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DECLARATION
FOR
BEAVER CREEK HOTEL A CONDOMINIUM

420340 B-524 P-175 03/08/90 17:04 PG 1 OF 69 REC DOC
JOHNETTE PHILLIPS EAGLE COUNTY CLERK, COLORADO 345.00 0.00

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DECLARATION
FOR
BEAVER CREEK HOTEL A CONDOMINIUM

RECITALS

EAST WEST PROPERTIES, LTD., a Colorado limited partnership ("Declarant"), is the owner of the real property situate in the County of Eagle, State of Colorado, described as Lot 25, Tract A, Block 1, Second Amendment to First Filing, Beaver Creek Subdivision, together with all easements and appurtenances, as shown on the plat recorded September 2, 1980, in Book 307 at Page 997 in the real property records of Eagle County, Colorado, (collectively, the "Real Property"). A building known and referred to as Beaver Creek Hotel A Condominium (the "Hotel") is located on a portion of the Real Property.

Declarant desires to establish a condominium project under the Condominium Ownership Act of Colorado (the "Condominium Act") and to define the character, duration, rights, obligations and limitations of condominium ownership. Declarant has executed plans for the construction of separately designated condominium units within the Hotel. A condominium map (the "Map") will be filed showing the location of the condominium project on the Real Property, which is hereby made subject to this Declaration.

Declarant does hereby establish a plan for the ownership of real property estates in fee simple consisting of the air space contained in each of the units in the Hotel and the co-ownership, by the individual and separate owners thereof, as tenants in common, of certain portions of the remainder of the Hotel and the Real Property.

DECLARATION

Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the Real Property and the improvements built thereon, and their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions. As used in this Declaration, unless otherwise expressly provided:

(a) "Access Easement" means the easement reserved by Declarant allowing Declarant the right to grant to the Resort Company, VAI, and/or Owners use of any

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roadways, parking areas or access ramps located on the Real Property or serving the Condominium Project, as set forth on the Map or provided for in this Declaration. The Hotel Unit Owner, with the consent of the Hotel First Mortgagee, may make reasonable rules and regulations relating to the use of the Access Easement, which shall be binding on all parties using the Access Easement.

(b) "Architectural Committee" means a committee of three or more persons whom the Board may appoint from time to time to carry out certain design review functions of the Board, as more fully described in Paragraph 25 below.

(c) "Articles" means the articles of incorporation of the Association, as such articles may be amended from time to time.

(d) "Association" means The Beaver Creek Hotel A Condominium Association, a Colorado nonprofit corporation.

(e) "Beaver Creek Club" means The Beaver Creek Club, Inc., a Colorado corporation.

(f) "Board" means the board of directors of the Association, as so designated in the Colorado Nonprofit Corporation Act, constituting the board of managers of the Association under the Condominium Act.

(g) "Building" means the building improvements consisting of the Hotel Unit, the Residential Units, the Commercial Units and the Limited Common Elements appurtenant to those Units known as Beaver Creek Hotel A Condominium located on the Real Property, and all other improvements, interior or exterior now or hereafter located on the Real Property.

(h) "Bylaws" means the bylaws of the Association, as such bylaws may be amended from time to time.

(i) "Club" means that area designated on the Map as the "Club" and as "LCE-Club," all of which shall contain the Recreational Facilities and which initially shall be part of the Hotel Unit, but may be separated and, with the Limited Common Elements-Club, held or conveyed as a Commercial Unit. Owners of Residential Units (including the Owner of Residential Unit R-10 and, as long as such Unit is occupied as commercial space, its full-time employees), Guests, Beaver Creek Club members and their immediate family members and certain other parties shall have certain rights to use the Club and the Recreational Facilities as set forth in Paragraph 3(i) and other provisions of this Declaration.

(j) "Club Owner" means the Owner of the Club.

(k) "Commercial Owner" means an Owner of one or more Commercial Units.

(l) "Commercial Unit" means any of those Units designated with the prefix "C" on the Map, together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or non-exclusive use of Limited Common Elements associated therewith.

(m) "Common Expenses" means (i) all expenses expressly declared to be common expenses by this Declaration (including, without limitation, premiums for the insurance carried under Paragraph 11 below), and all expenses expressly declared to be common expenses by the Bylaws; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, operating, improving, preserving, reconstructing, repairing or replacing the General Common Elements, including, but not limited to, amounts payable under or in respect to any management agreement; (iii) costs of complying with all codes, regulations and deed restrictions (including, but without limitation, fire protection); (iv) costs of all contracts relating to the performance of any matter constituting a common expense; (v) costs of permits or license fees; (vi) charges or other costs, including management fees, consulting fees, attorneys' fees and accountants' fees incurred by the Managing Agent in performing its duties for the Association or any other independent contractors engaged by the Association; (vii) costs of lien removal and judgment satisfaction with respect to the General Common Elements; and (viii) all expenses lawfully determined to be common expenses by the Board.

(n) "Condominium" or "Condominium Unit" means a Unit together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or non-exclusive use of Limited Common Elements associated therewith.

(o) "Condominium Documents" means this Declaration and all exhibits hereto, the Map, the Articles and the Bylaws.

(p) "County" means Eagle County, Colorado.

(q) "Declarant" means East West Properties, Ltd., a Colorado limited partnership, and its successors and assigns.

(r) "Declaration" means this instrument and all amendments or supplements hereto, hereafter recorded in the records of the County.

(s) "Expense Allocation Table" has the meaning specified in Paragraph 10(b) hereof.

(t) "First Mortgagee" means the holder of record of a Mortgage which is not subject to any prior or senior lien except liens for taxes or other liens which are given priority by statute.

(u) "General Common Elements" means (i) the land included in the Real Property; (ii) the Building, including, but not limited to, the foundations, columns, girders, beams, supports, perimeter and supporting walls, roofs, balconies, halls, corridors, lobbies, elevators, stairs, stairways, fire escapes, flues, entrances and exits of the Building; (iii) the installations, equipment and materials making up the central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; (iv) the tanks, pumps, motors, fans, compressors, ducts and in general, all apparatus and installations existing for common use; and (v) all other parts of the Condominium Project which are not part of a Unit. The General Common Elements include, but are not limited to, the Limited Common Elements. Those General Common Elements which are not Limited Common Elements may be designated on the Map as "G.C.E."

(v) "Guest" means any person or persons other than an Owner, or the family or invitees thereof except a family or invitees of an Owner, registered as a lodger and using the overnight accommodations of the Hotel Unit or a Residential Unit.

(w) "Hotel First Mortgagee" means the First Mortgagee, if any, with respect to the Hotel Unit. If the Hotel Unit is subdivided as permitted under Paragraph 3(j) below, so that no Condominium Unit remaining after such subdivision continues with or succeeds to the business and operation of the original Hotel Unit and the lien created by the Mortgage of the Hotel First Mortgagee is released, the term "Hotel First Mortgagee" shall have no further force or effect for any purpose under this Declaration.

(x) "Hotel Operator" means the entity from time to time engaged to manage the Hotel Unit.

(y) "Hotel Unit" means that Unit designated as the "Hotel Unit" on the Map, and shall include all of the interior space within the Hotel except that specifically designated as a Residential Unit, a Commercial Unit, or a General or Limited Common Element. The Hotel Unit shall include the Club, as set forth on the Map, unless the Club is converted to a Commercial Unit. If the Hotel Unit is subdivided as permitted under Paragraph 3(j) below, "Hotel Unit" shall mean that Unit designated as the "Hotel Unit" on the Map as amended to reflect such subdivision, together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or non-exclusive use of the Limited Common Elements associated therewith, which Hotel Unit shall continue with or succeed to the business and operation of the original Hotel Unit.

(z) "Hotel Unit Owner" means the Owner of the Hotel Unit.

(aa) "Limited Common Elements" means the part of the General Common Elements assigned for the use and enjoyment of the Owners of one or more, but fewer than all, of the Hotel Unit, the Commercial Units or the Residential Units, as the case may be, including (i) Limited Common Elements - Hotel, (ii) Limited Common Elements -

Commercial, (iii) Limited Common Elements - Residential, and (iv) Limited Common Elements - Club (all as defined below).

(ab) "Limited Common Elements - Club" means the part of the General Common Elements assigned for the use and enjoyment of the Club Owner, Residential Owners (including the Owner of Residential Unit R-10 and, as long as such Unit is occupied as commercial space, such Owner's full time employees), Guests, Beaver Creek Club members and their immediate family members and certain other parties as specified in accordance with this Declaration. The Limited Common Elements - Club may be designated on the Map as "LCE-Club."

(ac) "Limited Common Elements - Commercial" means the part of the General Common Elements assigned for the use and enjoyment of the Owners of one or more of the Commercial Units and may be designated on the Map as "LCEC."

(ad) "Limited Common Elements - Hotel" means the part of the General Common Elements assigned for the use and enjoyment of the Hotel Unit Owner or Guests and may be designated on the Map as "LCEH."

(ae) "Limited Common Elements-Residential" means the part of the General Common Elements assigned for the use and enjoyment of the Owners of one or more of the Residential Units and may be designated on the Map as "LCER."

(af) "Managing Agent" means the agent designated by the Association pursuant to Paragraph 8(b) below.

(ag) "Map" means the condominium map described in Paragraph 4, including any amendments and supplements to the Map, all as recorded in the real property records of the County.

(ah) "Maximum Rate" means the lesser of (i) the rate which is two percentage points greater than the rate of interest charged by a bank, which bank shall be designated from time to time by the Board, to the bank's best commercial customers, and identified as the "prime rate" by such bank, or (ii) the highest rate allowed by Colorado law.

(ai) "Mortgage" means any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the real property records of the County, which encumbers a Condominium Unit or an interest therein as security for the payment of a debt or other obligation.

(aj) "Mortgagee" means any party named as a beneficiary, mortgagee or secured party, or any successor to the interest of the party so named, under any Mortgage.

(ak) "Net Restoration Award" means the amount of all awards and payments payable on account of a Taking after deduction of costs and expenses (including, without limitation, reasonable attorneys' fees and actual out-of-pocket expenses), if any, of the Trustee, the Association, the Owners and the First Mortgagees in collecting the same.

(al) "Net Proceeds" means the amount of all insurance proceeds payable under or pursuant to insurance policies maintained by the Association, and received by the Trustee as the result of damage or destruction of the Project, or any portion thereof, after deduction of the costs and expenses (including, without limitation, reasonable attorneys' fees and actual out-of-pocket expenses), if any, of the Trustee, the Association, the Owners and the First Mortgagees in collecting the same.

(am) "Occupant" means the Owner, whether or not occupying such Owner's Unit or a portion thereof, any Guest in a Unit, and any Person occupying a Unit pursuant to a lease, sublease, license or other occupancy agreement granted by the Owner or any Person claiming under such Owner.

(an) "Owner" means any individual, group of individuals, corporation, partnership, association, trust, trustee, receiver or other legal entity, or combination of legal entities, which is the record owner of a fee simple interest in one or more Condominium Units.

(ao) "Pedestrian Mall" means the area designated on the Map as the "Pedestrian Mall."

(ap) "Pedestrian/Skier Easement" means the easement reserved by Declarant allowing Declarant the right to grant to pedestrians and skiers the use of a portion of the General Common Elements as a means of ingress to and egress from the Premises as set forth on the Map or provided for in this Declaration.

(aq) "Person" means a natural person, a corporation, a trust, a partnership, an association or any other legal entity.

(ar) "Premises," "Project" or "Condominium Project" mean the Real Property, the Building and other improvements located on the Real Property.

(as) "Recreational Facilities" means the indoor/outdoor swimming pool and spa, massage room, locker rooms, lounge, exercise area, jacuzzis, sundeck, and other facilities located within the Club or included as a Limited Common Element - Club.

(at) "Residential Owner" means the Owner of a Residential Unit.

(au) "Residential Unit" means any of those Units designated with the prefix "R" on the Map, together with the undivided interest in the General Common Elements appurtenant thereto and the right to exclusive or non-exclusive use of the Limited Common

Elements associated therewith. The Residential Units may also be known as "The Condominiums at the Hyatt Regency Beaver Creek" or identified by such other name as Declarant may state in an amendment to this Declaration made by Declarant in accordance with Paragraph 20 below.

(av) "Resort Company" means the Beaver Creek Resort Company of Colorado, a Colorado nonprofit corporation, described in the Amended and Restated General Declaration for Beaver Creek, Eagle County, Colorado, dated December 26, 1979, and recorded on December 27, 1979, in Book 296 at Page 446 in the real property records of the County, as amended from time to time (the "Resort Company Declaration").

(aw) "Restoration" means in case of damage to or destruction or condemnation of a Unit, the Project or any portion thereof, the restoration, replacement or rebuilding of such property as nearly as practicable to its value, usefulness, condition and character immediately prior to such damage, destruction or condemnation, with such alterations and additions as may be made pursuant to and subject to the conditions hereof, together with any temporary repairs and property protection measures taken pending completion of work.

(ax) "Substantial Casualty" means (i) any damage to or destruction of a Unit or the Project that results in an insurance payment on the basis of a total loss with respect thereto, or (ii) any damage to or destruction of a Unit or the Project that results in an estimated cost of Restoration (as estimated pursuant to Paragraph 11(i)) with respect thereto of 55% or more of the full replacement cost of a Unit or the Building, as the case may be, as such full replacement cost is set forth in or may be derived from information provided in the insurance policies then in effect or, in the absence thereof, in the most recent insurance policies of the Association.

(ay) "Substantial Taking" means the Taking of the portion of the Condominium Project such that either (i) the fair market value of the portion of the Hotel Unit or the Project, as the case may be, remaining after Restoration with respect thereto, as estimated in an appraisal satisfactory in form and content to the Hotel First Mortgagee and prepared at the Association's sole cost and expense by an appraiser acceptable to the Hotel First Mortgagee, would be less than the fair market value of the Hotel Unit or the Project, as the case may be (as estimated in such appraisal), immediately prior to such Taking or (ii) in the reasonable judgment of the Hotel First Mortgagee, the portion of the Hotel Unit or the Project, as the case may be, remaining after such Taking is (and after Restoration would be) unsuitable for use and operation as a first-class hotel building.

(az) "Taking" means any temporary or permanent taking by any public or quasi-public authority of a Unit, the Project or any portion thereof through eminent domain or other proceedings or by any settlement or compromise of such proceedings, or any voluntary conveyance of such property or any part thereof during the pendency of, or as a result of the threat of, any such proceedings.

(ba) "Trustee" means the party to any agreement to be undertaken by the Association concerning the receipt and application of the proceeds of policies of property insurance maintained by the Association and of condemnation awards, as described in Paragraph 11(c) below.

(bb) "Unit" means an individual air space unit contained within the perimeter walls, floors, ceilings, windows and doors of a floor or floors in the Building, as shown and described on the Map, together with (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such individual air space unit's perimeter walls, floors and ceilings; (iii) the doors and windows of the individual air space unit, including interior and exterior surfaces and locks and other hardware, and wall safes, if any, and (iv) the interior non-supporting walls within the individual air space unit. The term also includes any fireplace or stove, hearth, facing, brick, tile or firebox, and any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, hot and cold water, electrical, or other utility services to the individual air space unit and located within the decorated or finished walls, ceilings and floors and serving only the individual air space unit in question. The term does not include, however, the undecorated or unfinished surfaces of the perimeter walls, floors or ceilings of the unit, any of the structural components of the Building, any utilities or other service lines running through the individual air space unit which serve more than one individual air space unit, or any other General Common Element or part thereof located within the individual air space unit.

(bc) "VAI" means Vail Associates, Inc., a Colorado corporation.

2. Grant and Submission. Declarant hereby grants, conveys and submits the Real Property and all improvements constructed thereon to Condominium ownership.

3. Division of Real Property into Estates; Use and Occupancy of Condominium.

(a) Division Into Condominium Units. The Building is hereby initially divided into 27 Condominiums of which, initially, 16 are Commercial Units numbered C-1 through C-16, 10 are Residential Units numbered R-1 through R-10, and one is the Hotel Unit. As provided in this Paragraph 3 below, the Condominium Units may be further subdivided to include up to 302 Condominium Units contained in the original Hotel Unit, 40 Commercial Units, and 20 Residential Units, for a total of 362 Condominium Units in the Building. Each Condominium consists of a Unit, an undivided interest in the General Common Elements appurtenant to such Unit, and the exclusive or non-exclusive right (if any) to use and enjoy Limited Common Elements, as set forth on Exhibit A attached hereto.

(b) Inseparability; Title. Each Condominium shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium. Title to a Condominium may be held individually or in any form of concurrent ownership recognized in

Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an "Owner" with respect to the Condominium in which such Owner owns an interest.

(c) Description of Condominium Units. Any contract of sale, deed, lease, Mortgage, will or other instrument (i) affecting a Residential Unit, Commercial Unit, or, if the Hotel Unit as originally established is subdivided, a Condominium Unit contained in the originally established Hotel Unit, may describe it by its Unit number as shown on the Map, or (ii) affecting the Hotel Unit, as originally established under this Declaration and shown on the Map as a single Unit, or the Club (until such time, if ever, the Club is converted to a Commercial Unit) may describe said space as the "Hotel Unit" or the "Club" as shown on the Map; and in any case the description shall be followed by the name of the Condominium Project and reference to this Declaration and to the Map. To illustrate, any instrument affecting title to a Condominium Unit shall be in substantially the following form, with such omissions, insertions, recitals of fact or other provisions as may be required by the circumstances or appropriate to conform to the requirements of any governmental authority or any usage or requirement of law with respect thereto:

Condominium Unit _____, Beaver Creek Hotel A Condominium, according to the Map of Beaver Creek Hotel A Condominium recorded _____, 19____, in Book ____ at Page _____, as amended from time to time, and as defined and described in the Declaration for Beaver Creek Hotel A Condominium recorded _____, 19____, in Book ____ at Page _____, as amended from time to time, all in the office of the Clerk and Recorder of Eagle County, Colorado.

(d) Separate Taxation. Following recordation of this Declaration by Declarant, and following any amendment to this Declaration and the Map creating any additional Condominium Unit, combining two or more Condominium Units, or reconfiguring the boundaries of any Condominium Units, all as permitted by this Declaration, the Owner of the Condominium Unit or Units affected by any such amendment shall give prompt written notice to the assessor of the County in the manner provided in Section 38-33-104 of the Condominium Act so that each Condominium will be separately assessed, taxed and collected.

The lien for taxes assessed to the Owner of a Condominium Unit shall be confined to his Unit and to his appurtenant undivided interest in the General Common Elements. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect title to any other Condominium Unit.

(e) Use of Residential Units. Subject to Paragraph 30, the Residential Units shall be used and occupied solely for dwelling or lodging purposes, except that (i) any one of such Units may be used from time to time as a manager's Unit and/or a

model Unit for the promotion and sale of Residential Units; and (ii) Residential Unit R-10 may be used for commercial purposes, as provided below. Owners of Residential Units may rent or lease their Units to others for dwelling or lodging purposes only, except as provided below.

Declarant or any subsequent Owner of Residential Unit R-10 may use or lease Residential Unit R-10 for the same purposes as a Commercial Unit, and at the election of the Owner of Residential Unit R-10, such Owner may formally convert Residential Unit R-10 into a Commercial Unit by recording in the office of the County Clerk and Recorder an amendment to this Declaration and to the Map, as provided in Paragraph 20 below. The use of Residential Unit R-10 for commercial purposes shall be subject to the written consent of the First Mortgagee, if any, encumbering such Unit, and subject to the density limitations imposed on the Real Property. For the purpose of meeting the obligations of Declarant under Section 17(b) of that certain Agreement dated August 21, 1987, as amended, between VAI and Declarant to construct upon the Real Property no more than ten residential condominium units, Residential Unit R-10 shall be considered as a Residential Unit. Further, for the purposes of satisfying the building limitations set forth in that certain Warranty Deed dated October 1, 1987, recorded October 8, 1987, in Book 471 at Page 501 in the real property records of the County, by which VAI conveyed the Real Property to Declarant, Residential Unit R-10 shall be considered a Residential Unit under this Declaration and a "Dwelling Unit" under the Amended and Restated Guide to the Beaver Creek Planned Unit Development approved by Resolution No. 88-75 of the Board of County Commissioners recorded August 22, 1988, in Book 489 at Page 739, which Amended and Restated Guide was recorded again January 31, 1989, in Book 499 at Page 512, all in the real property records of the County.

(f) Use of Commercial Units. Subject to Paragraph 30, the Commercial Units shall be used and occupied solely for service, office and retail business purposes, including, but not limited to, retail stores, offices, restaurants and other food and beverage operations.

(g) Use of Pedestrian Mall. Any Owner of a Commercial Unit may use all or a portion of the Pedestrian Mall for any commercial use with written permission from the Association and from the Resort Company; provided, however, that any such Commercial Owner using all or a portion of the Pedestrian Mall for any commercial use shall pay all expenses related to such use and shall indemnify the Association, each other Owner, and the Resort Company, and shall hold the indemnified parties harmless from any and all costs, expenses, and liability of any kind or nature pertaining to such use.

(h) Use of Hotel Unit. The Hotel Unit shall be used and occupied for the accommodation of tourists, transients or other Guests for compensation, as well as additional uses which are incidental or necessary to the operation and maintenance of the Hotel Unit, including, but not limited to, meeting, conference, dining and banquet rooms, kitchens and food and beverage preparation facilities, restaurants, lounges, bars, game rooms

and entertainment areas, lobby and check-in areas, concierge and bellman stations, laundry, linen and vending rooms, equipment, mechanical and switchboard rooms and miscellaneous storage and safe deposit areas.

(i) Use of Club. Unless subsequently converted to a Commercial Unit and conveyed, the Club shall be owned, maintained and operated by the Hotel Unit Owner at its sole expense. The Club may be used only to provide Recreational Facilities for use by (i) Guests, (ii) Owners of Residential Units, including the Owner of Residential Unit R-10 and, as long as such Unit is occupied and used as commercial space, its full time employees, (iii) members of the Beaver Creek Club and their immediate family members and (iv) other persons authorized to use the Club by the Club Owner.

Members of the Beaver Creek Club and their immediate family members shall be permitted to use the Club upon payment by the Beaver Creek Club of (i) admission fees for such use, which fees shall be limited to the reasonably proportionate direct operating costs of such amenities, and (ii) other fees as the Club Owner may charge on a non-discriminatory basis for other services available to those using the Club.

Members of the Beaver Creek Club and their immediate family members, in using the Recreational Facilities, shall also have a right of access to any parking facilities within the Condominium Project designated by the Association for persons using the Recreational Facilities, free of charge, on a non-assigned, "as available" basis, and the Association shall not discriminate against such persons with respect to available parking, regardless of whether fees are charged against other users of the parking facilities.

The obligations described in the two preceding subparagraphs and any related rights and duties of the Association and the Beaver Creek Club may be memorialized in such agreements as those parties may undertake from time to time to effectively administer the provisions of this Paragraph.

The Club Owner may impose and enforce reasonable rules and regulations relating to the use of the Club and the Recreational Facilities.

Residential Owners shall not be charged for use of the Club other than through the assessments established under Paragraph 10 of this Declaration and other reasonable charges for special programs, classes or activities.

(j) Subdivision of Hotel Unit. With the prior written approval of the Board or the Architectural Committee in accordance with Paragraph 25, and subject to the approval of any Hotel First Mortgagee, and subject to the density limitations imposed on the Real Property, Declarant or any subsequent Owner of the Hotel Unit may subdivide said Unit into multiple Units. Any resulting Condominium Unit shall be used for any one or more of the uses for which the Hotel Unit or any Residential Unit was theretofore used or usable, except as provided in this Declaration with respect to the Club, in the event the Club is

converted to a Commercial Unit. Each Condominium Unit formed as a result of any such resubdivision shall be designated by the prefix "H" and followed by a number, commencing with the number "1."

(k) Modifications to Condominium Units. With the prior written approval of the Board or the Architectural Committee in accordance with Paragraph 25, an Owner of one or more Condominium Units may exercise certain rights with respect to his Condominium Unit or Units as provided below, subject, however, to the approval of any First Mortgagee of the Condominium Unit or Units in question, the provisions of Paragraph 3(a) above, and the commercial space or dwelling unit density limitations applicable to the Owner and Condominium Unit or Units in question. Those rights specifically include the following:

(i) To subdivide any one Condominium Unit into two or more Condominium Units, provided that each Condominium Unit resulting from the subdivision has the same use designation as the original Condominium Unit; and

(ii) To change the boundary configuration of any adjacent Units owned by the Owner; and

(iii) To combine any adjacent Condominium Units owned by the Owner.

Each Condominium Unit formed as a result of any resubdivision under this Paragraph above shall be assigned the number of the original Unit from which it was formed followed by a letter of the alphabet commencing with the letter "A" (e.g., if Commercial Unit C-1 were being subdivided into two Commercial Units, the new Units would be numbered "C-1A" and "C-1B").

(l) Amendments Documenting Unit Modification. Any resubdivision or other change in the dimensions of a Unit pursuant to Paragraph 3(j) or 3(k) above, and any conversion of Residential Unit R-10 to a Commercial Unit in accordance with Paragraph 3(e) above, and any conversion of the Club into a Commercial Unit as permitted under Paragraph 1(i) above, shall be accomplished by the recording of an amendment to the Map which has been approved by any affected First Mortgagee and approved in accordance with the subdivision regulations of the County and in accordance with Resort Company Declaration and other pertinent Resort Company documents and regulations, and by the recording of an amendment to this Declaration as provided in Paragraph 20.

The amended Map shall set forth (i) any General or Limited Common Elements attributable to each Unit shown on the amended Map, (ii) the floor plans and linear dimensions of the interior of each Unit, (iii) the designation by number or other name or symbol of each Unit, and (iv) 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.

The amendment to this Declaration shall set forth (i) the percentage allocation of Common Expenses attributable to each Condominium Unit (which shall total the percentage of the Common Expense allocation initially allocated to the Condominium Unit or Units in question), and (ii) the percentage ownership interest in the General Common Elements attributable to each Condominium Unit concerned (which shall total the percentage ownership interest in the General Common Elements initially allocated to the Condominium Unit or Units concerned).

Upon recording of the amended Map and the amendment to this Declaration in the County, each of the new Condominium Units shown thereon shall be lawfully created with the percentage ownership interest in the General Common Elements allocated to it as set forth in the amendment to this Declaration.

(m) Interior Modifications. Subject to obtaining the approval of the Board or the Architectural Committee pursuant to Paragraph 25, any Owner shall have the right to remove, alter, construct or relocate any interior nonsupporting walls within said Owner's Unit in order to alter the interior configuration of the Unit.

4. Condominium Map.

(a) Initial Map. Upon substantial completion of the Building, and prior to any conveyance by Declarant in fee simple of any Condominium Unit, Declarant shall cause the Map to be filed for record in the County, which Map shall contain: (i) the legal description of the surface of the Real Property; (ii) the linear measurements and location, with reference to the exterior boundaries of the Real Property and the Building; (iii) the floor plans and linear dimensions of the interior of the Building including the Units, the General Common Elements and the Limited Common Elements; (iv) the designation by number, name or other symbol of each Unit; (v) the elevation plans of the Building; (vi) the elevation of the unfinished interior surfaces of the floors and ceilings of the Building, including the Units, as established from a datum plane, the distances between floors and ceilings, and the linear measurements showing the thickness of the perimeter walls of the Building; and (vi) such other information as Declarant may require in its discretion.

(b) Conforming Amendments. Declarant reserves to it and, after conveyance of the Hotel Unit, to the Association the right to unilaterally amend the Map from time to time to conform it to the actual location of the Building, including all parts thereof, and also the right to amend the Map from time to time in accordance with the procedures and requirements set forth in this Declaration to establish, vacate and relocate easements.

(c) Delineation of Units. The Map is incorporated in this Declaration by this reference and shall serve to describe and delineate each Condominium Unit for all purposes under this Declaration and the Condominium Act.

5. Easements.

(a) Reservations by Declarant. Each Owner of a Condominium Unit understands and agrees that Declarant has reserved certain rights pursuant to Paragraph 26 and that Declarant has the power to grant one or more Access Easements and Pedestrian/Skier Easements and easements for other purposes on, over, within or under the Condominium Project. Declarant reserves to it and, upon conveyance of the Hotel Unit, to the Association the right to vacate or relocate any easement so granted upon the receipt of prior written consent to such vacation or relocation by the Board or the Architectural Committee (in the case of any easement bordering the General Common Elements), affected First Mortgagees, the Owner of any Unit over which such easement lies, and such other parties as legally required to effect such vacation or relocation.

(b) Other Recorded Easements. The Condominium Project shall be subject to any easements shown on any recorded plat affecting the Real Property, on the Map, and in any other documents filed of record in the County. The recording information for easements and licenses and other matters affecting the Condominium Project or to which any part of the Condominium Project is subject as of the date of the recording of this Declaration is set forth in Exhibit B to this Declaration.

(c) Easement Regarding Recreational Facilities. Declarant hereby reserves for itself and its successors and assigns, and hereby grants to members of the Beaver Creek Club and their immediate family members, a non-exclusive right and easement over, through and across the pathways, driveways, walks, parking areas and other portions of the General Common Elements, for use by pedestrians and passenger vehicles for access to the Club and for parking related to the use of the Club. This right and easement shall survive as long as the Condominium Project and Recreational Facilities remain in existence.

The Association is hereby charged with the obligation to permit the members of the Beaver Creek Club and their immediate family members who use the Recreational Facilities to also use the parking areas which are labeled as General Common Elements on the Condominium Map and which are designated by the Association for persons using the Recreational Facilities, free of charge, on a non-assigned, "as available" basis, and the Association shall not discriminate against members of the Beaver Creek Club and their immediate family members with respect to available parking, regardless of whether the Association charges other users of such parking areas any fees for such use. These obligations and any related rights and duties of the Association and the Beaver Creek Club may be memorialized in such agreements as those parties may undertake from time to time to effectively administer the provisions of this Paragraph.

(d) Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Condominium Project for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, and a cable communication system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing

electrical, telephone, and other communication services to install and maintain the necessary equipment and electrical, communications, and telephone wires, circuits, and conduits upon, across, over, in and under the Condominium Project. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without disturbing the uses of the Owners, the Association, and Declarant; shall prosecute its installation and maintenance activities as promptly as reasonably possible; and shall restore any affected surface of the Real Property to its original condition as soon as possible after completion of the utility company's work. Should any utility company furnishing a service covered by this general easement request a specific easement by separate recordable document, Declarant or the Board shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Condominium Project without conflicting with the terms of this Paragraph. The easements provided for in this Paragraph shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Condominium Project.

(e) Emergency Access Easement. A general easement is hereby granted to (i) all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon the Condominium Project in the proper performance of their duties, and (ii) to all Owners, Guests and other persons on or in the Condominium Project in any emergency situation, to enter or exit upon, in, over and through any part of the General Common Elements as necessary to safely preserve life and property.

(f) Management 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 General Common Elements and a right to make such use of the General 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.

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

(h) Declarant's Rights Incident to Construction and Marketing. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across any portion of the Condominium Project and the right to store materials within the Condominium Project and to make such other use of the Condominium Project as may be reasonably necessary or incident to complete the construction and sale of the Condominium Project, including, but not limited to, construction trailers, temporary construction offices, sales offices, and directional and marketing signs; provided, however, that no such rights shall be exercised by Declarant in such a way as to

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unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner or family members, guests, or invitees of an Owner.

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

(j) Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Paragraph 5, even though no specific reference to such easements or to this Paragraph 5 appears in the instrument for such conveyance.

6. General Common Elements; Encroachments.

(a) Common Ownership; No Partition. The General Common Elements shall be owned in common by all the Owners and shall remain undivided. No Owner shall have or assert any right of partition with respect to the General Common Elements. Each Owner waives any and all rights of partition he may hold by virtue of his ownership of an undivided interest in the General Common Elements as a tenant-in-common with the other Owners. This Paragraph 6(a) shall not, however, limit or restrict the right of partition of a single Condominium among the Owners thereof, but such partition shall not affect any other Condominium.

Notwithstanding the foregoing, the Association shall have the right to dedicate or otherwise transfer all or any part of the General Common Elements (other than any Limited Common Elements) to any public, governmental, or quasi-governmental agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Owners; but such dedication or other transfer shall not be effective unless an instrument has been signed by Association members in each class holding an aggregate interest equal to at least 51% of the total percentage interests in the General Common Elements owned by such class of the Owners, and by the Hotel First Mortgagee, agreeing to such dedication or transfer. However, such dedication or other transfer with the approval by the Hotel First Mortgagee for public utilities, access by skiers or pedestrians, for snowmaking equipment or other uses related to the ski area in the Beaver Creek Subdivision, for other public purposes not inconsistent with the intended use of the General Common Elements, for the benefit of persons entitled to use the Club as contemplated under this Declaration, or the conveyance of any portion of an interest in the General Common Elements to the Beaver Creek Metropolitan District or the Resort Company for the purposes of constructing or maintaining

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thoroughfares in the Condominium Project, shall not be deemed transfers requiring such consent of the Owners within the meaning of this subparagraph.

(b) Use of General Common Elements. Each Owner shall be entitled to use the General Common Elements (other than the Limited Common Elements) in accordance with the purpose for which they are intended, without hindering, impeding or imposing upon the rights of the other Owners and in accordance with rules and regulations duly established from time to time by the Association. The rights granted to Owners under this Paragraph 6(b) are subject to the rights of the Association (including those rights reserved in Paragraph 35 below) to assign on a reservation basis parking spaces and storage spaces from time to time for the exclusive use of the Owners of particular Condominium Units or of other persons entitled to use the Club or other facilities in the Hotel.

Any Owner may delegate, in accordance with this Declaration and the Bylaws and rules and regulations of the Association, the Owner's right of enjoyment in the General Common Elements to the Owner's tenants, employees, family, guests and invitees.

(c) Encroachments. If any portion of the General Common Elements now encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the General Common Elements, as a result of the construction of the Building or any reconstruction or alteration of any Unit, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, the encroachment shall be permitted. In the event the Building, any Unit, any adjoining Unit, or any adjoining General Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the General Common Elements, all due to such rebuilding, also shall be permitted. Valid easements for all such encroachments and the maintenance thereof are hereby created and shall exist so long as the Building shall stand.

7. Mechanics' Liens; Indemnification.

(a) Restrictions Against Mechanics' Liens. If any Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon, no Owner of any other Condominium Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Unit or any improvements therein. Nothing herein contained shall authorize any Owner or any person dealing through, with or under any Owner to charge the General Common Elements or any Condominium Unit other than that of such Owner with any mechanic's lien or other lien or encumbrance whatever. On the contrary (and notice is hereby given that) the right and power to charge any lien or encumbrance of any kind against the General Common Elements or against any Owner or any Owner's Condominium Unit for

work done or materials furnished to any other Owner's Condominium Unit is hereby expressly denied.

(b) Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the General Common Elements or against any other Owner's Condominium Unit or any improvements therein, or against any other Owner (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association and the Hotel First Mortgagee, or to such other Unit Owners, within 20 days after the date of filing thereof, and further shall indemnify and save all the other Unit Owners, their First Mortgagees and the Association harmless from and against any and all costs, expenses, claims, losses or damages, including reasonable attorneys' fees (and legal assistants' fees) resulting therefrom. The Association shall enforce such indemnity by collecting from the Owner who suffers or allows such a lien the amount necessary to discharge the lien and all costs incidental thereto, including reasonable attorneys' fees (and legal assistants' fees). If such amount is not promptly paid, the Association may collect the same, and the same shall be a lien on such Owner's Unit in the manner provided herein for the collection of assessments and liens in respect thereof.

8. Administration and Management.

(a) Membership Privileges, Voting Rights, and Obligations. The Project shall be administered and managed pursuant to this Declaration and the Articles and Bylaws. Each Owner shall be a member of the Association and shall remain a member until he ceases to be an Owner. Each Owner shall be entitled to a number of votes equal to the percentage ownership interest in the General Common Elements appurtenant to the Unit or Units owned by said Owner as set forth in Exhibit A to this Declaration.

Each member shall comply strictly with the provisions of this Declaration and the Articles and Bylaws. Each member shall be bound by and shall comply with rules, resolutions and decisions of the Association duly made or adopted in the manner set forth in the Articles or Bylaws. Failure of a member to comply with such provisions, rules, resolutions or decisions shall be grounds for an action to recover damages or to obtain injunctive relief, or both, maintainable by the Association on behalf of the other Owners or, in a proper case, by an aggrieved Owner. In addition, the Bylaws may authorize the Association, during the period of any delinquency, (i) to revoke a delinquent Owner's right to use the General Common Elements, including the Recreational Facilities, (ii) to suspend a member's voting privileges; provided, however, no such suspension shall affect the rights of a First Mortgagee; (iii) to impose appropriate fines, as determined by the Board against the delinquent member, which fines shall be treated as assessments; and (iv) to enforce its lien rights or to seek other remedies available to it in law or equity.

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(b) Delegation of Association Duties. The Association, through a determination of its Board, may delegate to a hotel management or real estate management firm (the "Managing Agent"), certain specified powers of the Association, including but not limited to the powers to submit for approval of the Board the budget for operation of the Project, to establish and collect fees for Common Expenses, to establish and collect reserve funds, to make special assessments, to allocate the real property taxes and assessments for any Condominium Unit if the County tax assessor has not separately assessed the Condominium Units, to establish books of account and maintain records for the operation of the Condominium Project, to supply statements of account to Owners or their Mortgagees upon request, to provide for cleaning and maid service and maintenance and repair to the General Common Elements other than the Limited Common Elements, to contract for utility services to the Units, to coordinate occupancy of the Units, to establish and from time to time amend such reasonable rules and regulations as may be necessary or convenient to carry out the intention of this Declaration, and to do any other acts or things that the Association is empowered to do under this Declaration or its Articles and Bylaws; provided, however, that the determination of the Board to delegate the duties of the Association to a Managing Agent shall not relieve the Association of any of its obligations under this Declaration or under the Articles and Bylaws. Any unbudgeted expenditure by the Managing Agent in excess of any amount stipulated from time to time in the Bylaws or in any Board resolution shall require the prior written approval of the Board.

(c) Effect of Management Agreement. Upon the Association's entering into a management agreement, each Owner and his heirs, successors and assigns, shall be bound by the reasonable terms of such management agreement for the purposes therein expressed.

(d) Separate Agreements for Residential or Commercial Units. Neither the Association nor the Board shall have any obligation to provide a separate manager for the Residential Units or the Commercial Units, but they may do so if the Board believes the best interests of all Owners will be served by such the appointment of a separate manager. Costs relating to such separate manager shall be allocated as provided in Paragraph 10(q) below.

9. Maintenance and Repairs; Right of Access.

(a) Owner's Obligations. Each Owner shall be responsible for maintenance, repair and replacement of his Unit, including fixtures and improvements and all utility lines and equipment located therein and serving such Unit only. All such maintenance, repair and replacement shall be performed in order to preserve the essential nature of the Building as a first-class mixed use project containing a first-class hotel and first-class Residential and Commercial Units, all located within a first-class resort. In performing such maintenance or repair, or in improving or altering his Unit, no Owner shall do any act or work which impairs the structural soundness of the Building or which interferes with any easement.

(b) Association's Duties. Except as provided below in this Paragraph 9, the General Common Elements (including, but without limitation, the Limited Common Elements) shall be administered, conserved, managed, maintained, repaired, improved and replaced by the Association, which shall have the irrevocable right of access to any Unit from time to time during reasonable hours for such purposes, or at any time for the purpose of making emergency repairs therein necessary to prevent damage to the General Common Elements, to the Limited Common Elements or to another Unit or Units. The costs of repairing any damage to a Unit resulting from entry therein for any such purpose shall be a Common Expense, except as provided in Paragraph 9(d) below. If, in the sole judgment of Declarant, or after the Declarant is no longer the Owner of the Hotel Unit, the Hotel Unit Owner, the Association has failed to maintain the General Common Elements in good order and repair, Declarant or the Hotel Unit Owner may, after five days' notice to the Association, perform all work necessary to maintain the General Common Elements in good order and repair, and Declarant or the Hotel Unit Owner, as the case may be, shall have access to any Unit for such purposes. The Association shall reimburse Declarant or the Hotel Unit Owner for the cost of such work, which shall be a Common Expense of all Owners payable as set forth herein.

(c) Exterior Maintenance. All maintenance and repairs of the exterior of the Building shall be provided by the Association at such time and such cost as in the judgment of the Association is necessary to maintain the exterior of the Building in good order and repair. Such maintenance and repair shall include, but not be limited to, painting, staining or other application of materials to the exterior of the Building, cleaning and snow removal. The cost of such work shall be a Common Expense of all Owners payable as set forth herein, except as provided in Paragraph 9(d) below; and except to the extent that such maintenance and repairs relate specifically to improvements permitted by Paragraph 16 hereof, in which event the Association may charge the costs associated with maintaining such improvements to the Owner of the Condominium Unit requesting such improvements pursuant to Paragraph 16.

(d) Costs of Negligence or Misconduct. Each Owner shall pay all costs of repairing any damage to the General Common Elements (including the Limited Common Elements) or to any Condominium Unit other than his own, resulting from the intentional act or negligence (actual or imputed) of such Owner or the guests, tenants, invitees or licensees of such Owner.

(e) Limited Common Elements. Notwithstanding the foregoing, each Owner having an interest in Limited Common Elements shall pay the proportion of the costs and expenses of maintaining, repairing and replacing any Limited Common Elements of which such Owner has any right of use and enjoyment (irrespective of actual use or enjoyment), the numerator of which is his percentage ownership interest in the General Common Elements and the denominator of which is the total percentage ownership interest in the General Common Elements of all persons having any use and enjoyment of such Limited Common Elements.

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(f) Discretionary Rights of the Board. If, in the reasonable judgment of the Board, the allocation of expenses as set forth above is clearly unfair or inequitable, the Board may allocate such expenses in a manner which the Board determines is fair and equitable; provided, however, no such re-allocation may increase the liability for expenses of the Hotel Unit Owner without the prior consent of the Hotel Unit Owner and the Hotel First Mortgagee.

10. Assessments.

(a) Covenant of Personal Obligation for Assessments. Declarant, by creating the Condominium Units pursuant to this Declaration, and every other Owner, by acceptance of the deed or other instrument of transfer of his Condominium Unit, is deemed to personally covenant, jointly and severally, with every other Owner and with the Association, to pay the Association all assessments applicable to the Owner's Condominium Unit.

(b) Allocation. Common Expenses shall be allocated among the Owners pursuant to the Expense Allocation Table set forth in the attached Exhibit C, unless otherwise provided in Paragraph 9 above and in the following subparagraphs of this Paragraph 10. The Expense Allocation Table has been established taking into account, among other factors (i) the relative size of the Units, (ii) the normal anticipated use by Residential Owners, Commercial Owners, the Club Owner, and the Hotel Unit Owner of electricity, water, heat, telephone, sewer, firewood and trash disposal, (iii) the fact that Residential Owners have the right to use the Club without additional charge, (iv) the fact that no Commercial Owners have the right to use the Club, (v) insurance rate differentials including increases in insurance costs caused by the use of a Unit, and (vi) other relevant factors. Subject to Paragraph 21 and other applicable provisions of this Declaration, the Expense Allocation Table may be modified through appropriate action taken by or on behalf of the Owners and Mortgagees affected by the modification, to reflect any adjustments arising from any amendment to this Declaration under Paragraph 20 or any other appropriate adjustments in the shares of Common Expenses allocable to the Condominium Units. Each Owner by accepting a deed to a Condominium Unit agrees to the reasonableness of the allocations set forth in Exhibit C.

(c) Electricity Charges. If the electricity used in any Unit is separately metered, the charges for such electricity shall be paid by the Owner of that Unit directly to the utility company providing such electricity.

To the extent that electricity used within the Building is not separately metered, the charges for such electricity shall be billed by the Association in accordance with the Expense Allocation Table, adjusted equitably to take into account any electrical charges which may be metered separately to certain Units.

(d) Water, Sewer and Trash Disposal Charges. All water charges, sewer fees and trash disposal fees attributable to the Building shall be billed to and paid by

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the Association. The charges for such water, sewer and trash disposal shall be billed by the Association in accordance with the percentage share of expenses shown in the Expense Allocation Table.

(e) Cable Service Charges. All cable television charges shall be separately billed and the charges for such cable service shall be paid by the Owner of the applicable Unit directly to the cable company providing such service.

(f) Telephone Charges. Telephone service used in Commercial Units shall be separately billed, and the charges for such telephone service shall be paid by each Commercial Owner directly to the telephone company providing such service.

Telephone service used in the Residential Units and the Hotel Unit may be provided through the switchboard of the Hotel Unit, in which case it will be billed to and paid by the Association. The basic charges for such telephone service shall be billed by the Association in accordance with the Expense Allocation Table. All long distance calls will be charged directly to the Unit from which the call is made. Residential Owners shall have the option of separate phone service, in which event charges for such service shall be paid by the Residential Owner directly to the telephone company providing the service.

(g) Regular and Special Assessments. The Bylaws shall empower the Board to fix, determine, levy and collect periodic and special assessments to be paid by the Owners to meet the Common Expenses and to create a contingency reserve therefor. The Bylaws also shall establish the procedures by which the assessments shall be made known to and paid by the Owners, including procedures allowing the Board to assess a "late charge" in such amount as the Board may fix by rule from time to time for any assessment payment not tendered within a reasonable period after it becomes due and payable, to cover the extra expenses involved in handling such delinquent payment.

(h) Default Assessments. All monetary fines assessed against an Owner pursuant to this Declaration or the Bylaws and any expense of the Association which is the obligation of an Owner shall be default assessments and shall become liens against such Owner's Condominium Unit, which lien may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default assessment shall be sent to the Owner subject to the assessment reasonably in advance of the due date.

(i) Commencement of Assessments. All of the Condominium Units for which certificates of occupancy have been issued by the appropriate authority shall be allocated full assessments beginning on the date Declarant first conveys any Condominium Unit to the first purchaser or lessee.

(j) Lien for Assessments. All sums assessed but unpaid for the share of Common Expenses assessed to any Condominium Unit and any default assessments, together with all interest, costs, late charges, expenses and reasonable attorneys' fees (including

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legal assistants' fees) which may arise under Paragraph 10(k) below shall constitute a lien on such Condominium Unit in favor of the Association prior to all other liens and encumbrances, except that such lien shall be junior, subject and subordinate to: (i) liens for taxes and special assessments and any other liens which may be given priority to the lien held by a First Mortgagee by statute; (ii) the lien held by any First Mortgagee encumbering such Condominium, and (iii) assessment liens of the Resort Company. The Association's lien shall attach without notice at the beginning of the first day of any period for which the assessment is levied, and may be foreclosed by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof executed on behalf of the Association by a member of the Board, the Managing Agent, or an officer of the Association, setting forth the amount of the unpaid indebtedness, the name of the Owner of the Condominium and a description of the Condominium.

(k) Effect of Nonpayment of Assessments. If any periodic, special, or default assessment (or any installment of the assessment) is not fully paid within 30 days after the same becomes due and payable, then as often as the same may happen, (i) interest shall accrue at the Maximum Rate on any amount of the assessment which was not paid within such 30-day period, accruing from the due date until date of payment, (ii) the Association may declare due and payable all unpaid installments of the assessment otherwise due during the fiscal year during which such default occurred, (iii) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, and (iv) the Association may proceed to foreclose its lien against the particular Condominium Unit as provided above. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the assessments. Further, the Association may exercise such other rights against an Owner for delinquent assessments as may be reserved in the Bylaws.

If any such assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Condominium Unit, then all unpaid installments of periodic and special assessments and all default assessments (including any such installments of assessments arising during the proceedings of such action or foreclosure proceedings), any late charges and/or any accrued interest as provided in this Declaration, and the Association's costs and expenses of such proceedings, including reasonable attorneys' fees (including legal assistants' fees) shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale. The Association shall be entitled to purchase the Condominium at the foreclosure sale, to exercise the votes in the Association appurtenant to ownership of the Condominium Unit, and to acquire, hold, lease, mortgage or convey the same.

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(l) Waiver of Homestead Exemption. By accepting a deed or other instrument of transfer of a Condominium Unit, each Residential Owner irrevocably waives the homestead exemption provided under Colorado law with respect to the obligation for any assessments imposed under this Declaration.

(m) No Waiver of Assessment Liability. Except in situations where an Owner does not have personal liability, no Owner shall exempt himself from liability for payment of his share of the Common Expenses either by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Condominium.

(n) Successor's Liability for Assessments. In case of sale or other transfer of a Condominium with respect to which sums assessed for Common Expenses shall be accrued and unpaid, the purchaser or other transferee of an interest in such Condominium shall be jointly and severally liable with the seller or transferor thereof for such accrued and unpaid assessments; provided, however, a purchaser or other transferee shall not be so jointly and severally liable, and the lien for such accrued and unpaid assessments otherwise imposed under this Declaration be extinguished, if such purchaser or other transferee shall acquire a Condominium Unit in consequence of foreclosure or other proceedings brought to enforce the rights of a First Mortgagee, by deed in lieu of foreclosure, in consequence of an exercise of power of sale or by any other similar method.

(o) Statement of Status of Assessments. Upon ten days' written request of any Owner, Mortgagee, prospective Mortgagee, purchaser or other prospective transferee of a Condominium, the Association shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to such Condominium, the amount of the current periodic assessment, the date on which such assessment became or shall become due and the amount of any credit for prepaid Common Expenses. Such statement, for which a reasonable fee may be charged, is binding (except in cases of manifest error) upon the Association in favor of any person who may rely thereon in good faith. Unless a request for such statement shall be mailed by the Association to the requesting party within 30 days after the Association's receipt of the request, the Association's lien for all unpaid Common Expenses which became due prior to the date of making such request (i) shall be extinguished with respect to any new Owner or Mortgagee who has made the request and thereafter acquired an interest in the Condominium Unit, and (ii) shall be subordinated to the lien or other interest of any other person requesting such statement.

(p) Lienor's Rights. Any party in favor of whom a lien on a Condominium has been created may, but shall not be required to, pay any unpaid Common Expense with respect to such Condominium Unit, and upon such payment and recording of a notice of the payment in the real property records of the County, such party shall have a lien on such Condominium for the amount so paid of the same rank as the lien of such party theretofore existing.

(q) Assessments for Special Management Services. As provided in Paragraph 8 above, the Association may at any time provide for one or more managers (which may include the Hotel Operator) for all or any number of the Units and the Limited Common Elements allocated to such Units and may provide services for the direct benefit of less than all Units and the Limited Common Elements allocated to such Units. The cost for such manager(s) or services shall be allocated fairly among those Units directly benefited by such services or managed by such manager or managers and may be charged to such Owners as a direct expense and not as a Common Expense, although such direct expense may be collected, and shall have the benefit of the lien as provided in the case of common assessments.

(r) Restrictions on Liens. Except for annual, special and default assessment liens as provided in this Paragraph 10 above, mechanics' liens (except as provided in Paragraph 7 above), tax liens, judgment liens and other liens validly arising by operation of law, and liens arising under Mortgages encumbering a Condominium Unit, there shall be no other liens obtainable against the General Common Elements.

11. Insurance.

(a) Types of Insurance. The Board shall obtain or cause to be obtained and continuously maintain or cause to be maintained the following types and amounts of insurance from and after recording of this Declaration. All such insurance shall be consistent with all state and local insurance laws and shall comply in form and coverage with the requirements of the Mortgage securing the Hotel First Mortgagee.

(i) A master policy of "all-risks" casualty insurance on the Condominium Project, including the General Common Elements and the Units together with all wall coverings, installed carpeting, fixtures, built-in appliances, installations and improvements installed by an Occupant (collectively "Owner's Installations," which for purposes of this Paragraph 11(a) shall be deemed a part of the Unit), excluding only furniture and personal property of such Occupant which is not affixed to the walls, floors or ceiling of a Unit, and all fixtures, equipment, supplies and other items of personal property belonging to the Association, in an amount not less than 100% of the full replacement value of the Building without deduction for physical depreciation.

(A) Such all-risks policy shall include, without limitation, plate glass coverage, and theft coverage, an endorsement for accident or explosion to boiler and machinery and a demolition cost endorsement, contingent liability from operation of building laws endorsement, and increased cost of construction endorsement (unless such coverage is unavailable, or available only at demonstrably unreasonable costs).

(B) During the course of any repair of improvements, construction, reconstruction or alteration on the Building undertaken by the Association, by Declarant or by any Occupant in connection with the initial installation of Owner's Installations, "builders, all-risk" extended coverage insurance including collapse and transit coverage, in amounts based upon the insurable replacement value of the improvements, and endorsed to provide that occupancy by any person shall not void such coverage (unless such coverage is unavailable, or available only at demonstrably unreasonable costs). If any alteration to a Unit is made by an Occupant subsequent to the installation of the initial Owner's Installations, the Association shall require that such Occupant obtain "builder's all-risk" extended coverage insurance as required by the Association (unless such coverage is unavailable, or available only at demonstrably unreasonable costs) and upon completion of such alterations shall advise the Association of the replacement value of such alterations in order to permit the Association to adjust accordingly the amounts of insurance carried by the Association.

(C) Such all-risks policy shall also include flood insurance on the Building and any and all personal property used or to be used in connection with the General Common Elements (unless such coverage is unavailable, or available only at demonstrably unreasonable costs).

(ii) Comprehensive general liability insurance, including, without limitation, medical payments insurance, insuring the Occupants, the Association, and its officers, members of the Board, and any Managing Agent, against liability for death, bodily injury and property damage arising out of or in connection with the ownership, maintenance and/or use of the General Common Elements, Limited Common Elements, any public ways and other areas under the supervision of the Board. Limits of liability shall be determined by the Board and shall be at least \$1,000,000.00 for any injuries or death sustained by any person in any single occurrence, and at least \$1,000,000.00 for property damage resulting from each occurrence. Such policy shall contain provisions for severability of interest which shall preclude the insurer from denying the claim of an insured party because of the acts negligent or otherwise of any other insured party.

(iii) At the Board's discretion, policies of managers' and officers' liability insurance, insuring the managers and officers of the Association against personal liability arising in connection with the performance of their duties.

(iv) Workmen's compensation insurance (including Employers' Liability insurance) for Association employees, if any, as applicable law may require.

(v) Such other insurance, and in such amounts, as first class hotel buildings are at the time customarily insured, due regard being, or to be, given to the height and type of building, its construction, use and occupancy.

(b) Policy Requirements. The insurance required by Paragraph 11(a) may be effected under master policies and in any event such policies, shall comply with the following requirements:

(i) All policies shall be issued by a company licensed to do business in the State of Colorado and holding a Best's Insurance Reports financial rating of Class A+, provided it has a general policy holder's rating of "A/X" or better or an equivalent rating if Best's Insurance Reports ratings are discontinued.

(ii) Each Owner and each Mortgagee shall be insured parties, as their interests may appear, under such policies with respect to loss or liability arising out of such Owner's ownership of a Condominium Unit.

(iii) The insurer waives its rights to subrogation as respects any possible claim against the Mortgagees, the Managing Agent, the Hotel Operator, the Association and their respective agents, contractors and employees, and the Occupants and their respective agents, contractors and employees as more fully set forth in Paragraph 11(m).

(iv) Any "no other insurance" clause in such policies shall not prohibit Occupants or Mortgagees from obtaining insurance on their individual Units.

(v) Such insurance is without contribution regardless of insurance against the same risks carried by Occupants or Mortgagees, individually, or the Managing Agent or the Hotel Operator.

(vi) A standard form mortgagee endorsement or its equivalent in favor of the Mortgagees which shall provide for payments to the Trustee and which shall insure each Mortgagee regardless of (1) any act, failure to act or negligence of or violation of warranties, declarations or conditions contained in such policy by any named insured, the Managing Agent, the Hotel Operator or an Occupant, (2) the occupancy or use of the Project for purposes more hazardous than permitted by the terms of the policy, (3) any foreclosure, appointment of a receiver or other action or proceeding taken by the Mortgagee pursuant to

any provision of its mortgage, or (4) any change in title to or ownership of the Unit subject to the lien of a Mortgagee.

(vii) The insurer shall not modify, reduce or cancel such policies without at least 30 days' prior written notice to the Mortgagees.

(viii) Each Mortgagee shall be permitted to make payments to effect confirmation of a policy upon notice of cancellation due to non-payment of premiums.

(ix) The Association shall not be deemed or permitted to become a co-insurer.

(x) Such insurer shall waive any right to claim any premium and commission against the Mortgagees.

(c) Designation of Insurance Trustee. The Association shall enter into and at all times be party to an agreement (the "Trust Agreement"), with a trustee (the "Trustee") concerning the receipt and application of the proceeds of policies of property insurance maintained by the Association and of condemnation awards, which agreement shall be in form and substance satisfactory to the Hotel First Mortgagee. Should the Association fail to maintain such Trust Agreement, then the Hotel First Mortgagee may immediately select a new Trustee, and the Association shall immediately upon demand by the Hotel First Mortgagee enter into a new Trust Agreement with such Trustee designated by the Hotel First Mortgagee. The Trustee shall be a commercial bank, holding company, trust company or similar financial institution, who shall be reasonably acceptable to and approved by the Hotel First Mortgagee, and who is a member of the Federal Reserve System, and whose activities are regulated and subject to examination by the Federal Deposit Insurance Corporation or other federal authorities performing a similar function, and who shall have, or shall be a member of a holding company having, a net worth standard of at least \$65,000,000.00. The Trust Agreement shall provide that all proceeds of insurance or condemnation awards paid to the Trustee shall be held and applied by the Trustee in accordance with the provisions of this Declaration. All fees payable to the Trustee pursuant to the Trust Agreement shall be Common Expenses.

(d) Compliance with Policy Terms.

(i) No Occupant shall commit or permit any violation of the policies of insurance carried by the Association pursuant to this Declaration, or do or permit anything to be done, or keep or permit anything to be kept, in any Unit, which (A) could result in termination of any of such policies, (B) could adversely affect the right of recovery under any of such policies, or (C) would result in reputable and independent insurance companies refusing to insure the Building in the amounts required by this Declaration.

(ii) The Association shall cause to be delivered to any Mortgagee or Occupant within 10 days of receipt of a written request from such Mortgagee

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or Occupant, a certificate from a qualified insurance expert (acceptable to the Hotel First Mortgagee) setting forth the particulars as to all insurance policies maintained by the Association and certifying that the same comply with the requirements of this Declaration, that all premiums due thereon have been paid and that the same are in full force and effect.

(e) Adjustment of Claims. In the event of loss or damage to all or any portion of the Project, the Association shall give immediate written notice thereof to the Mortgagees, and the Association shall promptly make proof of loss thereof, and in any event not later than 30 days following such loss or damage. If the Association fails to make proof of loss within such 30 day period, then the Hotel First Mortgagee may make such proof of loss within the next succeeding 30 day period (but shall have no obligation to do so); and if the Hotel First Mortgagee fails to make such proof of loss, then any other Mortgagees may make such proof of loss (but shall have no obligation to do so). The Association, subject to the approval and participation of the Hotel First Mortgagee, such approval not to be unreasonably withheld or delayed, may adjust and compromise any claims under such insurance, but the insurance proceeds for that loss shall be payable to the Trustee designated in accordance with Paragraph 11(c). The Net Proceeds from such casualty and the costs of Restoration shall be allocated among the affected Unit(s), Limited Common Elements, and/or General Common Elements in accordance with the relative damage sustained with respect to each such portion of the Condominium Project, all in accordance with the terms of this Paragraph 11. The Trustee shall hold any insurance proceeds in trust for the Owners and the Mortgagees as their interests may appear. The cost of Restoration of the General Common Elements, including without limitation, the Limited Common Elements (but only if the Restoration of the Limited Common Elements is structural), in excess of insurance proceeds and reserves, if any, shall be a Common Expense and shall be assessed against the Owners as such. In the event the cost of Restoration of an individual Unit or Restoration constituting non-structural repair of the Limited Common Elements is in excess of insurance proceeds, the respective Owner or Owners entitled to the use of the Limited Common Elements in question, shall bear such cost and expense and shall deposit within 30 days of demand by the Trustee with the Trustee, the amount of such excess, to be disbursed in accordance with Paragraph 11(f) hereof. If any Owner shall fail to make such deposit, the Trustee shall direct the Association to enforce the collection of such unpaid sums. If payment is not made, then the Association or a non-defaulting party may deposit the same, and the defaulting Owner shall, upon demand, reimburse the paying party. If such reimbursement is not made, the Association shall enforce the collection of such unpaid reimbursement.

(f) Disposition of Net Proceeds: Restoration.

(i) The Net Proceeds and any deposits made by the Owners or any other Occupants shall be held by the Trustee in a federally insured (to the extent possible) interest bearing account (the "Restoration Fund") and shall be disbursed to the Association or to any contractor or subcontractor for the prompt Restoration of the damaged General Common Elements and to the Owners, their contractors or subcontractors for the

prompt Restoration of the damaged Units from time to time for the costs of Restoration; provided and for so long as:

- (A) The Restoration would not be illegal under any federal, state or local statute or ordinance.
- (B) The provisions of this Declaration regarding Restoration and disbursement of Net Proceeds, including, without limitation, Paragraph 11(f)(iii), are satisfied.
- (C) The Mortgagees, or, if only one Unit or a Unit's Limited Common Element is affected, then the Mortgagee of such Unit, are or is satisfied that there are or upon settlement there will be sufficient funds held by the Trustee in the Restoration Fund to complete Restoration.
- (D) In case of any damage to or destruction of the Project or the Hotel Unit constituting a Substantial Casualty, if all of the following conditions are satisfied within 90 days after the occurrence of such damage or destruction, and subject to the provisions of Paragraph 11(f)(iv), and so long as all of the following conditions remain satisfied:
 - (1) No Event of Default (as defined in the Mortgage of the Hotel First Mortgagee) or event (which is still capable of being cured following such damage or destruction) which but for the passage of time or the giving of notice, or both, would constitute an Event of Default ("Conditional Default") shall have occurred and be continuing under the Mortgage securing the Hotel First Mortgagee, provided, however, if the casualty affects only a Unit other than the Hotel Unit and no General Common Elements, then the existence of an Event of Default or Conditional Default shall not in and of itself prevent the disbursement of Net Proceeds to complete Restoration of such affected Unit.

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(2) The Association shall have provided to the Hotel First Mortgagee evidence reasonably satisfactory to it that the Project or the Units, as the case may be, can be restored at least to the value, usefulness, condition and character that existed prior to the damage or destruction, and that the Restoration of such property can be completed prior to the maturity date of the debt secured by the Mortgage relating to the Unit in question.

(E) In case of any damage to or destruction of the Building or the Hotel Unit not constituting a Substantial Casualty, no Conditional Default or Event of Default shall have occurred and be continuing; provided, however, that even if the conditions set forth in this clause (E) are not met, then the portion of the Net Proceeds received from a casualty which is not a Substantial Casualty and which is allocable, pursuant to the procedures set forth in Paragraph 11(i) below, to the damaged General Common Elements shall nonetheless be disbursed by the Trustee to pay the costs of Restoration of such damaged General Common Elements in accordance with the terms of this Paragraph 11(f).

(F) The affected First Mortgagee(s) shall receive reasonably satisfactory evidence from the Trustee (which may include, at the First Mortgagee(s)' option, receipt by the affected First Mortgagee(s) of a certification by the Inspecting Engineer (as hereinafter defined)) that:

- (1) The sum requested in each disbursement has been paid or is then due and payable and is a proper item of such cost.
- (2) All materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested payment) in connection with the Restoration have been paid for in full.

- (3) There exist no mechanics', materialmen's or other liens and encumbrances on the Condominium Project arising out of such Restoration, or if any such liens and encumbrances do exist, such liens and encumbrances would be discharged with the funds received from the requested disbursements.
 - (4) The balance of the Restoration Fund shall be sufficient to pay in full the balance of such cost of the Restoration.
 - (5) All licenses, permits and approvals for Restoration as required by all state and local ordinances or statutes have been obtained.
- (G) The Hotel First Mortgagee may (except where the Hotel Unit is not involved at all) impose such additional reasonable conditions and requirements (which conditions shall not affect the requisite responsibility to repair and restore, and any conditions imposed by the Mortgage of the Hotel First Mortgagee are deemed reasonable) including, but not limited to, the payment of Mortgagee(s)' costs in connection with the Inspecting Engineer's processing, monitoring and inspecting the Condominium Project and reviewing disbursements from the Restoration Fund with respect to such Restoration as are customarily imposed by mortgagees on properties comparable in type and financing to the Condominium Project.

(ii) If all these foregoing conditions are not satisfied, then such Net Proceeds or so much thereof as shall be undisbursed shall be paid, upon demand by the Hotel First Mortgagee, as though such Net Proceeds were surplus in accordance with the procedure set forth in Paragraph 11(g) below. Notwithstanding such payment, the Owner of the damaged Unit shall bear the obligations for Restoration as more fully provided for in Paragraph 9(a) hereof, and each Owner shall, from time to time upon demand of the Association or the Trustee, deposit its share of the cost of Restoration in excess of its share of the Net Proceeds available for disbursement, with the Trustee as provided in Paragraph 11(e) hereof, subject, however, to the provisions of Paragraph 11(f)(iv) below. Each Owner shall pay the costs of Restoration attributable to his Unit and the nonstructural portions of the

Limited Common Elements appurtenant to his Unit and shall pay a portion of the costs attributable to the General Common Elements in accordance with the Expense Allocation Table. If the Owner fails to do so, the Association shall have the rights and remedies as provided in this Declaration. The Association shall promptly commence and diligently pursue the Restoration of the Condominium Project as expeditiously as possible in a good and workmanlike manner and in accordance with the final plans and specifications for construction of the Building (and final plans and specifications for improvements and/or alterations to Units) and in accordance with the Map, whether or not Net Proceeds are made available for Restoration and whether or not the Net Proceeds which are available are sufficient to complete such Restoration. Subject to the provisions of Paragraphs 11(h) and 11(f)(iv), the Condominium Project shall be restored to substantially the same usable area, and to substantially the same value, condition and character as existed prior to such damage.

(iii) The Restoration of the Condominium Project must comply with the following conditions:

- (A) Prior to commencement of Restoration, the contract, contractors, plans and specifications for the Restoration shall have been approved in advance by the Hotel First Mortgagee or its agents, such consent not to be unreasonably withheld or delayed, and each Mortgagee shall be provided with proof of the effective filing of a waiver of mechanics' liens so as to prevent such liens from attaching to the Condominium Project, or title insurance, bond protection, or other security against mechanics' liens.
- (B) The Net Proceeds and any deposits made by the Owners shall be deposited with the Trustee and held in the Restoration Fund, and any interest earned on such deposited funds shall be a part of and follow the Restoration Fund.
- (C) Disbursements from the Restoration Fund shall be made by the Trustee to an Occupant responsible for any portion of the Restoration or to the Association or to any contractor or any subcontractor from time to time in an amount not exceeding the cost of the work completed since the last disbursement, no sooner than 10 days following receipt by the Trustee and the Hotel First Mortgagee of satisfactory evidence of the state of completion, and of performance of the work in a good and workmanlike manner in accordance with the

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contracts, plans and specifications, and of evidence that no mechanics' or materialmen's liens shall have been filed and remain undischarged and that the waivers, insurance, bonds or other security against mechanics' liens required under subparagraph (A) immediately above continue in effect as long as necessary under any applicable statute of limitations for the enforcement of mechanics' liens.

- (D) Unless the Hotel First Mortgagee instructs the Trustee otherwise, the Trustee must retain 10% of all requests for disbursements from the Restoration Fund as retainage ("Retainage") until the restoration is fully complete; provided that no Retainage shall be required for architectural, engineering or other design fees. The Trustee shall not be obliged to make disbursements of the Net Proceeds more than once every 30 days. The Retainage shall not be released until an independent inspecting engineer selected by the Hotel First Mortgagee (the "Inspecting Engineer") certifies to the affected First Mortgagee(s) that the Restoration of the Project has been completed in accordance with the applicable provisions of this Declaration. If the Net Proceeds remaining undisbursed shall be less than \$250,000.00, only one disbursement of the Net Proceeds shall be made at the discretion of the Hotel First Mortgagee, which disbursement shall be made upon certification by the Inspecting Engineer that the Restoration has been completed in accordance with the applicable provisions of this Declaration. Provided that no Event of Default or Conditional Default shall have occurred and be continuing under the Mortgage of the Hotel First Mortgagee, any Net Proceeds remaining after the Restoration of the Condominium Project and the payment in full of all costs incurred in connection with such Restoration, shall be distributed by the Trustee in accordance with Paragraph 11(g).

(iv) In case of any damage to or destruction of the Project or the Hotel Unit constituting a Substantial Casualty where the insurance proceeds and reserves available to the Owners for repair and restoration of the Building are insufficient to pay the cost of repairing and restoring the Building, then the Association, in its reasonable judgment

(concurrent with the Hotel First Mortgagee), may choose to sell the Real Property and the Building and other improvements on the Real Property together with reasonable easements for ingress and egress, if required, as designated by the Association, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire with respect to such property upon the closing of such sale. The proceeds of insurance and the proceeds of such sale of the Real Property and Building and other improvements on the Real Property collected by the Association shall be applied first to the payment of expenses of the sale, and then divided according to each Owner's respective percentage ownership interest therein as shown by the insurance policies, if so shown, and otherwise according to each Owner's percentage ownership interest in the General Common Elements. The funds in each account established upon such division (without contribution from one account to another) shall be applied by the Association for the following purposes in the order indicated: (A) for payment of real estate taxes and other assessments given priority by statute to any lien held by a First Mortgagee; (B) for payment of the balance of all amounts secured by the lien held by any First Mortgagee on the Condominium; (C) for payment of Resort Company assessments; (D) for payment of unpaid Common Expenses; (E) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and (F) for payment of the balance remaining, if any, to the Owner. The provisions of this Paragraph 11(f)(iv) shall not be construed as limiting in any way the right of a First Mortgagee (in case the proceeds allocated under clause (B) above shall be insufficient to pay the indebtedness secured by this lien) to assert and enforce the personal liability for such deficiency of the Person(s) responsible for payment of such indebtedness. The Owners may veto the Association's decision to sell the Building, if within 90 days after the date of such damage or destruction the Owners and First Mortgagees of Units to which 60% or more of the General Common Elements are appurtenant (which 60% shall in all events include the Hotel Unit Owner and the Hotel First Mortgagee) vote to restore and repair the Premises. In such event, the Association shall promptly cause such repairs and restoration to be made in accordance with the provisions set forth in this Paragraph 11. Each Owner, by accepting a deed to a Condominium Unit, agrees to execute any and all documents reasonably required to confirm or ratify the sale contemplated in this Paragraph 11(f)(iv) including, but not limited to, deeds and bills of sale. In addition, each Owner, by accepting a deed to a Condominium Unit, hereby irrevocably designates and appoints the president or any vice president of the Association as the attorney-in-fact for such Owner to execute any and all documents reasonably required to accomplish the sale contemplated in this Paragraph 11(f)(iv) including, but not limited to, deeds, bills of sale and closing statements.

(g) Disbursement of Surplus Proceeds. Upon completion of the Restoration of the Condominium Project, any surplus insurance proceeds held by the Trustee in excess of the cost of such Restoration shall be allocated among the Condominium Units proportionately, according to the percentage ownership interest in the General Common Elements appurtenant to each Unit, and the amount allocated to each Unit shall be disbursed in the following manner:

(i) First to First Mortgagees in an amount equal to the percentage ownership interest in the General Common Elements subject to the First Mortgage, but not exceeding the balance due on the applicable First Mortgage.

(ii) Second, to any junior Mortgagees who are registered in the book "Liens on Units" as described in the Bylaws, in the order of their priority, each receiving an amount equal to the percentage ownership interest in the General Common Elements subject to the junior Mortgage, but in each case in an amount not exceeding the balance due on the applicable junior Mortgage.

(iii) Third to the Owner.

(h) Legal Variances.

(i) If, in order to perform any Restoration provided for in Paragraph 11(f) hereof, it shall be necessary to obtain a variance, special permit or exception or change in zoning or other laws, and if the Association believes it is reasonably possible to obtain the same, and so notifies the Owners and their Mortgagees in writing, then the parties shall cooperate to obtain such variance, special permit or exception or change in law. The legal and architectural fees and all other costs and expenses of applying for and/or obtaining such variance, special permit or exception or change in law shall be considered as part of the cost and expense of carrying out the Restoration.

(ii) If any Restoration to be performed pursuant to Paragraph 11(f) hereof cannot be carried out in compliance with law, and if a variance, special permit or exception or change in law is not obtained pursuant to Paragraph 11(h)(i), then necessary adjustments shall be made so that the Condominium Project, as repaired and/or replaced, shall comply with all applicable laws.

(i) Valuations and Appraisals.

(i) Whenever it is necessary to (A) determine the loss or reduction in value caused by a loss or casualty or Taking affecting a Unit, the Limited Common Elements and any other General Common Elements; or (B) determine the relative damages sustained as a result of a loss or casualty or the loss of value caused by a Taking among Unit(s) and/or Limited Common Elements and/or General Common Elements; or (C) allocate among the Units and/or Limited Common Elements and/or General Common Elements the relative damages sustained as a result of a loss or casualty or the loss of value caused by a Taking; then the initial valuation or allocation shall be based on the final valuation or allocation of the adjuster responsible for adjusting a claim for a loss or casualty on the terms specified in the award for a Taking or by such other valuation as shall be acceptable to the Owners with the concurrence of the Hotel First Mortgagee. The determination of the adjuster or the condemning body shall be distributed by the Association or the Trustee to all

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Owners and their First Mortgagees and, if the Hotel First Mortgagee concurs, shall become final 30 days after the later of such distribution or such concurrence.

(ii) With respect to all physical damage insurance maintained as provided herein, the Board shall obtain appraisals of the full replacement value of any Owner's Installations and the full replacement value of the Building, including all such Owner's Installations as required by the terms of the insurance policies. No such appraisal shall be required with respect to any personal property of an Occupant located within the Condominium Project.

(j) Annual Reviews of Coverage. The Board shall annually review the adequacy of the coverage afforded by the policies maintained pursuant to this Declaration, and shall issue a written report of the results of said review to the Mortgagees and to the Owners at each annual meeting of Owners. Upon request of the Hotel First Mortgagee, such annual review shall be confirmed by an independent insurance consultant to the Association. In no event shall the Board reduce the coverage of the policies maintained pursuant to this Declaration without the prior written consent of the Mortgagees.

(k) Insurance Premiums: Common Expense. All premiums for the policies of insurance to be maintained by the Board pursuant to Paragraph 11(a) hereof shall be a Common Expense, notwithstanding the fact that the Owners may have disproportionate liability or that some Units (by virtue of the nature, use and otherwise) may have greater or different risks than others.

(l) Insurance of Individual Owners. Each Owner shall be responsible for obtaining additional insurance at his own expense, including, without limitation, the value of any personalty or any improvements which are not insured by the Association; and no Occupant shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of the Owners, may realize under any insurance policy to be maintained pursuant to Paragraph 11(a) hereof.

(m) Waiver of Subrogation. Each insurance policy carried by the Association or any Occupant and insuring all or any part of the Condominium Project shall be written in a manner to provide that the insurance company waives all right of recovery by way of subrogation against the Association, the Hotel Operator, the Managing Agent, any Mortgagee or any Occupant, as the case may be, in connection with any loss or damage to any part of the Condominium Project or to other property or business caused by any of the perils covered by fire and extended coverage, building and contents, and business interruption insurance, for which either party may be reimbursed as a result of insurance coverage affecting any loss suffered by it. So long as the policy or policies involved can be so written and maintained in effect, the Mortgagees, the Hotel Operator, the Managing Agent, the Association and any Occupant shall not be liable to any of the others for any such loss or damage; provided, however, that the foregoing waivers of liability given to the Mortgagees, the Hotel Operator, the Managing Agent, the Association and the Occupants shall apply only to

the extent of any recovery made by the parties hereto under any policy of insurance now or hereafter issued. In the event of the inability on the part of the Association or any Occupant to obtain such provision in its policy or policies with the carrier with whom such insurance is then carried, or if such carrier requires payment of an additional premium for such provision, or if such carrier revokes a waiver previously in effect (unless such revocation is caused by the act or omission of the Association or an Occupant carrying such insurance), the Association or Occupant carrying such insurance shall give the party so affected written notice of such inability, revocation of waiver, or the increase in premium, as the case may be. The party to whom such notice is given shall then have a period of 30 days after receiving the notice in which either to place the insurance with a company that is reasonably satisfactory to the party giving such notice and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional premium if such a policy is obtainable only at additional cost. If the party to whom said notice is given fails to comply with the provisions of the preceding sentence within the 30-day period allowed, then the party giving the notice shall be relieved of its obligation to obtain a waiver of subrogation in favor of the aforementioned noncomplying party with respect to the particular insurance involved.

12. Intentionally Omitted.

13. Intentionally Omitted.

14. Obsolescence.

(a) Renovation. If at any time Owners of Units to which 60% or more of the total percentage ownership interests in the General Common Elements are appurtenant and the First Mortgagees as to such Units (which 60% shall in all events include the Hotel Unit Owner and the Hotel First Mortgagee) shall agree that the Building has become obsolete and shall approve a plan for its renovation or restoration, the Association (as trustee for the Owners) shall promptly cause such renovation or restoration to be made according to such plan, when the assessments have been paid by all Owners or at such other time as the Board directs. All Owners shall be bound by the terms of such plan, and the costs of the work shall be an expense of Owners and shall be assessed and paid by the Owners in proportion to their respective percentage ownership interests in the General Common Elements.

(b) Plan for Sale. If at any time the Owners of Units to which 60% or more of the total percentage ownership interests in the General Common Elements are appurtenant and the First Mortgagees as to such Units (which 60% shall in all events include the Hotel Unit Owner and the Hotel First Mortgagee) shall agree that any portion of the Building has become obsolete and should be sold, the Association (as trustee for the Owners) shall promptly record in the real estate records of the County a notice of such facts, and shall sell that portion of the Building, free and clear of the provisions of this Declaration and the Map, which, with respect to that portion of the Building sold, shall terminate and expire upon

the closing of such sale. The proceeds of such sale shall be collected, applied and divided among the Owners by the Association in the manner provided in Paragraph 11(f)(iv).

15. Condemnation.

(a) Taking Generally. Except as provided in Paragraph 15(e) below, all Net Restoration Awards shall be held by the Trustee in the Restoration Fund, in trust for the affected Owners and their respective First Mortgagees, as their interests may appear. The Net Restoration Awards from such Taking shall be allocated among the affected Unit(s), Limited Common Elements and/or General Common Elements in accordance with their respective loss of value, all in accordance with the terms of Paragraph 11(i). In the event of a Taking of an entire Unit (which for purposes of this Paragraph 15 shall be deemed to include Owner's Installations) or of any part thereof which leaves the Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by this Declaration, the award received must compensate the affected Owner for his Unit and his appurtenant General Common Element interest, whether or not any General Common Element interest is acquired. Upon a Taking, a Unit's entire General Common Element interest, votes in the Association and Common Expense liability shall be reallocated automatically to the remaining Units of the same type (if any) in proportion to the respective interests, votes and liabilities of those Units before the Taking, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations. Any such remnant of a Unit remaining after part of a Unit is taken under this Paragraph 15(a) thereafter shall be a General Common Element.

(b) Acquisition of Part of a Unit. Except as provided in Paragraph 15(a), if part of only one Unit is acquired by a Taking, the award must compensate the affected Owner for the reduction in value of the Unit and its appurtenant General Common Element interest, whether or not any General Common Element interest is acquired. Net Restoration Awards shall be paid to the Trustee and shall be deposited in the Restoration Fund to be applied subject to the provisions of Paragraph 15(d), first, to the restoration and repair of the Unit to the extent reasonably possible, with any excess payable to the affected First Mortgagee of the affected Unit to the extent provided in the affected Mortgage, then to any affected junior Mortgagees in the order of the priority of their liens, with the balance, if any, payable to the affected Owner. The affected Owner and its First Mortgagee shall have the right to contest any condemnation proceeding which is directed at a Taking of any portion of the Unit.

(c) Acquisition Affecting the General Common Elements. The Association shall have the right, subject to the approval and participation of the Hotel First Mortgagee, to contest, settle and compromise any Taking of the General Common Elements or which touches upon, concerns or affects the use of the General Common Elements. If part of the General Common Elements is subject to a Taking, whether or not any portion of a Unit is also taken, the Net Restoration Awards shall be deposited in the Restoration Fund and shall be applied, subject to the provisions of Paragraph 15(d), to the costs of Restoration of

the General Common Elements. Any surplus not used for the Restoration of the Units, Limited Common Elements and/or other General Common Elements shall be distributed as though such surplus were surplus Net Proceeds in accordance with Paragraph 11(g).

(d) Repair and Restoration.

(i) Except as provided in Paragraph 15(e) below, all Net Restoration Awards, together with any deposits made by Owners, or any other Occupants, shall be held by the Trustee in the Restoration Fund and shall be disbursed to the Association or to any contractor or subcontractor to pay the costs and expenses of Restoration of the General Common Elements and to the Owners, their contractors and subcontractors to pay the costs and expenses of Restoration of the Units to their condition prior to the condemnation, to the extent reasonably possible, in the same manner as Net Proceeds are to be disbursed pursuant to Paragraph 11(f), so long as (with respect to a taking other than a Substantial Taking), all conditions contained in Paragraph 11(f) applicable to the disposition of Net Proceeds of a casualty not constituting a Substantial Casualty remain satisfied. If all of these foregoing conditions are not satisfied, then such Net Restoration Awards, or so much thereof as shall be undisbursed, shall be disbursed by the Trustee in accordance with the terms of Paragraph 11(f)(ii) as though such Net Restoration Awards were Net Proceeds. Upon completion of Restoration, any Net Restoration Awards held by the Trustee in excess of the costs of Restoration shall be allocated and paid in accordance with the applicable provisions of Paragraph 11(g) as though such sums were surplus Net Proceeds. The Association shall promptly commence and diligently pursue the Restoration of the Condominium Project as expeditiously as possible in accordance with the final plans and specifications for construction of the Building (and final plans and specifications for improvements and/or alterations to Units) and in accordance with the Map, subject to modifications reasonably required as a result of changes to the Building made necessary by such Taking, whether or not proceeds sufficient to complete Restoration are available. The Condominium Project shall be restored to substantially the same usable area (subject to loss of area caused by the Taking) and to substantially the same value, usefulness, condition and character of a first class hotel building as existed prior to the Taking.

(ii) If the Net Restoration Award is insufficient to repair or restore the General Common Elements, including Limited Common Elements (but only if the repair or restoration is structural), the cost and expense of such repair shall be a Common Expense and shall be assessed against the Owners as such and deposited in the Restoration Fund. Any excess cost or expense to repair or restore an individual Unit or the Limited Common Elements (but only to the extent nonstructural in nature) shall be borne by the affected Owners, and such Owners shall deposit such excess cost with the Trustee. The amount of deficiency due from each Owner shall be determined, paid, collected and enforced as though such deficiency were the result of a casualty as set forth in Paragraph 11(f)(ii) hereof. If any Owner shall fail to make such deposit, then the Association or any non-defaulting party may deposit the same, and the defaulting Owner shall, upon demand,

reimburse the paying party for such deposit. If such reimbursement is not made, the Association shall enforce the collection of such unpaid reimbursement.

(e) No Restoration. In the event of either a Taking of the entire Project or a Substantial Taking, with the approval of the Owners of Units to which 60% or more of the total percentage ownership interests in the General Common Elements are appurtenant and the First Mortgagees as to such Units (which 60% shall include the Hotel Unit Owner and the Hotel First Mortgagee), the Association (as trustee for the Owners) shall promptly record in the real estate records of the County a notice of the Taking of the entire Project or Substantial Taking, and upon such recording, the condominium regime of ownership established under this Declaration shall terminate. The Net Restoration Awards shall be paid then by the Trustee to the Association for the use and benefit of the Owners and their Mortgagees as their interests may appear. Such awards shall be apportioned among the Owners and the Mortgagees on the basis of the percentage ownership interests in the General Common Elements appurtenant to the respective Units in which the Owners and Mortgagees have an interest, subject to any affected Owner's right to protest such allocation. The funds in each account established upon such division (without contribution from one account to another) shall be applied by the Association for the purposes and in the order set forth in clauses (A) through (F) of Paragraph 11(f)(iv) above.

(f) Notice. The Association shall give prompt written notice to the affected Owners and their respective First Mortgagees of the institution of any eminent domain proceedings, and each Mortgagee is given the right to intervene as a party to, and otherwise participate in, any such proceeding, to engage counsel on its behalf, and to add the reasonable attorneys' fees to the amount secured under its respective Mortgage. No settlement or compromise of any such award shall be made by the Association without the prior written consent of each Mortgagee which may have an interest in the settlement received, such consent not to be unreasonably withheld or delayed.

16. Rights of Commercial Owners. Subject to the provisions of Paragraph 25, each Owner of a Commercial Unit located immediately adjacent to the Pedestrian Mall or other appurtenant public thoroughfare shall have the right, at his own expense, (a) to install a doorway in the portion of his Unit adjacent to the Pedestrian Mall or any other appurtenant public thoroughfare for the purposes of providing pedestrian access to such Unit, and (b) to construct an exterior facade for the portion of the Building which is assigned as a Limited Common Element to such Unit, which facade may include signs, window and door trim and other types of exterior decorations. The costs of maintaining such improvements may be charged by the Association directly to Owners of such Units in accordance with Paragraph 9(c).

17. Commercial Activities. The Project is a multi-use project wherein significant transient lodging and commercial activity is anticipated. Residential and Commercial Owners within the Project may be subjected to certain nuisances occasioned by activities within the Hotel Unit (including but not limited to congestion in the public areas of the Hotel Unit,

and noise and odors from bars, restaurants and other areas), by the proximity of the Condominium Project to the Beaver Creek ski resort and the operations of other commercial businesses, including one or more general retail and business operations serving the general public. By accepting a deed to a Condominium Unit, all Commercial and Residential Owners consent to such other uses and activities.

18. Transactions with Declarant. All transactions between the Association and Declarant whereby Declarant is to provide goods and services to the Association or the Condominium Project shall be on terms generally comparable to similar transactions, between parties dealing at arms-length, in similar situations.

19. Quality of Work. Any repairs, renovation or restoration of the Building by the Association as attorney-in-fact for the Owners shall be done in such manner as to return the Building, to the extent practicable, to substantially the same value, usefulness, condition and character of a first class hotel building after such work as existed immediately before the occurrence requiring the work to be done and consistent with the standards of maintenance set forth in Paragraph 9(a) above.

20. Amendment or Revocation. This Declaration (a) may be revoked by the Hotel First Mortgagee following an Event of Default (as defined in the Mortgage of the Hotel First Mortgagee), provided only that no Commercial Unit or Residential Unit shall have theretofore been released from the Mortgage of the Hotel First Mortgagee; (b) may be amended or revoked by Declarant at any time prior to the recording of a deed from Declarant conveying any Condominium Unit to an Owner, (c) may be amended by the Hotel Unit Owner at any time to convert the Club to a Commercial Unit as permitted under Paragraph 1(i) above, with appropriate adjustments to the total percentage interests in the General Common Elements for the Hotel Unit and the Club, and to the Common Expense sharing ratios; (d) may be amended by Declarant or any other Hotel Unit Owner to change the name by which the Residential Units are identified, with reference to the name of the Hotel Operator, as provided in Paragraph 1(au) above; (e) may be amended, as provided in Paragraph 3(e) above, by the Owner of Residential Unit R-10 to formally convert that Condominium from commercial to residential use, with appropriate adjustments to the total percentage interests in the General Common Elements for Residential Units and Commercial Units and Common Expense sharing ratios as may otherwise apply; (f) shall be amended by an Owner at any time following any exercise of the rights to subdivide, combine or reconfigure such Owner's Condominium Units pursuant to Paragraphs 3(j) or 3(k) above; (g) shall be amended by the Board on behalf of the Association following the Taking of one or more entire Units, as provided in Paragraph 15(a) above; and (h) may be amended upon the written approval in recordable form of (i) Owners having the right to vote 51% or more of the total percentage interests in the General Common Elements of all Owners of Residential Units, and (ii) Owners having the right to vote 51% or more of the total percentage interests in the General Common Elements of all Owners of Commercial Units, and (iii) the Hotel Unit Owner, and (iv) First Mortgagees holding liens on at least 51% of the total percentage interests in the General Common Elements; provided, however, that no such amendment may change the percentage interest of Owners, and First Mortgagees whose vote, agreement or approval is required pursuant to Paragraph 11(f)(iv), 14(a), 14(b) or 15(e) without the affirmative vote of

Owners of units to which 60% or more of the total percentage interest in the General Common Elements are appurtenant and the First Mortgagees as to such Units (which 60% shall in all events include the Hotel Unit Owner and the Hotel First Mortgagee). Any amendment to this Declaration shall be effective by recording the amendment with a certificate of the secretary of the Association that the requisite number of Owners and other consenting parties approved the amendment and that those consents and a title company certificate of condominium ownership are on file in the Association office.

Notwithstanding the foregoing, as long as the Recreational Facilities exist, no amendment or revocation of this Declaration shall operate to impair the rights of members in the Beaver Creek Club and their immediate family members to use the Club.

Subject to clauses (a) and (b) above, this Declaration shall be revoked only upon sale of all or part of the Building pursuant to Paragraphs 11(f)(iv), 14(b) or 15(e), or upon the unanimous written approval in recordable form of all Owners and the Hotel First Mortgagee.

21. Matters Pertaining to First Mortgagees.

(a) Matters for Consent. The consent in writing of the First Mortgagees who have registered with the Association as provided in Paragraph 23 below and who hold liens on at least 51% of the total percentage interests in the General Common Elements shall be required before the Association may take any of the following actions:

(i) Restoration or repair of the Project after damage or condemnation in a manner other than that specified in this Declaration;

(ii) Termination of this Declaration for reasons other than substantial destruction or condemnation as specifically permitted under the destruction and condemnation clauses;

(iii) Merger of the Association with any other common interest community;

(iv) The assignment of the future income of the Association, including its right to receive assessments; and

(v) Any action not to repair or replace the General Common Elements except as permitted under the damage, obsolescence and condemnation provisions of this Declaration.

(b) Notice of Objection. To facilitate the process of making a material amendment or taking such a major action as listed above, provision is hereby made that unless a registered First Mortgagee provides the secretary of the Association with written notice of its objection, if any, to the proposed amendment or action within 30 days following receipt of notice of that proposed amendment or action, the First Mortgagee will be deemed

conclusively to have approved the amendment or action. The provisions of this Paragraph 21(b) shall not apply to the Hotel First Mortgagee.

(c) First Mortgagees' Rights. First Mortgagees, jointly or singly, shall have the right to pay taxes or other charges which are in default or which may have become a charge against any of the General Common Elements and to pay overdue premiums on hazard insurance policies or to secure new hazard insurance coverage on the lapse of a policy for the General Common Elements. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

(d) Hotel First Mortgagee's Rights. Subparagraphs (a) and (b) of this Paragraph 21 to the contrary notwithstanding, the Hotel First Mortgagee shall have the following additional rights:

(i) The Hotel First Mortgagee shall have the right to approve any amendment or other change to this Declaration or any other Condominium Document, such approval being a condition of the effectiveness of any such amendment or change.

(ii) The Association shall promptly notify the Hotel First Mortgagee of any damage to or destruction of any Unit or any General Common Element.

(iii) The Association shall (A) promptly notify the Hotel First Mortgagee of any commencement of condemnation or eminent domain proceedings with respect to the Project or any part thereof, (B) deliver to the Hotel First Mortgagee copies of all correspondence and formal notice received by the Association from the condemning authority, and (C) permit the Hotel First Mortgagee or its designee to participate in such proceeding as provided under the mortgage of the Hotel First Mortgagee.

(iv) The Association shall promptly notify the Hotel First Mortgagee of any default under any Condominium Document by any Owner. If such default relates to the Hotel Unit and shall not have been cured by the Hotel Unit Owner within 20 days after receipt of notice of such default from the Association, the Association shall give a further notice to the Hotel First Mortgagee stating that the Hotel Unit Owner continues to be in default and that the Hotel First Mortgagee shall have a period of 45 days within which to cure, or cause to be cured, such default; provided that if such default cannot be reasonably cured by the Hotel First Mortgagee within such 45 day period, the Association shall refrain from exercising any of its rights with respect to such default so long as the Hotel First Mortgagee has undertaken and is diligently continuing such actions as are necessary to cure the Hotel Unit Owner's default.

Nothing herein contained shall be deemed to require the Hotel First Mortgagee to expend any money, to institute or maintain an action in foreclosure or, if the Hotel First Mortgagee shall otherwise acquire possession of the Hotel Unit, to continue such possession, regardless of whether the default in respect of which the Association has given notice to the Hotel First Mortgagee has been cured. Any rights of a junior Mortgagee to cure the defaults

of the Hotel Unit Owner subject to its junior Mortgage shall be subject and subordinate to the rights of the Hotel First Mortgagee.

(v) The Hotel First Mortgagee shall have the right to cast the votes allocated to the Hotel Unit encumbered by its Mortgage, provided that a duly executed proxy authorizing the Hotel First Mortgagee to cast the Hotel Unit Owner's votes shall have been delivered to the Association or, provided the Hotel First Mortgagee has obtained an appropriate power of attorney from the Hotel Unit Owner, if the Association receives a proxy duly executed by the Hotel First Mortgagee prior to or simultaneously with the notice from the Hotel First Mortgagee that the Hotel First Mortgagee is authorized to cast the votes allocated to the Hotel Unit.

(vi) The Hotel First Mortgagee shall have the right to approve any borrowings of the Association (other than trade payables incurred in the ordinary course of business) and any action of the Association which could result in the creation of a lien against all or any portion of the Project, provided that such right of approval shall not be deemed to include such matters as would deny or delegate control over the general administrative affairs of the Association by the Owners or the Board.

(vii) The Association shall, simultaneously with delivery to the Owners, deliver to the Hotel First Mortgagee copies of all budgets and financial reports prepared by the Association, and the Hotel First Mortgagee shall have the right to inspect all books and records of the Association. Upon request of the Hotel First Mortgagee, the Association shall deliver to the Hotel First Mortgagee a certificate stating that the Hotel Unit Owner is not in default under any Condominium Document, or if such default exists, stating with reasonable precision the nature of such default.

(viii) The Hotel First Mortgagee may inspect the General Common Elements during normal business hours upon reasonable notice to the Board or the Managing Agent so long as such inspection does not unreasonably interfere with the use of the General Common Elements.

(ix) The Hotel First Mortgagee shall receive notice of and may attend all meetings of the Association.

(x) The Hotel First Mortgagee shall not be bound by the waiver or other relinquishment of any Owner's rights of the Hotel Unit Owner under this Declaration, any other Condominium Document or the Condominium Act which is not consented to in writing by the Hotel First Mortgagee.

(xi) The Association shall not enter into a management agreement pursuant to Paragraph 8 hereof unless the Hotel First Mortgagee shall have given its written consent thereto. Without the prior written consent of the Hotel First Mortgagee, the Association shall not (A) modify, amend, supplement or otherwise change, or give any

consent to any modification, amendment or other change to, or make any waiver of any provision of any management agreement, (B) terminate or accept the termination of any management agreement or (C) fail promptly and diligently to enforce all the provisions of any management agreement.

22. Personal Property and Club Privileges.

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

(b) Club Privileges. A transfer of a Residential Unit or the Hotel Unit shall transfer to the transferee ownership of the transferor's rights to use the Recreational Facilities within the Club without any reference thereto. The transfer of title to a Residential Unit or the Hotel Unit in consequence of foreclosure or other proceedings brought to enforce the rights of a First Mortgagee, by deed in lieu of foreclosure, in consequence of an exercise of power of sale or by any other similar method shall entitle the purchaser to the rights to use the Recreational Facilities within the Club associated with the foreclosed Condominium.

23. Registration of Mailing Addresses; Notices to Association. Each Owner and First Mortgagee shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. If an Owner fails to register his mailing address with the Association, the Association may send all communications to the Owner at the address of his Condominium Unit, and notices sent to that address will be deemed delivered and effective until the date of the Association's receipt of notice from the Owner of any different address for notice purposes.

All notices, demands or other notices intended to be served upon the Association shall be sent certified mail, postage prepaid, to the address of the Association as designated in the bylaws of the Association.

24. Duration of Condominium Ownership. The separate estates created by this Declaration and the Map shall continue until this Declaration shall be revoked or until its provisions shall terminate as provided herein.

25. Architectural Control.

(a) Board, Architectural Committee and Resort Company Approval. No exterior addition to or change or alteration to the Building shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Beaver Creek Design Review Board (referred to in the Resort Company Declaration) and the Board or the Architectural Committee. No modification shall be made pursuant to Paragraphs 3(j), 3(k) and 3(m) until the plans for such modification have been approved in writing as to the appropriateness of the proposed relocation in relation to existing and proposed uses of the affected Units by the Board or the Architectural Committee. No owner of a Condominium Unit shall be entitled to install a doorway or construct an exterior facade to his Unit pursuant to the rights granted in Paragraph 16 without first complying with the provisions of this Paragraph.

In the event the Board or the Architectural Committee fails to approve or disapprove any matter required to be approved by the Board pursuant to this Paragraph 25(a) within 30 days after said plans and specifications have been submitted to it, approval will not be required, and this Paragraph will be deemed to have been fully complied with so far as the approval of the Board or the Architectural Committee is required.

(b) Other Approvals. After receiving the approval of the Board or the Architectural Committee as required by Paragraph 25(a), the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by the Supplemental Declaration for Land Use Restrictions Pertaining to Tract A, Block 1, Beaver Creek Subdivision, as recorded March 12, 1980, in Book 300 at Page 48 in the real property records of the County, as amended and supplemented from time to time (which document supplements the Resort Company Declaration), and by any governmental or quasi-governmental body having jurisdiction over the Condominium Project.

26. General Reservations. Declarant reserves to it or, after the Declarant is no longer the Owner of the Hotel Unit, to the Association (i) the right, upon the prior approval by the Hotel First Mortgagee, to dedicate any access roads and streets serving this Condominium Project for and to public use; and (ii) the right, upon the prior approval by the Hotel First Mortgagee, to establish easements, reservations, exceptions and exclusions consistent with the condominium ownership of the Condominium Project and for the best interests of the Condominium Unit Owners and the Association including, without limitation, Access Easements and Pedestrian/Skier Easements over, across, under and through the General Common Elements, including the Building exterior and roofs, for purposes including

but not limited to paths, walkways, skiways, parking areas, ducts, shafts, flues, vents, conduits, wiring, and any other telecommunication installations necessary or convenient for the safe and efficient use, operation, maintenance, and repair of the Project.

27. Resort Company Matters. Each Owner, by accepting a deed to a Condominium Unit, recognizes that (a) the Project is located within the Beaver Creek Subdivision of the County and is subject to the Resort Company Declaration, (b) by virtue of his ownership, he has become a member of the Resort Company, (c) such Owner is subject to any rules and regulations of the Resort Company, and (d) pursuant to Article VI of the Resort Company's Articles of Incorporation, the Owner is either a Class A member or a Class C member of the Resort Company and is entitled to all of the benefits and is subject to all of the burdens of such membership. Each Owner, by accepting a deed to a Condominium Unit, acknowledges that he has received a copy of the Articles of Incorporation and Bylaws of the Resort Company. Each Owner agrees to perform all of his obligations as a member of the Resort Company as they may from time to time exist, including, but not limited to, the obligation to pay Common Assessments, Civic Assessments (if applicable) and Special Assessments (including any Resort Company Real Estate Transfer Assessment which constitutes a Special Assessment), all as described in the documents of the Resort Company referenced in this Paragraph.

28. No Use Of Trademark. VAI owns the service mark "Beaver Creek." Without first obtaining written authorization or a license from VAI, no Owner or tenant of an Owner shall use the "Beaver Creek" trade name or trademark or other derivatives therefrom in any manner.

29. Access. Each Owner acknowledges that the roads within the Beaver Creek Subdivision are private, limited access roads constructed by the Beaver Creek Metropolitan District (the "District"), a quasi-municipal corporation, on non-exclusive easements granted by VAI to the District. Each Owner, by accepting a deed to a Condominium Unit, acknowledges that he has reviewed a copy of such easements and the rules and regulations of the District governing the use of the private roads as presently in effect. Unless and until easements over the roads are conveyed to and accepted by the District, it has no responsibilities regarding the road system within the Project or the parking areas within or associated with the Project.

30. Limit On Timesharing. No Owner shall offer or sell any interest in his Condominium Unit under a "timesharing" or "interval ownership" plan, or any similar plans without the specific prior written approval of the Resort Company and the Hotel Unit Owner. Notwithstanding the foregoing, the Hotel Unit Owner shall have the right to subject all or part or the Hotel Unit to a timesharing regime.

31. Retail Operations. Each Commercial Owner must comply with the operating rules and regulations for retail establishments adopted by the Resort Company. Each Owner of a Commercial Unit, by his acceptance of a deed thereto, acknowledges his

receipt of the current operating rules and regulations for retail establishments and his agreement to abide therewith.

32. Fireplaces. Each Owner, by his accepting a deed to his Condominium Unit, acknowledges that the use of any fireplace within such Unit is governed by the rules and regulations of the Resort Company pertaining to fireplaces, and each Owner agrees to abide by all of such rules and regulations. Without limiting the generality of the foregoing, each Owner recognizes that any fireplace within his Unit may be connected to the fireplace monitoring system of the Beaver Creek Subdivision and that the fireplace may not be operated during certain periods when air quality standards might be exceeded. Section 7.13 of the Resort Company Declaration and the Beaver Creek Design Review Board regulations issued pursuant thereto contain further requirements pertaining to fireplaces within the Beaver Creek Subdivision.

33. Right of First Refusal, Sale or Lease.

(a) Right of First Refusal. In the event any Owner of a Commercial Unit other than Declarant or the Hotel Unit Owner shall wish to sell or lease for a period of one year or more such Owner's Unit, and shall have received a bona fide offer therefor which the Owner desires to accept from a prospective purchaser or tenant (the "Offer"), the Hotel Unit Owner shall be given written notice thereof together with an executed copy of the Offer and the terms thereof. The Hotel Unit Owner (or its designee or assignee) shall have the right, as provided in this Paragraph 33, to purchase or lease the Commercial Unit on the same terms and conditions as set forth in the Offer, except that the date for delivery of deed or lease may be extended for 30 days, and except non-cash terms of the Offer may be met by the Hotel Unit Owner by payment of a cash equivalent; provided written notice of such election to purchase or lease is given to the selling or leasing Owner, and a matching down payment or deposit (or if the Offer included a non-cash payment or deposit, a matching cash equivalent) is provided to the selling or leasing Owner during the 60-day period immediately following the delivery of the notice of Offer to the Hotel Unit Owner.

(i) In the event any Commercial Owner shall attempt to sell or lease a Commercial Unit without affording to the Hotel Unit Owner the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

(ii) The subleasing for a period of one year or more (including a sublease with one or more options to renew extending over one year) of said interest shall be subject to the same right of first refusal limitations as are applicable to the leasing or renting thereof. The liability of the Commercial Unit Owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

(iii) The right of first refusal reserved herein shall not limit the right of a Commercial Unit Owner to subject his interest in his Unit and his undivided interest in the Common Elements to a Mortgage.

(iv) The failure of or refusal by the Hotel Unit Owner to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an Owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

(v) An offer to exchange property for a Unit would be difficult or impossible for the Hotel Unit Owner to match, and accordingly, an exchange of an interest in a Unit for other property shall be prohibited unless the written approval of the exchange by the Hotel Unit Owner is first obtained.

(b) Exemptions. The following transfers are exempt from the provisions of Paragraph 33(a):

(i) The transfer by operation of law of a deceased joint tenant's interest to the surviving joint tenant(s).

(ii) The transfer of a deceased's interest to a devisee by will or his heirs at law under intestacy laws.

(iii) The transfer of an Owner's interest to a trust for the benefit of the transferor or his heirs at law.

(iv) In the event title to a Condominium Unit is held by a partnership, the transfer of all or any part of a partner's interest as a result of withdrawal, death or otherwise, to the remaining partners carrying on the partnership business and/or to a person or persons becoming partners. A transfer of all or part of a partner's or partners, interests between one or more partners and/or to persons becoming partners shall also be exempt. The exemption contained in this Paragraph 33(b)(iv) shall not apply if such a transfer would result in the change of 50% or more of the partnership interests in any 24-month period.

(v) The transfer of the interest of a corporation to the persons formerly owning the stock of the corporation as the result of a dissolution or a transfer to the resulting entity following a corporate merger or consolidation; provided however, that 50% of the stock of the resulting entity is owned by the stockholders of the corporation formerly owning the Condominium Unit. The exemption contained in this Paragraph 33(b)(v) shall not apply if such a transfer would result in the change of ownership of 50% or more of the stock of the corporation in any 24-month period.

(vi) The transfer to any First Mortgagee which forecloses its Mortgage or which receives a deed in lieu of foreclosure and the first bona fide purchaser from the First Mortgagee or which becomes an Owner as a result of bankruptcy proceedings or by operation of other law.

(vii) Any lease, sale or other transfer by Declarant or by other Owner of the Hotel Unit; and

(viii) Any sale of Condominium Unit C-16 by VAI or its successors or assigns as a part of the sale of the Beaver Creek ski resort.

Such Persons, owners or grantees acquiring an interest in a Commercial Unit shall be subject to all of the provisions of Paragraph 34 except as is provided herein.

34. Certificates of Compliance. Upon written request of any prospective transferor, purchaser, tenant or an existing or prospective mortgagee of any Commercial Unit, the Hotel Unit Owner or its designee shall forthwith, or where time is specified, at the end of the time, issue a written and acknowledged certificate in recordable form, evidencing that:

(a) With respect to a proposed lease or sale under Paragraph 33, that proper notice was given by the selling or leasing Owner and that the Hotel Unit Owner did not elect to exercise its right to purchase or lease;

(b) With respect to a deed to a First Mortgagee or its nominee in lieu of foreclosure, a deed from such First Mortgagee or its nominee, pursuant to Paragraph 33(b)(v), that the deeds were in fact given in lieu of foreclosure or pursuant to the first bona fide sale from a First Mortgagee, and were not subject to the provisions of Paragraph 33(a);

(c) With respect to any contemplated transfer which is not in fact a sale or lease, that the transfer will not be subject to the provisions of Paragraph 33.

Such certificate shall be conclusive evidence of the facts contained therein.

35. Parking. The parking spaces in the Building shall be General Common Elements subject to reasonable rules and regulations adopted from time to time by the Board. The Residential Unit Owners shall be permitted to park one passenger automobile per Unit in reasonable proximity to the garage elevator, the location of which parking spaces shall be designated from time to time by the Association. The Residential Unit Owners shall also have the right to use, among them, a total of five additional spaces, the location of which shall be designated from time to time by the Association.

36. Declarant's Rights Regarding Transfer. Any right or interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights and interests, to any

person, corporation, partnership, association or other entity, by written instrument recorded in the office of the County Clerk and Recorder.

37. General.

(a) Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

(b) Effect of Law Supplemental to Declaration. The provisions of this Declaration shall be in addition to and supplemental to the Condominium Act and to all other provisions of law; provided, however, that this Paragraph 37(b) shall not be construed to be an acceptance of or consent to any amendment to the Condominium Act which shall become applicable to the Condominium Project only if affirmatively accepted or consented to by the Owners.

(c) Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

(d) Rule Against Perpetuities. Any interest, including easements and rights of first refusal to be created pursuant to this Declaration, shall vest during the lives of the survivor of the now living children of Ross E. Bowker and Michael S. Shannon of Vail, Colorado, plus 21 years.

(e) Effect of Subdivision of the Hotel Unit. If the Hotel Unit is subdivided into multiple Condominium Units as permitted under Paragraph 3(j) above in circumstances in which there is no successor to the original Hotel Unit, then the covenants established to accomplish that subdivision, which shall bind the owners of the resulting Condominium Units within the original Hotel Unit, shall provide that the affirmative vote of the Owners of Units holding ownership percentage interests of 51% or more in the General Common Elements appurtenant to the original Hotel Unit and the First Mortgagees as to such Units, in person or by proxy, shall be substituted for the approval of the Hotel Unit Owner and the Hotel First Mortgagee for purposes of this Declaration, unless the vote of a greater number is required by law.

(f) No Waiver by Mortgagees to Declarant. The consents below of the Mortgagees holding liens which encumber the Real Property and the improvements thereon as of the date of this

Declaration shall not operate to waive, impair or relinquish any rights enforceable by such Mortgagees against Declarant pursuant to their respective Mortgages.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 7th day of ~~December~~, 1989. *Rsp*
February, 1990.

EAST WEST PROPERTIES, LTD.,
a Colorado limited partnership

By: East West Investment
Associates, Ltd., a Colorado
limited partnership, general
partner

By: Colorado East West
Partners, Inc., a
Colorado corporation,
general partner

ATTEST:

Shirley K. Marsh
Secretary

Ross E Bowler
VICE President

[SEAL]

The undersigned beneficiary of a deed of trust upon the Real Property covered by this Declaration, hereby consents to the submission of such Real Property and the improvements thereon to the provisions of this Declaration and to the Map to which reference is made therein.

THE MITSUBISHI BANK, LIMITED,
Acting through its New York Branch

By: *Masanori Morioka*

Title: *VICE PRESIDENT*

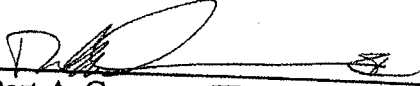
11625A

The undersigned beneficiary of a deed of trust upon the Real Property covered by this Declaration, hereby consents to the submission of such Real Property and the improvements thereon to the provisions of this Declaration and to the Map to which reference is made therein.

INVESTMENT LIMITED PARTNERSHIP,
a Texas limited partnership

By: BMA LIMITED PARTNERSHIP, a Texas
limited partnership,
general partner

By:



Dort A. Cameron, III, general partner

By: _____
Vice President

00255

STATE OF COLORADO)
) SS.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 7th day of February ~~December~~, 1989, by Ross E. Bowker as Vice - President and Shirley K. Marsh as Asst. Secretary of Colorado East West Partners, Inc., a Colorado corporation, general partner, on behalf of East West Investments Associates, Ltd., a Colorado limited partnership, general partner, on behalf of EAST WEST PROPERTIES, LTD., a Colorado limited partnership.

WITNESS my hand and official seal.

My commission expires: July 30, 1992

Laura R. Vick
Notary Public
100 East Thomas Place
Beaver Creek, CO 81600

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK

The foregoing document was acknowledged before me this 28th day of December, 1989, by Masanori Maritas Vice President of The Mitsubishi Bank, Limited, acting through its New York Branch.

WITNESS my hand and official seal.

My commission expires: 9/30/90

Jo Ellen Stache
Notary Public

JO ELLEN STACHE
NOTARY PUBLIC, State of New York
No. 30-4821555
Qualified in Nassau County
Commission Expires September 30, 1990

10256

STATE OF CONNECTICUT)
)
COUNTY OF FAIRFIELD) SS.

February 1990 SS The foregoing instrument was acknowledged before me this 5th day of ~~December, 1989~~, by Dort A. Cameron, III, as general partner in BMA Limited Partnership, a Texas limited partnership which in turn is general partner in Investment Limited Partnership, a Texas limited partnership.

WITNESS my hand and official seal.

My commission expires: My Commission Expires Mar. 31, 1991

Susan St. George
Notary Public

[SEAL]

00257

APPROVED:

VAIL ASSOCIATES, INC.,
a Colorado corporation

ATTEST:

Nola S. Dyal
Secretary

By Larry E. Lichter
Vice President

[SEAL]

STATE OF COLORADO)
) SS.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 8th day of ~~December, 1989~~ February, 1990, by Larry E. Lichter as Executive Vice President and Nola S. Dyal as Secretary of Vail Associates, Inc., a Colorado corporation.

WITNESS my hand and official seal.

My commission expires: August 24, 1992.

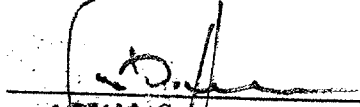
Gerry Arnold
Notary Public

00258

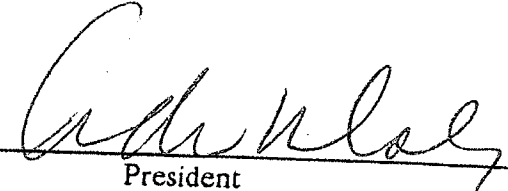
APPROVED:

BEAVER CREEK RESORT COMPANY OF
COLORADO, a Colorado nonprofit corporation

ATTEST:



Secretary
[SEAL]

By: 

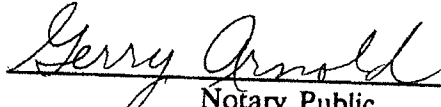
President

STATE OF COLORADO)
) SS.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 8th day of February, 1990 ~~December, 1989~~, by Andrew P. Daly as President and Jack D. Hunn as Assistant Secretary of Beaver Creek Resort Company of Colorado, a Colorado corporation.

WITNESS my hand and official seal.

My commission expires: August 24, 1992



Notary Public

00259

EXHIBIT A

(Attached to and made a part
of the Declaration for
BEAVER CREEK HOTEL A CONDOMINIUM)

Interests in General Common Elements

<u>Unit No.</u>	<u>Percentage Ownership in General Common Elements Appurtenant to the Unit</u>
Hotel Unit	80.12%
Unit C-1	0.41%
C-2	0.30%
C-3	0.34%
C-4	0.38%
C-5	0.37%
C-6	0.40%
C-7	1.19%
C-8	0.28%
C-9	0.62%
C-10	0.38%
C-11	0.57%
C-12	1.16%
C-13	0.49%
C-14	0.27%

09200

A-1

C-15	0.11%
C-16	0.08%
Unit R-1	0.85%
R-2	1.29%
R-3	0.74%
R-4	1.19%
R-5	1.03%
R-6	1.06%
R-7	1.99%
R-8	1.42%
R-9	1.04%
R-10	1.92%

12-82

00261

EXHIBIT A (Continued)

Interests in Limited Common Elements

1. Any Owner of a Commercial Unit shall have the right to use in common with all other Owners of Commercial units the Limited Common Elements designated on the Map as "LCEC."
2. Any Owner of a Residential Unit shall have the right to use in common with all other Owners of Residential Units the Limited Common Elements designated on the Map as "LCER."
3. Any Owner of a Residential Unit (including Residential Unit R-10 and, as long as such Unit is occupied as commercial space, such Owner's full-time employees) shall have the right to use in common with all other Owners of Residential Units, the Owner and Guests of the Hotel Unit, and the members of the Beaver Creek Club and their immediate family members, the Limited Common Elements designated on the Map as "LCE-CLUB."
4. Any other item shown on the Map as being a Limited Common Element and as being attached to a particular Condominium Unit or for use by the Owner of a particular Condominium Unit and designated by such Condominium Unit number on the Map shall be a Limited Common Element appurtenant to such Condominium Unit and shall be reserved for the exclusive use of that Condominium Unit.

00262

EXHIBIT B
(Attached to and part of the Declaration for
BEAVER CREEK HOTEL A CONDOMINIUM)

Recorded Easements and Licenses
Affecting the Condominium Project

1. Reservation as contained in United States Patent recorded September 20, 1904, at Book 48, Page 504 in the office of the Clerk and Recorder of Eagle County, Colorado as follows:

Right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises and rights-of-way for ditches or canals constructed by authority of the United States.
2. Easements for pedestrian/public space purposes, utilities, access purposes and future road easements, together with reservations and restrictions associated with the same, all as shown on the recorded plats of Beaver Creek Subdivision, Block 1, Tract A, recorded in Book 282 at Page 361; Beaver Creek Subdivision, First Amendment recorded in Book 285 at Page 627; Second Amendment to First Filing Beaver Creek Subdivision, recorded September 2, 1980, in Book 307 at Page 997; and Village Hall Condominiums, recorded in Book 377 at Page 639, all in the office of the Clerk and Recorder of Eagle County, Colorado. Some easements shown on the plat have been released, but only to the extent that said easements are encroached upon by any improvements located in the Village Hall Condominiums, as set forth in instrument recorded June 10, 1981, in Book 324 at Page 405 in the office of the Clerk and Recorder of Eagle County, Colorado.
3. Covenants and restrictions, which do not contain reversionary clauses, recorded December 27, 1979, at Book 296, Page 446, and as supplemented by instrument recorded March 12, 1980, in Book 300 at Page 48 and amended by instrument recorded September 16, 1982, in Book 346 at Page 5, all in the office of the Clerk and Recorder of Eagle County, Colorado.
4. Terms, conditions and provisions as contained in Agreement by and between Holy Cross Electric Association, Inc., and Vail Associates, Inc., recorded August 30, 1982, in Book 344 at Page 919 in the office of the Clerk and Recorder of Eagle County, Colorado.

00253

5. Terms, conditions and provisions as granted in the resolution of the Board of County Commissioners Guide to the Boundary Planned Unit Development, recorded August 26, 1983, in Book 366 at Page 890 and amended by instrument recorded August 26, 1983, in Book 366 at Page 889 and further amended by Amended and Restated P.U.D. recorded August 22, 1988, in Book 489 at Page 739, all in the office of the Clerk and Recorder of Eagle County, Colorado.
6. Burdens, obligations, restrictions, covenants and limitations contained in the Declaration recorded February 1, 1984, in Book 377 at Page 638 in the office of the Clerk and Recorder of Eagle County, Colorado.
7. Easements, reservations and restrictions which do not contain reversionary clauses as noted on the Condominium Map for Village Hall Condominiums, recorded in Book 377 at Page 639 in the office of the Clerk and Recorder of Eagle County, Colorado.
8. Underground right-of-way easement as granted to the Holy Cross Electric Association, Inc., in instrument recorded September 5, 1985, in Book 424 at Page 267 and in instrument recorded November 1, 1985, in Book 428 at Page 933 and in instrument recorded March 6, 1986, in Book 437 at Page 667, all in the office of the Clerk and Recorder of Eagle County, Colorado.
9. Underground right-of-way easements as granted to the Holy Cross Electric Association, Inc., in instrument recorded October 10, 1985, in Book 427 at Page 155 in the office of the Clerk and Recorder of Eagle County, Colorado.
10. Building limitations as set forth in the deed from Vail Associates, Inc., to East West Properties, Ltd., recorded October 8, 1987, in Book 471 at Page 501 in the office of the Clerk and Recorder of Eagle County, Colorado.
11. Easements for utility and drainage purposes as reserved by Vail Associates, Inc., in instrument recorded October 8, 1987, at Book 471 at Page 501 in the office of the Clerk and Recorder of Eagle County, Colorado, said easement being over a strip of land 10 feet in width along all property lines, except those abutting roads.
12. Easement for storm sewer, drainage and incidental purposes as granted to Vail Associates, Inc., by instrument recorded October 8, 1987, in Book 471 at Page 502 and re-recorded October 20, 1987, in Book 472 at Page 488, all in the office of the Clerk and Recorder of Eagle County, Colorado.

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13. Consent to Encroachments and Agreement-Lot 21, Block 1, Tract A, Beaver Creek Subdivision, recorded October 5, 1988 in Book 492 at Page 448 in the office of the Clerk and Recorder of Eagle County, Colorado.
14. Terms, conditions and provisions as contained in Vacation and Abandonment of Easement and Agreement to Relocate Easements recorded May 9, 1988, in Book 483 at Page 483 in the office of the Clerk and Recorder of Eagle County, Colorado.
15. Terms, conditions and provisions as contained in Agreement for Tap Fees and Utilities recorded October 8, 1987, in Book 471 at Page 513 in the office of the Clerk and Recorder of Eagle County, Colorado.
16. Terms, conditions and provisions of Memorandum of Lease between Beaver Creek Hotel Company, Inc., and East West Properties, Ltd., recorded October 8, 1987, in Book 471 at Page 509, and modification thereof recorded October 25, 1988, in Book 493 at Page 710, all in the office of the Clerk and Recorder of Eagle County, Colorado.
17. Consent to Encroachment and Agreement-Lot 25, Block 1, Tract A, Beaver Creek Subdivision, recorded October 5, 1988, in Book 492 at Page 449 in the office of the Clerk and Recorder of Eagle County, Colorado.
18. Terms, conditions and provisions of the Village Hall Parking Easement recorded October 8, 1987, in Book 471 at Page 508, as modified by a First Amendment to Village Hall Parking Easement recorded October 25, 1988, in Book 493 at Page 711, all in the office of the Clerk and Recorder of Eagle County, Colorado.

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EXHIBIT C
(Attached to and part of the Declaration for
BEAVER CREEK HOTEL A CONDOMINIUM)

Expense Allocation Table

<u>Unit</u>	<u>Expense Allocation</u>
Hotel Unit	89.10%
Unit C-1	.19%
Unit C-2	.14%
Unit C-3	.16%
Unit C-4	.18%
Unit C-5	.17%
Unit C-6	.19%
Unit C-7	.54%
Unit C-8	.13%
Unit C-9	.29%
Unit C-10	.18%
Unit C-11	.27%
Unit C-12	.53%
Unit C-13	.23%
Unit C-14	.13%
Unit C-15	.05%
Unit C-16	.04%

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Unit R-1	.53%
Unit R-2	.77%
Unit R-3	.47%
Unit R-4	.71%
Unit R-5	.63%
Unit R-6	.64%
Unit R-7	1.15%
Unit R-8	.84%
Unit R-9	.63%
Unit R-10	1.11%

00257