52
32	R	1321	D	1.1500	955	2.1296%	2.1296%	1	1/52
33	R	1322	E	1.4500	1,240	2.6852%	2.6852%	1	1/52
34	R	1322	F	0.8500	435	1.5741%	1.5741%	1	1/52
35	R	1322	G	0.8500	435	1.5741%	1.5741%	1	1/52
36	R	1322	H	0.8500	435	1.5741%	1.5741%	1	1/52
37	R	1420	A	1.1500	955	2.1296%	2.1296%	1	1/52
38	R	1420	B	0.8500	435	1.5741%	1.5741%	1	1/52
39	R	1421	A	1.1500	955	2.1296%	2.1296%	1	1/52

40	R	1421	B	0.8500	435	1.5741%	1.5741%	1	1/52
41	R	1421	C	0.8500	435	1.5741%	1.5741%	1	1/52
42	R	1421	D	1.1500	955	2.1296%	2.1296%	1	1/52
43	R	1422	E	1.4500	1,240	2.6852%	2.6852%	1	1/52
44	R	1422	F	0.8500	435	1.5741%	1.5741%	1	1/52
45	R	1422	G	0.8500	435	1.5741%	1.5741%	1	1/52
46	R	1422	H	0.8500	435	1.5741%	1.5741%	1	1/52
47	R	1521	A	1.1500	955	2.1296%	2.1296%	1	1/52
48	R	1521	B	0.8500	435	1.5741%	1.5741%	1	1/52
49	R	1521	C	0.8500	435	1.5741%	1.5741%	1	1/52
50	R	1521	D	1.1500	955	2.1296%	2.1296%	1	1/52
51	R	1522	E	1.4500	1,240	2.6852%	2.6852%	1	1/52
52	R	1522	F	0.8500	435	1.5741%	1.5741%	1	1/52
53	R	1522	G	0.8500	435	1.5741%	1.5741%	1	1/52
54	R	1522	H	0.8500	435	1.5741%	1.5741%	1	1/52
Total:				54.0000	36,120	100.00%	100.00%	54	

Exhibit C
to
Declaration

EASEMENTS AND LICENSES OF RECORD

1. RIGHT OF THE PROPRIETOR OF A VEIN OR LODGE OF THE TYRA PLACER TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AND A RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES, AS RESERVED IN UNITED STATES PATENT RECORDED APRIL 23, 1906 IN BOOK 66 AT PAGE 36.
2. TERMS, CONDITIONS AND PROVISIONS OF PUBLIC SERVICE COMPANY OF COLORADO TEN FOOT RIGHT OF WAY EASEMENT RECORDED OCTOBER 07, 1966 IN BOOK 185 AT PAGE 767.
3. TERMS, CONDITIONS AND PROVISIONS OF GRANT OF EASEMENT FOR SEWER LINE AND AGREEMENT RECORDED FEBRUARY 10, 1989 AT RECEPTION NO. 366328 AND VACATION AND GRANT OF EASEMENTS BETWEEN VAIL SUMMIT RESORTS, INC. AND BRECKENRIDGE SANITATION DISTRICT RECORDED AUGUST 11, 2008 UNDER RECEPTION NO. 894069.
4. TERMS, CONDITIONS AND PROVISIONS OF MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BRECKENRIDGE MOUNTAIN MASTER PLANNED COMMUNITY MADE BY VAIL SUMMIT RESORTS, INC., AS DECLARANT, RECORDED SEPTEMBER 18, 2002 AT RECEPTION NO. 696212 AND AMENDED SEPTEMBER 27, 2013 UNDER RECEPTION NO. 1037823.
5. EASEMENTS, NOTES AND DEDICATIONS AS SHOWN AND RESERVED ON THE RECORDED PLAT FOR PEAKS 7 & 8 PERIMETER SUBDIVISION RECORDED SEPTEMBER 19, 2003 UNDER RECEPTION NO. 730218.
6. TERMS, CONDITIONS AND PROVISIONS OF BRECKENRIDGE MOUNTAIN MASTER PLANNED COMMUNITY AFFIDAVIT EXECUTED BY VAIL SUMMIT RESORTS, INC. AND MOUNTAIN THUNDER, INC., AS OWNERS, RECORDED SEPTEMBER 25, 2002 AT RECEPTION NO. 696763.
7. TERMS, CONDITIONS AND PROVISIONS OF DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF BRECKENRIDGE AND VAIL SUMMIT RESORTS, INC. D/B/A BRECKENRIDGE SKI RESORT RECORDED OCTOBER 08, 2002 AT RECEPTION NO. 697853.
8. TERMS, CONDITIONS AND PROVISIONS OF NOTICE OF APPROVAL OF AMENDED MASTER PLAN BY THE TOWN OF BRECKENRIDGE RECORDED NOVEMBER 30, 2005 AT RECEPTION NO. 807739, SEPTEMBER 12, 2006 UNDER RECEPTION NO. 832774, JUNE 3, 2008 UNDER RECEPTION NO. 889143 AND MAY 10, 2013 UNDER RECEPTION NO. 1026194.
9. TERMS, CONDITIONS AND PROVISIONS OF DECLARATION CONCERNING DISCLOSURES, ACKNOWLEDGMENTS, WAIVERS AND CONSTRUCTION DEFECT

DISPUTE RESOLUTION MADE BY VAIL SUMMIT RESORTS, INC. RECORDED JANUARY 10, 2008 UNDER RECEPTION NO. 877956.

10. EASEMENTS, NOTES AND DEDICATIONS AS SHOWN AND RESERVED ON THE PLAT FOR PEAK 8 SUBDIVISION FILING NO. 1. RECORDED JANUARY 10, 2008 UNDER RECEPTION NO. 877957, AND AMENDMENT TO PEAK 8 SUBDIVISION FILING NO. 1 RECORDED MARCH 24, 2010 UNDER RECEPTION NO. 936240.

11. TERMS, CONDITIONS AND PROVISIONS OF NOTICE OF DETERMINATION BY BRECKENRIDGE MOUNTAIN MASTER ASSOCIATION TO IMPOSE CIVIC ASSESSMENT AND REAL ESTATE TRANSFER FEE RECORDED AUGUST 20, 2008 AT RECEPTION NO. 894667.

12. TERMS, CONDITIONS AND PROVISIONS OF SKIWAY EASEMENT AGREEMENT FROM VAIL SUMMIT RESORTS, INC. TO STAHL DEVELOPMENT COMPANY, INC. RECORDED SEPTEMBER 08, 2005 AT RECEPTION NO. 800568 AND ASSIGNMENT AND ASSUMPTION FROM STAHL DEVELOPMENT COMPANY, INC. TO PEAK EIGHT PLACE ASSOCIATION, INC. RECORDED JANUARY 3, 2006 UNDER RECEPTION NO. 811102 AND FIRST AMENDMENT TO SKIWAY EASEMENT RECORDED NOVEMBER 20, 2013.

13. TERMS, CONDITIONS AND PROVISIONS OF DEVELOPMENT AGREEMENT BETWEEN TOWN OF BRECKENRIDGE, VAIL SUMMIT RESORTS AND PEAK 8 PROPERTIES, LLC RECORDED JANUARY 08, 2013 AT RECEPTION NO. 1013548.

14. EASEMENTS, NOTES AND DEDICATIONS AS SHOWN ON PLAT FOR RESUBDIVISION PLAT OF THE REMAINDER OF TRACT C, PEAK 8 SUBDIVISION, FILING NO. 1 RECORDED MAY 15, 2013 UNDER RECEPTION NO. 1026374.

15. TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION IMPROVEMENT AGREEMENT (SKI WATCH DRIVE RIGHT-OF-WAY RELOCATION) BETWEEN TOWN OF BRECKENRIDGE AND PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY RECORDED MAY 15, 2013 AT RECEPTION NO. 1026375.

16. TERMS, CONDITIONS AND PROVISIONS OF CONSTRUCTION STAGING, UTILITY AND GRADING EASEMENT AGREEMENT BETWEEN VAIL SUMMIT RESORTS, INC. AND PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY RECORDED MAY 22, 2013 AT RECEPTION NO. 1026859.

17. TERMS, CONDITIONS AND PROVISIONS OF WINTER RECREATION OPERATIONS AND ACTIVITIES EASEMENT BETWEEN PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY AND VAIL SUMMIT RESORTS, INC., RECORDED MAY 22, 2013 AT RECEPTION NO. 1026860.

18. TERMS, CONDITIONS AND PROVISIONS OF PARKING COVENANT BETWEEN VAIL SUMMIT RESORTS, INC. AND PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY RECORDED MAY 22, 2013 AT RECEPTION NO. 1026861.

19. TERMS, CONDITIONS AND PROVISIONS OF RESTRICTIVE COVENANT REGARDING USE AND SALE OF PROPERTY BETWEEN PEAK 8 PROPERTIES, LLC AND VAIL SUMMIT RESORTS, INC. RECORDED MAY 22, 2013 AT RECEPTION NO. 1026862.

20. TERMS, CONDITIONS AND PROVISIONS OF RESTRICTIVE COVENANT CONCERNING PLANS AND CONDOMINIUM DECLARATION AND MAP APPROVAL MADE BY PEAK 8 PROPERTIES, LLC AND VAIL SUMMIT RESORTS, INC., RECORDED MAY 22, 2013 AT RECEPTION NO. 1026864.
21. TERMS, CONDITIONS AND PROVISIONS OF REPURCHASE OPTION BETWEEN PEAK 8 PROPERTIES, LLC AND VAIL SUMMIT RESORTS, INC., RECORDED MAY 22, 2013 AT RECEPTION NO. 1026865.
22. TERMS, CONDITIONS AND PROVISIONS OF MEMORANDUM OF SEWER LINE EXTENSION AGREEMENT FORM BY UPPER BLUE SANITATION DISTRICT, RECORDED JUNE 17, 2013 AT RECEPTION NO. 1028961.
23. TERMS, CONDITIONS AND PROVISIONS OF SKIWAY EASEMENT AGREEMENT BETWEEN PEAK 8 PROPERTIES, LLC AND SKIWATCH CONDOMINIUM CORP., RECORDED JUNE 28, 2013 AT RECEPTION NO. 1030173.
24. OBLIGATIONS AND BURDENS AS CONTAINED IN OF SHORING EASEMENT AGREEMENT BETWEEN SKI WATCH CONDOMINIUM CORP. AND PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED JUNE 28, 2013 AT RECEPTION NO. 1030174.
25. OBLIGATIONS AND BURDENS AS CONTAINED IN ENCROACHMENT LICENSE AGREEMENT BETWEEN PEAK 8 PROPERTIES, LLC AND TOWN OF BRECKENRIDGE, RECORDED AUGUST 14, 2013 AT RECEPTION NO. 1034157.
26. TERMS, CONDITIONS AND PROVISIONS OF AMENDED AND RESTATED RESTRICTIVE COVENANT CONCERNING COMMERCIAL DENSITY RECORDED MARCH 31, 2014 AT RECEPTION NO. 1051666.
27. PARTIAL RELEASE OF DEED OF TRUST DATED MARCH 26, 2014, FROM PEAK 8 PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY TO THE PUBLIC TRUSTEE OF SUMMIT COUNTY FOR THE USE OF FIRSTBANK TO SECURE THE SUM OF \$30,000,000.00 RECORDED MARCH 31, 2014, UNDER RECEPTION NO. 1051667.
28. SAID DEED OF TRUST WAS FURTHER SECURED BY ASSIGNMENT OF RENTS AND OTHER RIGHTS RECORDED MARCH 31, 2014, UNDER RECEPTION NO. 1051668.
29. TERMS, CONDITIONS AND PROVISIONS OF SUBORDINATION AGREEMENT BETWEEN PEAK 8 PROPERTIES, LLC AND VAIL SUMMIT RESORTS, INC. AND FIRSTBANK RECORDED MARCH 31, 2014 AT RECEPTION NO. 1051669.
30. TERMS, CONDITIONS AND PROVISIONS OF COLLATERAL ASSIGNMENT OF ENCROACHMENT AGREEMENT RECORDED MARCH 31, 2014 AT RECEPTION NO. 1051672.
31. TERMS, CONDITIONS AND PROVISIONS OF BRECKENRIDGE GRAND VACATIONS PIF DEFERRAL AGREEMENT RECORDED APRIL 7, 2014 AT RECEPTION NO. 1051944.

32. TERMS, CONDITIONS AND PROVISIONS OF RESTRICTIVE COVENANT AND AGREEMENT (GROUNDWATER INFILTRATION GALLERY MAINTENANCE) RECORDED APRIL 7, 2014 AT RECEPTION NO. 1051943 AND ASSUMPTION RECORDED SEPTEMBER 8, 2014 UNDER RECEPTION NO. 1063926.

33. TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION 2014-50 FOR ISSUANCE FO A TRANSFERABLE DEVELOPMENT RIGHTS RECORDED JANUARY 13, 2015 AT RECEPTION NO. 1074069 AND TRANSFERABLE DEVELOPMENT RIGHTS CERTIFICATE RECORDED JANUARY 13, 2015 UNDER RECEPTION NO. 1074070 AND MARCH 17, 2015 UNDER RECEPTION NO. 1078322.

Exhibit D
to
Declaration

LEGAL DESCRIPTION OF EXPANSION PROPERTY

The Expansion Property referred to in Section 16.1 of the Declaration is described as follows:

Remainder of Tract C, Peak 8 Subdivision Filing No. 1, according to the plat thereof recorded on March 24, 2010 at Reception No. 936240 of the Summit County, Colorado real property records (Tract C).

Exhibit E
To
Declaration
UNITS SUBMITTED TO THE PLAN OF VACATION OWNERSHIP

Phase 1:

1010A
1010B
1010C
1010D
1012A
1012B
1020A
1020B
1020C
1020D
1022A
1022B
1220E
1220G
1220H
1220I
1221A
1221B
1221C
1221D
1222E
1222F
1222G
1222H
1320E
1320G
1320H
1320I
1321A
1321B
1321C
1321D
1322E
1322F
1322G
1322H
1420A
1420B
1421A
1421B
1421C
1421D
1422E
1422F
1422G
1422H
1521A
1521B
1521C
1521D
1522E
1522F
1522G
1522H

Exhibit F
To
Declaration
SEASONAL CALENDAR FOR
VACATION ESTATES AND FLOATING VACATION ESTATES

SEASON	VACATION WEEKS
<u>Winter 1-15, 47-50</u>	
CALENDAR A	
Winter Value Float	13-15, 47-50
Winter Fixed	1-6
Winter Prime Fixed	7-12
Fixed	51
Fixed	52
CALENDAR B	
Winter Float	1-6, 13-15, 47-50
Winter Prime Fixed	7-12
Fixed	51
Fixed	52
CALENDAR C	
Winter Float	1-6, 13-15, 47-50
Winter Prime Float	7-12
Fixed	51
Fixed	52
<u>Summer 21-39</u>	
CALENDAR A	
Summer Value Float	21-25, 33-39
Summer Prime Fixed	26-32
CALENDAR B	
Summer Value Float	21-25, 33-39
Summer Prime Float	26-32
<u>Spring / Fall 16-20, 40-46</u>	
CALENDAR A	
Spring/Fall Float	16-20, 40-46

**Exhibit G
To
Declaration**

ISSUES FOR CLASS VOTING

VACATION CLASS/COMMITTEE ISSUES:

The issues specified below are deemed to relate solely to the Plan, the Vacation Units or the Limited Common Elements appurtenant only to the Vacation Units and actions or determinations on such issues shall be decided by the Owners of Vacation Estates, voting as a Class to the extent Vacation Owners are otherwise allowed to vote on such issues pursuant to the Act or the Condominium Documents, or by the Vacation Committee.

- (a) all issues relating to ARTICLE 22 of this Declaration;
- (b) any issue expressly relating only to the Plan or the Vacation Units;
- (c) any issue expressly relating only to the administration and management of the Plan;
- (d) any Rules and Regulations applicable only to the Vacation Units or Owners of Vacation Estates;
- (e) any Assessments or items shown on the Budget that are payable only by Owners of Vacation Estates; and
- (f) any issue relating to the Reservation Procedures or the level or types of services provided to the Vacation Owners.

COMMERCIAL CLASS/COMMITTEE ISSUES:

The issues specified below are deemed to relate solely to the Commercial Units or the Limited Common Elements appurtenant only to the Commercial Units and actions or determinations on such issues shall be decided by the Owners of Commercial Units, voting as a Class to the extent Commercial Unit Owners are otherwise allowed to vote on such issues pursuant to the Act or the Condominium Documents, or by the Commercial Class Committee.

- (a) any issue expressly relating only to the Commercial Units;
- (b) any Rules and Regulations applicable only to the Commercial Units or Owners of Commercial Units; and
- (c) any Assessments or items shown on the Budget that are payable only by Owners of Commercial Units.

RESIDENTIAL CLASS/COMMITTEE ISSUES:

The issues specified below are deemed to relate solely to the Residential Units or the Limited Common Elements appurtenant only to the Residential Units and actions or determinations on such issues

shall be decided by the Owners of Residential Units, voting as a Class to the extent Residential Unit Owners are otherwise allowed to vote on such issues pursuant to the Act or the Condominium Documents, or by the Residential Class Committee.

(d) any issue expressly relating only to the Residential Units;

(e) any Rules and Regulations applicable only to the Residential Units or Owners of Residential Units; and

(f) any Assessments or items shown on the Budget that are payable only by Owners of Residential Units.