CONDOMINIUM DECLARATION

FOR

ONE SNOWMASS

TABLE OF CONTENTS

CONDOMINIUM DECLARATION

FOR

ONE SNOWMASS

THIS CONDOMINIUM DECLARATION FOR ONE SNOWMASS (this "Declaration") dated as of _____, 20__, shall be effective upon recordation and is made by SV BUILDING 7 DEVELOPMENT LLC, a Delaware limited liability company ("Building 7 LLC"), and SV BUILDING 8 DEVELOPMENT LLC, a Delaware limited liability company ("Building 8 LLC"). Building 7 LLC and Building 8 LLC are each a co-declarant of this Declaration and shall be deemed collectively the "Declarant" for all purposes under this Declaration and any ownership of portions of the Property by either Building 7 LLC or Building 8 LLC shall be considered property owned by Declarant.

R E C I T A L S

A. Declarant is the owner of certain real property located in the Town of Snowmass Village, more particularly described on Exhibit A attached hereto and incorporated herein (the "Property") and desires to subject the Property to the provisions of this Declaration in order to own and operate certain common amenities, utilities, facilities and/or properties for the benefit of the owner(s) of the Property as more fully set forth herein.

B. Declarant is the owner of certain additional real property located in the Town of Snowmass Village, more particularly described on Exhibit B attached hereto and incorporated herein (the "Expansion Property"), which Declarant reserves the right to submit to the provisions of this Declaration as set forth herein.

Declarant hereby makes the following grants, submissions and declarations:

ARTICLE 1
IMPOSITION OF COVENANTS

Section 1.1 Purpose. The purpose of this Declaration is to create a mixed-use condominium project (the "Project") pursuant to the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes (the "Act") comprising the improvements on or within the Property, which Project may contain the uses described in this Declaration, including, without limitation, residential, commercial, private club and public uses.

Section 1.2 Intention of Declarant. Declarant desires to protect the value and desirability of the Property, to own and operate certain common amenities, utilities, facilities and/or properties for the benefit of the owner(s) of the Property and to promote and safeguard the health, comfort, safety, convenience, and welfare of the owners of the Condominium Units.

Section 1.3 Co-Declarants. All of Declarant's rights, title, interests and obligations under this Declaration shall be jointly and equally owned and shared between Building 7 LLC and Building 8 LLC as Co-Declarants and shall be jointly exercised. Nothing herein shall limit the right of a Co-Declarant to assign and convey its Co-Declarant interest hereunder pursuant to Article 21 below, including, without limitation, to its other Co-Declarant. Notwithstanding the foregoing, it is understood and agreed that (a) Building 7 LLC has developed and constructed Building West (defined below), shall own, hold and/or sell

Units within Building West as its developer and shall be fully responsible for all obligations, commitments and liability as related to Building West, and (b) Building 8 LLC is anticipated to develop and construct Building East (also defined below) upon all or a portion of the Expansion Property and, upon any submission of such Expansion Property to the provisions of this Declaration, if ever, Building 8 LLC shall own, hold and/or sell Units within Building East as its developer and shall be fully responsible for all obligations, commitments and liability as related to Building East. Building 7 LLC hereby agrees to indemnify, defend and hold Building 8 LLC and its beneficial owners, managers, members, directors, officers and employees harmless of and from any loss, cost, expense (including, without limitation, reasonable legal costs and attorneys' fees) or claim for liability, damages or injuries (collectively, "Losses") in any way arising from (i) the development and construction of improvements comprising Building West, including, without limitation, construction warranty or other construction-related claims, (ii) the sale or leasing of Units located within Building West by Building 7 LLC, or (iii) otherwise relating to or arising from Building 7 LLC's contracts, commitments, obligations, activities or omissions with respect to Building West. Building 8 LLC hereby agrees to indemnify, defend and hold Building 7 LLC and its beneficial owners, managers, members, directors, officers and employees harmless of and from any Losses in any way arising from (I) the development and construction of improvements comprising Building East, including, without limitation, construction warranty or other construction-related claims, (II) the sale or leasing of Units located within Building East by Building 8 LLC, or (III) otherwise relating to or arising from Building 8 LLC's contracts, commitments, obligations, activities or omissions with respect to Building East. THE ASSOCIATION, AND EACH OWNER OF A UNIT LOCATED IN BUILDING WEST BY ACCEPTING A DEED FOR SUCH UNIT, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY ACKNOWLEDGES AND ACCEPTS THE FOREGOING AND AGREES THAT BUILDING 8 LLC SHALL HAVE NO LIABILITY OR OBLIGATION WHATSOEVER AS RELATED TO OR IN CONNECTION WITH BUILDING WEST. THE ASSOCIATION, AND EACH OWNER OF A UNIT LOCATED IN BUILDING EAST BY ACCEPTING A DEED FOR SUCH UNIT, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY ACKNOWLEDGES AND ACCEPTS THE FOREGOING AND AGREES THAT BUILDING 7 LLC SHALL HAVE NO LIABILITY OR OBLIGATION WHATSOEVER AS RELATED TO OR IN CONNECTION WITH BUILDING EAST.

Section 1.4 Declaration. To accomplish the purposes and intentions recited above, Declarant hereby submits the Property, together with all improvements, appurtenances, and facilities relating to or located on the Property now and in the future, to the provisions of the Act, and hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, and other provisions of this Declaration below, and Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, rented, occupied, and improved, subject to the provisions of this Declaration.

Section 1.5 Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land, or as equitable servitudes, as the case may be. The benefits, burdens, and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Owners, and their respective heirs, executors, administrators, personal representatives, successors, and assigns. The rights and obligations of the Association and the Owners hereunder are further subject to the Master Declaration, the Design Declaration, the Commercial Declaration and the Garage Declaration, each as defined below, to the extent applicable. The Property is also located within the boundaries of the Base Village Metropolitan District No. 1 (for Commercial Owners), of the Base Village Metropolitan District No. 2 and the Snowmass Village General Improvement District.

ARTICLE 2
DEFINITIONS

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

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

Section 2.2 "Amenity Unit(s)" means up to two (2) Condominium Units designated as an "Amenity Unit" on the Map and their respective appurtenant Limited Common Elements. An Amenity Unit may be operated as a fitness facility or other amenity, private lounge or other recreational, social and/or educational facility benefiting those Residential Owners, residential owners within Snowmass Base Village and third parties as determined by the Owner of an Amenity Unit. Neither the Association nor any Owner has any right, privilege or interest in an Amenity Unit except pursuant to a grant of access as provided by the Owner of an Amenity Unit or as otherwise provided in this Declaration.

Section 2.3 "Architectural Control Committee" means the Base Village Architectural Control Committee established under the Design Declaration to review, study, and either approve, conditionally approve or reject proposed improvements within Snowmass Base Village.

Section 2.4 "Assessments" means the annual, special and default Assessments levied pursuant to Article 7 below. Assessments are also referred to as a Common Expense Liability under the Act.

Section 2.5 "Association" means the One Snowmass Owners Association, a Colorado nonprofit corporation, and its successors and assigns, which is charged with the duties and obligations of administering the Project.

Section 2.6 "Association Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the articles of incorporation and bylaws of the Association, the Map, and any procedures, rules, regulations, or policies relating to the Project adopted under such documents by the Association or the Executive Board.

Section 2.7 "Base Village Housing Agreement" means the Base Village Restricted Housing Agreement dated September 19, 2016, and recorded at Reception No. 641752 in the real property records of Pitkin County, Colorado.

Section 2.8 "Building(s)" means individually one of the buildings, or collectively both of the buildings (after any expansion of the Project to include Building East in accordance with this Declaration) comprising the Project, in each case including all fixtures and improvements contained within any such building.

Section 2.9 "Building East" means the building that Declarant has reserved the right to submit to this Declaration in the future as part of the Expansion Property. Building East may be annexed in the Project as provided in Article 18 below.

Section 2.10 "Building West" means the Building initially submitted to this Declaration.

Section 2.11 "Check-In Unit(s)" means one or more Condominium Units designated as a "Check-In Unit" on the Map and their respective appurtenant Limited Common Elements. A Check-In Unit may be operated for purposes of check-in/check-out of Owners and guests, concierge, bell service, lobby areas, rental and property management services, changing rooms, offices, storage and other ancillary uses as determined by the Owner of a Check-In Unit. Neither the Association nor any Owner has any right, privilege or interest in a Check-In Unit or to its services except pursuant to a separate agreement, if any, with the Owner of a Check-In Unit.

Section 2.12 "Club Director" means the member of the Executive Board elected by the Club Interest Owners in accordance with the Club Plan and the procedures set forth below and in the bylaws of the Association as related to class voting.

Section 2.13 "Club Interest Owners" means those Owners of interests in Club Units within the Project as granted to such Owners under the Club Plan. Unless the context otherwise requires, Club Interest Owners shall be deemed to be Owners for usage and access purposes only during those times when they are entitled pursuant to the Club Plan to occupy a Club Unit.

Section 2.14 "Club Plan(s)" means any document, agreement, plan or declaration or group of affiliated documents, agreements, plans and/or declarations that establish an ownership and occupancy plan for the Club Units, which Club Plan may involve, without limitation, (a) the subdivision of a Club Unit into individual timeshare estate or timespan estate interests and a related plan for ownership, transfer and occupancy, (b) the affiliation with an exchange, reciprocal use or multiple component site use plan, (c) a declaration and transfer into trust, and/or (d) the establishment of a private residence club, destination club, non-entity club, vacation club, travel club, co-tenancy occupancy plan, or co-op ownership for the Club Units under an arrangement or species of trust interest, timeshare use right, vacation license, equity or non-equity membership, co-tenancy ownership, co-op ownership entitlements and/or occupancy rights in a Club Unit.

Section 2.15 "Club Units" shall mean those Residential Units made subject to the Club Plan in the manner discussed in Section 4.1 below.

Section 2.16 "Commercial Declaration" means that certain Declaration of Covenants, Conditions and Restrictions for Commercial Units as recorded on November 3, 2006 under Reception No. 530657, as amended by instruments recorded under Reception Nos. 638545 and 641751, and as assigned by instruments recorded under Reception Nos. 534997 and 592665, each as recorded in the real property records of Pitkin County, Colorado, as the same may be further amended from time to time.

Section 2.17 "Commercial Director(s)" means the members of the Executive Board elected collectively by the Owners of the Commercial Unit and of the District Unit in accordance with the procedures set forth in Article 5 below and in the bylaws of the Association.

Section 2.18 "Commercial Owners" means those Owners of Commercial Units within the Project.

Section 2.19 "Commercial Units" means those Condominium Units designated with the prefix "C" on the Map and which is designated for commercial uses as described in this Declaration.

Section 2.20 "Common Elements" means all of the Project, except the Individual Air Space Units, and including, without limiting the generality of the foregoing, the following components:

2.20.1 Common entries, hallways, corridors, elevators and stairways, storage areas, utility and trash areas, the exterior of the Building(s), exterior walls and roof, excepting therefrom, however, the entries, escalator, stairways and other areas comprising the District Unit;

2.20.2 Electrical, plumbing and other utility and mechanical systems for the Building providing utility, mechanical and/or communication services to the Project, floor-to-roof conduits serving the Building, and all related equipment, lines and facilities such as, but not limited to, pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and, in general, all apparatus, installations, and equipment integral to the applicable system serving the Building, whether for use of one or more of the Owners, excepting therefrom, however, the Heating/Cooling System Improvements owned and operated by the Master Association.

2.20.3 All structural elements serving the Project, including, without limitation, foundations and footings, structural girders, beams and joists and bearing walls and columns, in each case regardless of whether they are located wholly or partially within the boundaries of any Unit;

2.20.4 The lands and related landscaping and improvements lying outside of the Building, including the yards, sidewalks, walkways, paths, grass, shrubbery, trees, planters, driveways, roadways, gardens and related facilities upon the Property;

2.20.5 All improvements, appurtenances and facilities relating to or located on Common Elements now or in the future, and any other property owned or interest held currently or in the future by the Association for the common use and enjoyment of some or all of its members and such other persons as may be permitted to use the Common Elements under the terms of this Declaration and/or any contract with the Association. Such interests owned by the Association may include, without limitation, estates in fee, for terms of years, or easements, each of which the Association is specifically empowered to accept and hold, whether conveyed prior to the recording of this Declaration or in the future; and

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

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

Section 2.21 "Common Expense(s)" means and includes the following:

2.21.1 Expenses of administration, insurance, operation, and management of the Common Elements, and the improvement, repair, or replacement of the Common Elements, except to the extent such repairs and replacements are responsibilities of an Owner or class of Owners as delineated in Section 9.3 below;

2.21.2 All utility consumption and other charges related to the Common Elements and not otherwise separately metered and billed to the benefited party;

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

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

2.21.5 Expenses agreed upon as Common Expenses by the Association; and

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

Section 2.22 "Condominium" or "Unit" or "Condominium Unit" means the fee simple interest in and to an Individual Air Space Unit, together with the undivided interests in the Common Elements appurtenant to the Individual Air Space Unit as specified in the attached Exhibit C. Condominium Unit is also referred to as a Unit under the Act.

Section 2.23 "Declarant" means collectively SV Building 7 Development LLC, a Delaware limited liability company, and SV Building 8 Development LLC, a Delaware limited liability company, as more fully described in Section 1.3 above and their express successors and assigns as described herein. No party shall exercise the rights and privileges reserved herein to Declarant unless such party shall receive and record in the office of the Clerk and Recorder of the County of Pitkin, Colorado, a written assignment from Declarant of all or a portion of such rights and privileges.

Section 2.24 "Declarant Control Period" shall mean the maximum period of time permitted under the Act during which Declarant is entitled to appoint and remove members of the Executive Board and officers of the Association as further described in Section 5.6 below.

Section 2.25 "Declaration" means this Condominium Declaration for One Snowmass, which establishes the Project, as amended or supplemented from time to time.

Section 2.26 "Design Declaration" means that certain Declaration of Design and Building Covenants, Conditions and Restrictions for Base Village, recorded in the Pitkin County Records on December 14, 2007, under Reception No. 544881, as the same may be amended from time to time

Section 2.27 "Director" means a member of the Executive Board.

Section 2.28 "District No. 1" means Base Village Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, which is the operating commercial metropolitan district for Snowmass Base Village. District No. 1, together with Base Village Metropolitan District No. 2 and the Snowmass Village General Improvement District, are further described in Section 11.15.8 below.

Section 2.29 "District Unit(s)" means one (1) or more Condominium Unit(s) designated as a "District Unit" on the Map and any appurtenant Limited Common Elements. The facilities and improvements of the District Units are intended to include pedestrian access improvements, restrooms, storage, lockers, escalators, stairways, lobby and related improvements which are to be managed and operated collectively by District No. 1 and generally utilized to provide such areas for public use and enjoyment.

Section 2.30 "Employee Housing Unit(s)" means Residential Units 202, 203 and 204 of Building West, and Residential Unit 109 of Building East, which are subject to (a) the covenant restricting their rents as set forth in Section 11.4 below and in accordance with the terms of the Base Village Housing Agreement (defined above), and (b) Section 7.4 below and the determination of an Employee Housing Unit's allocation of Common Expenses.

Section 2.31 "Executive Board" or "Board" means the governing body of the Association, as provided in this Declaration and in the articles of incorporation and bylaws of the Association. The Executive Board is referred to as an "executive board" under the Act.

Section 2.32 "Expansion Property" means that certain property described on Exhibit B hereto, which property Declarant has reserved the right to subject to this Declaration as set forth herein.

Section 2.33 "First Mortgage" means a Mortgage that has priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 2.34 "First Mortgagee" means the Mortgagee under a First Mortgage.

Section 2.35 "Garage Declaration" means the Declaration of Covenants, Conditions and Restrictions for Base Village Subterranean Condominium as recorded December 4, 2018, under Reception No. 652336 in the Office of the Clerk and Recorder of Pitkin County, Colorado, and as amended and supplemented from time to time

Section 2.36 "General Common Elements" means the Common Elements, except for Limited Common Elements.

Section 2.37 "Heating/Cooling System Improvements" shall mean systems, facilities and equipment located within the Project and comprising the integral components of the Building's heating and cooling systems, which systems are connected to and served by a central plant located in the underground parking facility underlying the Project, all of which is owned, managed and operated by the Master Association (including, without limitation, mechanical boiler(s) supplementing such central plant and located within the Project, if any).

Section 2.38 "Individual Air Space Unit" means that portion of a single Condominium Unit designated for separate ownership by an Owner, depicted on the Map and labeled with a number and consisting of enclosed rooms and bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof. For the purpose of defining an Individual Air Space Unit, the terms set forth below shall be defined as follows:

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

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

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

An Individual Air Space Unit shall include any soffits, drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, shutters, doorsteps and stoops (if any), and doors, partitions and improvements interior to the Individual Air Space Unit that are not Common Elements. An Individual Air Space Unit shall also include any fireplace or stove hearth, facing brick, tile or firebox. An Individual Air Space Unit shall further include fixtures and hardware and all improvements contained within the unfinished perimeter walls, ceilings, and floors. An Individual Air Space Unit shall include any heating and refrigerating elements or related equipment (excepting therefrom the Heating/Cooling System Improvements), utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment serving that Individual Air Space Unit only and located within its unfinished walls, ceilings, and floors; provided, however, that an Individual Air Space Unit shall not include any of the structural components of the Building(s) or utility or service lines or facilities serving more than one Individual Air Space Unit. For purposes of clarity, utility and service lines and facilities located outside of the unfinished walls, ceilings, and floors of the Individual Air Space Unit may nonetheless be Limited Common Elements to the Individual Air Space Unit(s) they serve per the applicable definitions in this Declaration.

Section 2.39 "Inspirato" shall mean Inspirato, LLC, a Delaware limited liability company, which operates a luxury hospitality company with a membership component.

Section 2.40 "Limited Common Elements" means those parts of the Common Elements which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units, including, without limitation, those areas and improvements designated as "LCE" on the Map. Without limiting the foregoing, the Limited Common Elements shall include (a) any deck, balcony, patio and fireplace chimney and flues accessible from, associated with, and which adjoin a particular Individual Air Space Unit or Units, with or without specific designation on the Map, (b) any storage or other spaces located outside Individual Air Space Units and designated as Limited Common Elements serving those particular Individual Air Space Units, (c) exterior windows and exterior doors, including related panes of glass, window frames and operational mechanisms and related door frames and hardware and operational mechanisms, and (d) any individual air-conditioning units and fixtures, and individual water and sewer service lines, water heaters, and any plumbing or other utility installation servicing one or more (but less

than all) Individual Air Space Unit, including, but not limited to, all such items designated as Limited Common Elements on the Map; provided, however, that Limited Common Elements shall not include any of the structural components of the Building(s) or improvements integral to the structural components of the applicable Building or utility or service lines or facilities that are integral to a system serving the entire Building. A Limited Common Element shall be used in connection with such Individual Air Space Unit(s) to which it is appurtenant to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance, or other instrument. Limited Common Elements may be labeled on the Map as appurtenant to an individual Condominium Unit (for example, a Limited Common Element allocated to Unit 201 may be identified as "LCE-201") or may be labeled on the Map as appurtenant to a class of Condominium Units ("LCE-R" for Limited Common Elements appurtenant to all Residential Units and "LCE-C" for Limited Common Elements appurtenant to all Commercial Units).

Section 2.41 "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Executive Board relative to the operation, maintenance, and management of the Project.

Section 2.42 "Managing Agent" means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Project.

Section 2.43 "Map" or "Maps" means and includes any engineering survey or surveys of the Property locating the Condominium Units in the applicable Building, and depicting the floor plans of the Condominium Units together with other drawings or diagrammatic plans and information regarding any portion of the Property as recorded in the office of the Clerk and Recorder of the County of Pitkin, Colorado.

Section 2.44 "Master Association" or "Base Village Company" means Base Village Company, Inc. a Colorado nonprofit corporation, and its successors and assigns, who acts as the master association as established under the Master Declaration.

Section 2.45 "Master Board" means the governing body of the Master Association, as established under the Master Declaration and in the articles of incorporation and bylaws of the Master Association.

Section 2.46 "Master Association Documents" shall have the meaning as defined in the Master Declaration.

Section 2.47 "Master Declaration" means that certain Declaration of Covenants, Conditions and Restrictions for Base Village as recorded December 14, 2007, under Reception No. 544882 in the Office of the Clerk and Recorder of Pitkin County, Colorado, and as amended and supplemented from time to time, which governs the use, operation and administration of Snowmass Base Village.

Section 2.48 "Maximum Rate" shall mean two (2) percentage points greater than that rate of interest charged by a bank designated from time to time by the Executive Board to the best commercial customers of the designated bank for short-term loans and identified as the "prime rate" by such bank as of the date on which such Maximum Rate is imposed with respect to any amount payable under this Declaration, or if less, the maximum rate allowed by law.

Section 2.49 "Mortgage" means any unpaid and outstanding mortgage, deed of trust, or other security instrument recorded in the office of the Clerk and Recorder of the County of Pitkin, Colorado, which secures financing for the construction or development of any portion of the Property or which encumbers a Condominium Unit or an interest in a Club Unit.

Section 2.50 "Mortgagee" means any person or entity named as a mortgagee or beneficiary under any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.51 "One Snowmass Residence Club" means the Club Units and the rights and interests in the Club Units established by the Club Plan and described in Section 4.1 below. It is understood and agreed that the name "One Snowmass Residence Club" may be changed at any time or from time to time by the terms of the Club Plan and, in such event, references herein to the One Snowmass Residence Club shall mean such new name under which the rights and interests in the Club Units are established.

Section 2.52 "Owner" means any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether a natural person or persons, or an entity, of a fee simple title interest in and to any Condominium Unit, including a Club Interest Owner to the extent provided under the Club Plan; excluding, however, any record owner with an interest therein merely as a Mortgagee (unless such Mortgagee has acquired a fee simple title interest in the Condominium Unit pursuant to foreclosure or any proceedings in lieu of foreclosure).

Section 2.53 "Project" means the Common Interest Community (as defined in the Act) created on the Property by this Declaration.

Section 2.54 "Property" means the real property as described on Exhibit A, as the same may be expanded pursuant to Article 18 below.

Section 2.55 "Residential Director(s)" means the members of the Executive Board elected by the Residential Owners (excluding the Club Interest Owners, if any) in accordance with the procedures set forth in Article 5 below and in the bylaws of the Association.

Section 2.56 "Residential Owners" means those Owners of Residential Units within the Project, including unless the context requires otherwise, the Club Interest Owners.

Section 2.57 "Residential Unit" means a Condominium Unit designated without a lettered prefix on the Map, and not the Commercial Units.

Section 2.58 "Rooftop Amenities" means the spa pool, fire pit, sundeck and related improvements and amenities and improvements located on the roof of Building East and designated as "_____" on the Map, which Rooftop Amenities will be Limited Common Elements-Residential but subject to certain License Agreements providing access to third parties, as described in this Declaration below and in the applicable License Agreements.

Section 2.59 "Snowmass Base Village" means all of the real property in Pitkin County, Colorado, subject to the Master Declaration.

Section 2.60 "Snowmass Resort" means the four-season destination resort operated by Aspen Skiing Company LLC, a Colorado limited liability company, or its successors and assigns, under the United States Forest Service permit issued for the Snowmass Ski Area located in the Town of Snowmass Village in Pitkin County, Colorado, as the same may be expanded or contracted from time to time.

Section 2.61 "Successor Declarant" means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and Recorder of Pitkin County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

Section 2.62 "Supplemental Declaration" means an instrument which subjects any part of the Expansion Property to this Declaration, as more fully provided in Article 18 below.

Section 2.63 "Supplemental Map" means a condominium map which depicts all or any part of the Expansion Property becoming subject to this Declaration through a Supplemental Declaration, as more fully provided in Article 18 below.

Section 2.64 "Town" means the Town of Snowmass Village, Colorado.

To the extent not otherwise defined in this Declaration, capitalized terms used herein shall have the meaning as defined in the Act.

ARTICLE 3
DIVISION OF PROPERTY INTO CONDOMINIUM OWNERSHIP AND COMMON ELEMENTS

Section 3.1 Division Into Condominium Units; Acknowledgment of Phases. The Property is hereby divided into _____ (___) Condominium Units, of which initially _____ (__) are Residential Units (_____ (___) of which are Employee Housing Units), _____ (___) are Commercial Units, _____ (___) comprise the District Unit(s), _____ (___) are Amenity Unit(s), and _____ (___) are Check-In Unit(s). Each Condominium Unit consists of a fee simple interest in an Individual Air Space Unit and an undivided fee simple interest in the Common Elements as shown in Exhibit C hereto. The formula used to establish the allocation of undivided interests in the Common Elements among the Condominium Units is set forth in Exhibit C hereto. Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Condominium Units. The maximum number of Condominium Units that may be subject to this Declaration, including, but not limited to, by submission of the Expansion Property to the terms of this Declaration, are _____ (___), the maximum number of Residential Units being _____ (__) (of which a maximum of eleven (11) may be subjected to the Club Plan, be further subdivided as provided in the Club Plan and be deemed Club Units hereunder), the maximum number of Commercial Units being _____ (___), the maximum number of Amenity Units being two (2), the maximum number of Check-In Units being _____ (___), and the maximum number of District Units being _____ (___). Owners acknowledge and accept that the Project is being developed in phases and the Project is initially comprised of Building West and that the amenities and services contemplated to be part of Building East will not become part of the Project until incorporation of the Expansion Property into this Declaration in the manner contemplated by Article 18 of this Declaration.

Section 3.2 Resubdivision and Combination of Commercial, Amenity and Check-In Units. The Owner or Owners of one or more Commercial Units, Amenity Units and/or Check-In Units shall have the right to (a) relocate the boundaries of and between such two adjoining Units, (b) physically combine a part of or combination of parts of the space of one such Unit with a part of or combination of parts of the space within one or more adjoining Units, or (c) subdivide such a Unit or part of such a Unit to create additional Units; provided, however, that the maximum number of Commercial Units, Amenity Units and Check-In Units shall be as set forth in Section 3.1 above. In order to accomplish any one of the foregoing, the applicable Owner may knock down or create additional interior walls subject to the terms of this Section and any other applicable provisions of this Declaration. Upon the relocation, combination or subdivision of any such Units, the Unit or Units resulting from such relocation, combination or subdivision shall be allocated the undivided interest of the predecessor Unit(s) in and to the General Common Elements in accordance with the square footage formula provided herein and appurtenant Limited Common Elements may be allocated to individual Units. The Owner must first obtain all necessary approvals from any governmental authority having jurisdiction over the Project and, if applicable, the Architectural Control Committee, before exercising its rights herein. The cost and expense incurred for legal, architectural and/or

engineering fees and all other costs and expenses incurred by the Association shall be borne by the party requesting such a change.

Section 3.3 Combination of Residential Units. The Residential Owners shall have the right to physically combine one or more Residential Units with an adjoining Residential Unit. In order to accomplish such combination, a Residential Owner may knock down or create additional interior walls subject to the terms of this Section and any other applicable provisions of this Declaration. Upon the combination of any Residential Units, the Residential Unit resulting from such combination shall be allocated the undivided interest of the predecessor Residential Units in and to the General Common Elements and the Limited Common Elements-Residential. Such allocation shall be reflected by an amendment to Exhibit C hereto. A Residential Owner must first obtain the consent of the Executive Board and all necessary approvals from any governmental authority having jurisdiction over the Project and, if applicable, the Architectural Control Committee, before exercising its rights herein. The cost and expense incurred for legal, architectural and/or engineering fees and all other costs and expenses incurred by the Association shall be borne by the party requesting such a change.

Section 3.4 Procedures for Subdivision or Combination. In order to relocate the boundaries of, combine or subdivide any Condominium Units as provided above, the Owner(s) of such Condominium Units shall submit an application to the Executive Board, which application shall be executed by such Owner and shall include (a) evidence that the proposed relocation of the boundaries of, subdivision or combination of a Condominium Unit or Units complies with all building codes, fire codes and other applicable ordinances or resolutions adopted and enforced by the Association, the Architectural Control Committee, the Town, Pitkin County, and/or the State of Colorado, and that the proposed action does not violate the terms of any Mortgage encumbering the Condominium Unit(s), (b) the proposed reallocations, (c) the proposed form of amendments to this Declaration, including the Map, as may be necessary to show the Condominium Unit or Units which are created by the relocation, subdivision or combination of a Condominium Unit or Units and their dimensions and identifying numbers, (d) a deposit against attorneys' fees and costs which the Association may incur in reviewing and effectuating the transaction, in an amount reasonably estimated by the Executive Board, (e) evidence satisfactory to the Executive Board that the Owner has obtained or caused to be obtained all requisite insurance in connection with any construction required to effect the proposed action, (f) indemnification of the Association by the Owner for any and all matters relating to the proposed action, and (g) such other information as may be reasonably requested by the Executive Board.

Section 3.5 No Additional Units. Notwithstanding any contrary provision in this Declaration (but excepting the annexation into the Project of additional Units located on the Expansion Property pursuant to Article 18 below and the possible creation and transfer of fractional, timeshare and/or other interests in accordance with the Club Plan), for a period of ten (10) years following the date of this Declaration, the aggregate number of Residential Units and the aggregate square footage of all Commercial Units as reflected on the Condominium Map may not be increased without the prior written consent of Declarant, which consent may be withheld in Declarant's sole and subjective discretion.

Section 3.6 Delineation of Unit Boundaries. The boundaries of each Individual Air Space Unit are delineated and designated on the Map by an identifying number, and those numbers are set forth on Exhibit C.

Section 3.7 Inseparability of Condominium Unit. With the exception of the possible creation and transfer of rights and interests in Club Units in accordance with the Club Plan and further subject to the provisions of this Article 3, (a) no part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be partitioned or separated from any other part thereof during the period of condominium ownership prescribed in this Declaration, and (b) each Condominium Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete

Condominium Unit. Subject to the foregoing, every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Condominium Unit or any part thereof shall be presumed to be a disposition of the entire Condominium Unit, together with all appurtenant rights and interests created by law or by this Declaration.

Section 3.8 Nonpartitionability of Common Elements. Subject to the provisions of this Article, the Common Elements shall be owned in common by all of the Owners of Condominium Units and shall remain physically undivided; provided, however, the Limited Common Elements appurtenant to particular Unit(s) or classes of Units shall be for the exclusive use of, enjoyment by and control by the Owner(s) of such benefited Unit(s). No Owner shall bring any action for partition or division of the Common Elements. By acceptance of a deed or other instrument of conveyance or assignment to a Condominium Unit, each Owner of the Condominium Unit shall be deemed to have specifically waived such Owner's right to institute or maintain a partition action or any other cause of action designed to cause a division of the Common Elements, and this Section may be pleaded as a bar to the maintenance of such an action. Any Owner who shall institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Association's costs, expenses, and reasonable attorneys' fees in defending any such action. Such amounts shall automatically become a default Assessment determined and levied against such Owner's Unit and enforced by the Association in accordance with Sections 7.9, 7.10 and 7.11 below.

The granting of easements by a majority of voting Directors of the Executive Board, for public utilities, for access by pedestrians or for other public purposes not inconsistent with the intended use of the Common Elements, shall not be deemed a transfer requiring any consent of the Owners.

Section 3.9 Rights and Easements. Every Owner and the guests, tenants, invitees and licensees of each Owner shall have a perpetual right and easement of use and enjoyment of the General Common Elements, which rights and easements shall be appurtenant to and pass with the transfer of title to such Condominium Unit; provided, however, that such right and easement shall be subject to the following:

3.9.1 The covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, the Master Declaration, the Design Declaration, and the Map, including, without limitation, the easements set forth in Article 12 below;

3.9.2 The right of the Association to regulate on an equitable basis the use of the Common Elements from time to time; and

3.9.3 The rights and powers of the Master Association to the extent of the Master Association's rights or interests in the General Common Elements, such as, but not limited to, the rights and interests of the Master Association in and to the central utility systems of the Project, as discussed in Section 3.12 below, and the landscaped exterior areas and driveway improvements of the Project, as discussed in Section 11.14 below; and

3.9.4 The right of the Association to adopt, from time to time, any and all rules and regulations concerning the Common Elements and other matters to maintain the health, safety and comfort of Owners and other individuals using the Project as the Association may determine are necessary or prudent including, without limitation, the imposition of fees for the use of certain amenities.

Notwithstanding the foregoing or any contrary provision herein, the Association shall take no action or adopt any rule or regulation which (a) unreasonably restricts any Owner of a Condominium Unit or its guests', tenants', employees', customers' and licensees' right of access over, across and upon the General Common Elements, (b) impairs and diminishes any right or power of the Commercial Owners without the prior written consent of the Commercial Owners, which consent may be withheld in their sole and absolute

discretion, or (c) prohibits or unreasonably restricts the long-term or short-term renting of a Residential Unit.

Section 3.10 Limited Common Elements. Subject to the provisions of this Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to its Condominium Unit. The Map shall specify to which Condominium Unit or Units each Limited Common Element is allocated.

Section 3.11 Redesignation of Common Elements. Any redesignation of the boundaries of the Common Elements or redesignation of the General Common Elements to Limited Common Elements shall, in addition to other approval required by the Act, be approved by the Executive Board, by sixty-seven percent (67%) or more of the total votes of all Owners of Condominium Units and, during the Declarant Control Period, by the prior written consent of Declarant, which consent may be withheld in Declarant's sole and subjective discretion. Limited Common Elements may be reallocated among Units as provided in Section 208(2) of the Act.

Section 3.12 Utilities, Water, and Sewer. Cold water and sewer services are available for all Units and Common Elements through the Master Association, who allocates the costs of such services to various properties within Snowmass Base Village, including the Project. The amounts billed to the Association by the Master Association or the Snowmass Water & Sanitation District ("SWSD") for such services shall be a Common Expense of the Association.

3.12.2 Heating, Cooling, Hot Water. The Master Association shall be responsible for the maintenance, repair, replacement and improvement of the Heating/Cooling System Improvements; however, the Association shall be responsible for all costs incurred by the Master Association to maintain and repair those portions of the Heating/Cooling System Improvements located within the Project and exclusively serving the Project. Further, the Master Association owns and is responsible for the systems, including the facilities and equipment related thereto, that serve the Heating/Cooling System Improvements and the Building's hot water systems which are located in a central plant in the underground parking facility underlying the Project. The Master Association allocates the costs of operating and maintaining its central plant and related systems and improvements to various properties within Snowmass Base Village, including the Project. The amounts billed to the Association by the Master Association for such services shall be a Common Expense of the Association and will be allocated on metered usage or, if not separately metered, allocated among the Units that are served on the basis of their relative percentage interests in the Common Elements as set forth in Exhibit C. To the extent that metering is available, metered usage shall control.

3.12.3 Other Utilities. The Association may set up accounts as related to other utilities such as but not limited to natural gas and/or electric service for the Units or any class of Units and their related Limited Common Elements and, in such event, the Association may allocate and charge Owners served thereby the costs, expenses, fees, rates and other charges incurred in connection therewith, including any connection fees, on the basis of each such Unit's percentage interest in the Common Elements as a percentage of the interests of all served Units, or otherwise in any reasonable and equitable manner as the Association may determine appropriate. Alternatively, at the Association's election, each Owner may be responsible for opening an account for natural gas and/or electric services for its Unit and related Limited Common Elements and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith, including any connection fees, directly to the utility company providing the same. If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service on the basis of each served Unit's percentage interest in the Common Elements as a percentage of the interests of all served Units, or otherwise in any reasonable and equitable manner as the Association may determine appropriate.

ARTICLE 4
CREATION OF ONE SNOWMASS RESIDENCE CLUB

Section 4.1 Creation. Declarant, for itself or Declarant's express written assignee, reserves the right (without obligation) to subject up to eleven (11) Residential Units to one or more Club Plans and to create and transfer rights and interests in such Residential Units as described in such Club Plan. Declarant will create and subject Residential Unit(s) to a Club Plan by recording a properly acknowledged notice (which may be included in a deed) executed by Declarant, or Declarant's express written assignee, describing the Residential Unit(s) subjected to the Club Plan. The Club Interest Owners granted such rights and interests pursuant to the Club Plan shall have certain defined rights to occupy applicable Residential Units and to use the Common Elements of the Project during such period of occupancy in the same manner as other Residential Owners. The One Snowmass Residence Club established by a Club Plan shall consist of the Residential Units subjected to the Club Plan, their appurtenant interests in the Common Elements, other real and personal property (such as, but not limited to, furniture and furnishings) owned by the Club Interest Owners or the entity responsible for management and operation of the One Snowmass Residence Club and a Club Plan, and any and all easements, licenses and other rights appurtenant to the foregoing or otherwise owned or held in connection therewith. No Residential Unit may be subjected to or otherwise committed to a Club Plan by any person or entity other than the Declarant or Declarant's express written assignee. Until such time as a Residential Unit is subjected to the Club Plan, the Residential Unit shall be deemed a whole ownership Residential Unit for all purposes under this Declaration. The Club Plan shall set forth, without limitation, the allocation and mechanism for exercise of any rights, privileges and obligations arising from ownership of the applicable Residential Unit among its Club Interest Owners or among the direct Owners of the Club Units, including, without limitation, the allocation of votes in Association matters (and mechanism for casting such votes or assigning or deemed assignment of same), maintenance and repair of Club Units and their interiors, the allocation of Assessments, the enforcement of Assessment liens, and management of the Club Plan.

Section 4.2 Withdrawal. A Residential Unit subjected to the Club Plan, upon election by the applicable Club Interest Owners in the manner provided in the Club Plan, may withdraw the Residential Unit from the Club Plan, whereupon such Residential Unit shall be deemed a whole ownership Residential Unit for all purposes under this Declaration.

Section 4.3 No Other Programs. Except by Declarant or by Declarant's express written assignee pursuant to this Article 4 and the right to create Club Units under the Club Plan, no timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to any Residential Unit(s), (b) shall acquire or accommodate any Residential Unit(s), and (c) shall be permitted to incorporate any Residential Unit(s) into such entity, program, structure, scheme, device or plan. The foregoing prohibition shall not prohibit the short-term rental of a Residential Unit, whether directly by an Owner or through a rental management or booking agent, and whether or not such rental management or booking agent is also a travel or vacation club. Without limiting the generality of the foregoing, the foregoing prohibition shall not prohibit those programs which may be operated within the Project from time to time by Inspirato, provided that such programs or plans involve the rental of the Residential Unit, it being acknowledged and agreed that Inspirato intends to operate its vacation rental management services at the Project.

Section 4.4 Term. Once established, the One Snowmass Residence Club and its Club Plan shall exist in perpetuity, unless (a) sooner terminated in accordance with the provisions of the Club Plan,

or (b) the Project is terminated, in which event the One Snowmass Residence Club and its Club Plan shall automatically terminate effective upon termination of the Project.

ARTICLE 5
MEMBERSHIP IN ASSOCIATION

Section 5.1 Association Membership. Every Owner of a Condominium Unit shall be a member of the Association and shall remain a member for the period of the Owner's ownership of a Condominium Unit. No Owner, whether one or more persons, shall have more than one membership per Condominium Unit owned, but all of the persons owning a Condominium Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Condominium Unit. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condominium Unit. However, any Owner may appoint, in a written instrument furnished to the secretary of the Association, a delegate to exercise the rights of such Owner as a member of the Association, and in the event of such appointment, the delegate shall have the power to cast votes on behalf of the Owner as a member of the Association, subject to the provisions of and in accordance with the procedures more fully described in the bylaws of the Association.

Section 5.2 Classes of Membership. There shall be five (5) classes of membership in the Association as follows:

5.2.1 Residential Unit Members. All Owners of Residential Units, including Declarant so long as Declarant continues to own an interest in a Residential Unit.

5.2.2 Commercial Unit Members. All Owners of the Commercial Units, including Declarant so long as Declarant continues to own an interest in a Commercial Unit.

5.2.3 District Member. District No. 1 as Owner of the District Unit.

5.2.4 Amenity Unit Members. All Owners of the Amenity Units, including Declarant so long as Declarant continues to own an interest in an Amenity Unit.

5.2.5 Check-In Unit Members. All Owners of the Check-In Units, including Declarant so long as Declarant continues to own an interest in a Check-In Unit.

In addition, while the Club Interest Owners are also deemed Residential Unit Members, Club Interest Owners shall represent a class for purposes of electing the Club Director and for other purposes relating exclusively to the One Snowmass Residence Club and/or the Club Plan.

5.2.6 Election of Directors. During the Declarant Control Period as more particularly described in Section 5.6 below and in the bylaws of the Association, the Directors shall be appointed by the Declarant without regard to the classes of Directors or the election thereof by certain classes of Members as described in this subsection below. The initial Executive Board shall consist of three (3) persons. After expiration of the Declarant Control Period, the Executive Board shall consist of five (5) persons, of which the Residential Owners shall be entitled to nominate and elect three (3) of the five (5), and the Owners of the Commercial Units, of the District Units and of the Amenity Units shall be entitled to collectively nominate and elect two (2) of the five (5). Notwithstanding the foregoing, upon the establishment of the One Snowmass Residence Club by subjecting Residential Unit(s) to a Club Plan, if ever, the Club Interest Owners as a class shall be entitled to nominate and elect one (1) of the three (3) Directors otherwise nominated and elected by the Residential Owners and Club Interest Owners shall be excluded from the class of Residential Owners solely in connection with the Residential Owners nominating and electing two (2) of the five (5) Directors.

Section 5.3 Voting Rights. Any matter to be voted upon by the Owners of the Condominium Units shall permit each Owner a vote equal to the same number which is described as a percentage interest in the Common Elements allocated to such Owner's Unit as set forth in Exhibit C to this Declaration, multiplied by 100. With respect to Residential Units subject to the Club Plan, the votes allocated to the Residential Units that are also Club Units shall be allocated among the Club Interest Owners or among the direct Owners of the Club Units and such votes may be cast on Association matters in the manner set forth in the Club Plan. All voting rights may be exercised subject to and in accordance with the provisions of the bylaws of the Association. The Association shall not have a vote with respect to any Condominium Unit which may be owned by it. Declarant shall be entitled to vote with respect to Condominium Units owned by it.

Section 5.4 Class Voting. An individual class of Owners shall at times vote on matters affecting that class only, including, without limitation, the election and removal of directors representing that class and budgeted costs allocated to a specific class of Owners. In connection with such class votes, (a) notice shall be given of a meeting of the applicable class of Owners exclusively and conduct a vote on the matter affecting only that class in order to protect the legitimate, valid interest of such class, and (b) each Unit within the applicable ownership class shall be allocated a voting interest equal to the number of votes allocated to such Unit (as calculated pursuant to Section 5.3 above) as a percentage of the total votes allocated all Units within that class (as calculated pursuant Section 5.3).

Section 5.5 Class Disputes. In the event that a dispute arising between the classes of directors on the Executive Board (a) as to whether a matter is subject to the authority of entire Executive Board or membership or is limited to the authority of a particular class of directors or members, or (b) due to a deadlock existing between the residential and commercial members of the Executive Board, then such matter shall be submitted to binding arbitration in Pitkin County, Colorado, in accordance with the rules of the American Arbitration Association then in effect. The decision of the arbitration shall be final and binding on the parties and judgment may be entered thereon in a court having jurisdiction over the Association. The arbitrator shall be appointed by the Executive Board, which appointment shall require, in addition to the affirmative vote of a majority of voting directors, the affirmative vote of at least one (1) director from each class of directors. In the event the Executive Board is unable to do so within ten (10) days of submitting this matter to arbitration, the arbitrator shall be designated by the chief judge in the District Court of Pitkin County, Colorado. The cost and expense of the arbitrator shall be deemed an expense of the Association.

Section 5.6 Declarant Control. Notwithstanding anything to the contrary provided for herein or in the bylaws of the Association, Declarant shall be entitled to appoint and remove the members of the Executive Board and officers of the Association to the fullest extent permitted under the Act. The specific restrictions and procedures governing the exercise of Declarant's right to so appoint and remove Directors and officers shall be set out in the bylaws of the Association. Declarant may voluntarily relinquish such power evidenced by a notice recorded in the Office of the Clerk and Recorder for the County of Pitkin, Colorado, but in such event, Declarant may at its option require that specified actions of the Association or the Executive Board as described in the recorded notice, during the period Declarant would otherwise be entitled to appoint and remove directors and officers, be approved by Declarant before they become effective.

Section 5.7 Owners' and Association's Address for Notices. All Owners of each Condominium Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters; provided, however, notices for member meetings will be provided in the manner set forth in the bylaws of the Association. The Owner or Owners of a Condominium Unit shall furnish such registered address to the secretary of the Association within five (5) days after transfer of title to the Condominium Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the

Condominium Unit or by such persons as are authorized by law to represent the interests of all Owners of the Condominium Unit.

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

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

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

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

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

Notwithstanding any contrary provision in this Declaration as related to notices, communications or deliveries to Directors, Owners, Mortgagees, purchasers of a Condominium Unit or other parties and/or as related to voting or consents by Directors, Owners or Mortgagees, to the extent presently or in the future permitted by applicable law, the Association shall be authorized, in lieu of the requirements in this Declaration, to provide notices, communications or deliveries via email transmission or by other permissible electronic means, and Directors, Owners or Mortgagees shall be permitted to vote or consent by email or other permissible electronic means. At the discretion of the Executive Board and to the extent permitted by law, electronic notices, communications or deliveries may be provided in addition to any required written and mailed notice, communication or delivery.

ARTICLE 6
MAINTENANCE RESPONSIBILITIES AND OWNER AND ASSOCIATION MATTERS

Section 6.1 Association Responsibilities. Except as otherwise expressly provided in this Declaration or the Master Declaration, or by written agreement with the Association or Master Association, the Association shall be responsible for the administration, operation, management, control, maintenance, repair, replacement, and improvement of (a) the General Common Elements and all facilities, furnishings, and equipment related thereto, (b) although designated as Limited Common Elements, all exterior windows (i.e., window panes, frames and operational mechanisms) and exterior doors (i.e., doors, door frames and hardware serving such doors), and (c) those additional Limited Common Elements and/or portions of the Condominium Units that the Association elects to maintain pursuant to Section 6.2.3 below. The Association shall maintain a luxury standard of quality for maintenance and operation of the Project upholding the high quality reputation and image of the Project consistent with its original quality for maintenance and operation. The expenses, costs, and fees of such management, operation, maintenance, and repair by the Association shall be part of the Assessments, and accordingly, will not require the prior approval of the Owners in order for the Association to pay any such expenses, costs, and fees (other than

the budget ratification required by Section 6.5 below). The Association shall have the sole discretion to determine the time and manner in which such maintenance shall be performed as well as the color or type of materials used to maintain the Common Elements. Notwithstanding the foregoing, in the event insurance proceeds under Article 8 are payable to an Owner but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's cost. Further, Owners acknowledge that they may be responsible for the cost of repair of any damage or for the deductible amount on the Association's insurance related to such damage, even if resulting from failures of the Common Elements, in the manner described in Article 8 below.

Section 6.2 Owner Maintenance Responsibilities.

6.2.1 Except as otherwise expressly provided in this Declaration, a Club Plan, or the Master Declaration, or by written agreement with the Association or Master Association, all maintenance of the Condominium Units and all improvements located on or comprising part of a Condominium Unit or a Condominium Unit's Limited Common Elements shall be the sole responsibility of the Owner thereof, who shall maintain the Condominium Unit and appurtenant Limited Common Elements in accordance with the maintenance standard set forth in Section 6.1 above. Each Owner of a Condominium Unit shall also be responsible for interior window washing and the regular maintenance of window and door operational mechanisms. All fixtures, equipment, and utilities installed and included in an Individual Air Space Unit serving only that Condominium Unit shall be maintained and kept in repair by the Owner of that Unit. Any maintenance and repair visible from outside of a Unit by an Owner shall maintain a consistent and harmonious appearance among the Condominium Units as reasonably determined by, and subject to the approval of, the Executive Board. Each Owner shall have the exclusive right and duty to paint, tile, paper, decorate or otherwise manage, maintain and repair the interior surfaces of the walls, floors, ceilings, and doors forming the boundaries of such Owner's Individual Air Space Unit and all improvements inside of the framing elements of the Individual Air Space Unit such as but not limited to drywall, flooring and ceiling improvements. All work by an Owner shall comply with all procedures and rules of the Association and, as applicable, the Master Association.

6.2.2 Notwithstanding any contrary provision in this Declaration, District No. 1 as Owner of the District Units shall, in addition to the responsibilities set forth in Section 6.2.1 above, be fully responsible at its sole cost for the maintenance, repair and replacement of improvements specifically comprising or exclusively serving the District Units, such as but not limited to the public pedestrian access improvements, restrooms, storage, lockers, escalators, stairways and lobby.

6.2.3 Notwithstanding the foregoing maintenance responsibilities of the Owners, the Association may, without obligation, elect to maintain, replace, repair or alter any exterior element (e.g., exterior decks and railings) for the Condominium Units and/or any Limited Common Elements so as to maintain such elements in good order and repair and in an attractive, functional and harmonious appearance, and the cost of same shall be charged to the applicable Unit(s) as part of that Unit(s)' annual or special Assessment.

6.2.4 An Owner shall not allow any action or work that will impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of the Building, or impair any easement or hereditament. Except as otherwise set forth in Section 11.10, no Owner shall alter any Common Elements without the prior written consent of the Executive Board. Notwithstanding the foregoing, any maintenance or repair performed on or to the Common Elements by an Owner or occupant which is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or occupant, and the Owner or occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

Section 6.3 Reserve Account. The Association shall establish and maintain, as part of its budget and out of the installments of the annual Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be replaced on a periodic basis. Such capital reserves will be based on reserve studies conducted by the Association pursuant to its Policies for Investment of Reserve Funds and Performance of Reserve Study.

Section 6.4 Owner-Caused Damage; Insurance Responsibilities. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Elements or of any Individual Air Space Unit is caused through or by the act, omission or neglect of an Owner, or by any member of an Owner's family, or by an Owner's guests, invitees, licensees or tenants, then the expenses incurred by the Association for such maintenance, repair, or replacement and/or any insurance deductible related to such maintenance, repair or replacement shall be a personal obligation of such Owner. Owners may be further liable for non-insured losses (or losses below the applicable insurance deductible) and for insurance deductibles or portions thereof, even if not at fault, in accordance with this Declaration. If an Owner fails to repay the obligations of such Owner as outlined in this Section above within thirty (30) days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Section, and such expenses shall automatically become a default Assessment determined and levied against such Unit, enforceable by the Association in accordance with Sections 7.9, 7.10 and 7.11 below.

Section 6.5 Delegation of Management and Maintenance Duties. The Executive Board may delegate all or any part of its powers and duties to a Managing Agent, including Declarant, or to the Master Association upon the consent of such party; however, the Executive Board, when so delegating, shall not be relieved of its responsibilities under this Declaration and no such delegation shall modify specific requirements in the Association Documents for approval of certain actions by the Executive Board or members of the Association. Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the Executive Board shall not be able to independently terminate the Management Agreement pursuant to Section 38-33.3-305 of the Act without the approval of Owners representing a majority of the votes in the Association.

Section 6.6 Acquiring and Disposing of Personal Property. The Association may acquire, own, and hold for the use and benefit of all Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise. Each Owner may use such personal property in accordance with the purposes for which it is intended as set forth in the rules and regulations of the Association, without hindering or encroaching upon the lawful rights of other Owners.

Section 6.7 Pledge of Future Income. The Association is authorized to pledge and assign its right to future income, including the right to receive Assessments, as collateral for loans or to secure other monetary obligations of the Association, subject to any membership approval of such loan or obligation as required by Section 7.6 below.

Section 6.8 Cooperation with District, Master Association and Other Associations. The Association may contract or cooperate with District No. 1, the Master Association or with other homeowners' associations, districts or entities within Snowmass Base Village as convenient or necessary to provide services and privileges and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Association or such other organizations, for the benefit of Owners and their family members, guests, tenants and invitees. The costs associated with such efforts by the Association (to the extent not chargeable to other organizations) shall be a Common Expense.

Section 6.9 Issuance of Rules and Regulations. The Executive Board may, by a majority of the voting Directors, make and amend reasonable rules and regulations governing the use and operation of the Common Elements, subject to the express restrictions of Section 3.9 above or elsewhere in this Declaration.

The Residential Directors may make and amend reasonable rules and regulations governing exclusively the Limited Common Elements-Residential or exclusively residential matters. The Commercial Director may make and amend reasonable rules and regulations governing exclusively the Limited Common Elements-Commercial or exclusively commercial matters. The Club Director may make and amend reasonable rules and regulations governing exclusively the Club Units or exclusively Club Plan matters. The Executive Board shall comply with the Association's policies and procedures for the adoption and amendment of rules and regulations. Owners acknowledge that the Association holds full authority to adopt rules and regulations governing the Common Elements.

Section 6.10 Enforcement of Association Documents. The Association or any aggrieved Owner may take judicial action against any Owner to enforce compliance with such rules and regulations and with the other provisions of this Declaration and other Association Documents to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

Section 6.11 Identity of Executive Board and Managing Agent. From time to time, but no less than annually, there shall be communicated to the Owner by the Association the names and addresses of the members of the Executive Board and the Managing Agent, if any.

Section 6.12 Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall collect from the new Owner at the time of the sale of each Condominium Unit an amount equal to three (3) months' installments of annual Assessments at the rate in effect at the time of the sale. Such payments to this fund shall not be considered advance payments of annual Assessments. The unused portion of the working capital deposit, as determined by the Executive Board, shall be returned to each Owner upon the sale of its Condominium Unit, provided that the new purchaser of the Condominium Unit has deposited with the Association an amount equal to three (3) months' installments of annual Assessments at the rate in effect at the time of the sale.

Section 6.13 Implied Rights. The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the other Association Documents, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association in the Association Documents or reasonably necessary to effectuate any such right or privilege.

Section 6.14 Books and Records of the Association. The Managing Agent or the Executive Board, as the case may be, shall keep detailed, accurate records of the receipts and expenditures affecting the Common Elements and shall maintain such other books and records as may be required under the Act. Owners and Mortgagees may inspect the records of receipts and expenditures of the Managing Agent or the Executive Board according to the terms and conditions set forth in the Responsible Governance Policies of the Association relating to inspection of the Association records. In addition, the other books, records, and papers of the Association, including this Declaration, the articles of incorporation and the bylaws of the Association, as well as any Management Agreement and any rules and regulations of the Association, shall be available for inspection by any Owner or Mortgagee according to the terms and conditions set forth in the Responsible Governance Policies of the Association relating to inspection of Association records.

Section 6.15 Security and Safety Measures. Owners acknowledge and agree that the Project is a complex and integrated set of improvements and building systems which require a high level of security. In an attempt to maintain the health, safety and comfort of the individuals using the Project and to maintain the integrity of the Project itself, the following security and safety measures shall bind Owners and their rental guests:

6.15.1 Third Party Rental Agents. In order to provide proper security for the Project and to help establish a standard of quality of the experience of rental guests, the Managing Agent is

authorized to confirm (in a signed writing or otherwise at the election of the Managing Agent) and to enforce certain minimum requirements by third party rental agents operating at the Project, as follows: The third party rental agent (a) must be qualified to provide rental management or brokerage services in accordance with applicable law, (b) has agreed in writing to comply with this Declaration, the Association Documents and the reasonable policies and procedures adopted by Managing Agent to the insure safety and non-disturbance of Owners and rental guests, and (c) has appointed a natural person who remains within a sixty (60) minute distance of the Project and who is available 24 hours per day, 7 days per week, to serve the requests of the applicable rental guests, to handle complaints and to generally serve as the local agent for the rental guest, which name and contact information will be provided to the Managing Agent and the Managing Agent is authorized to contact such person in connection with complaints, requests or other matters involving the applicable rental guest.

6.15.2 Third Party Service Providers. All third-party service providers (for example and by way of illustration only, cleaning services, plumbers, electricians and other servicemen) and other third-party agents or representatives of a Residential Owner or rental guest are required to check-in with Managing Agent before entering any Residential Unit. The Managing Agent may adopt reasonable rules and regulations governing such third-party access, including, without limitation, permissible hours and days of access, requirements for proper identification, requirements for use of specific entry points and access routes, and other requirements designed to insure safety and non-disturbance of Owners and rental guests and the integrity of building systems. The grant of access to a service provider shall not be deemed approval of any activity by such service provider and all requirements of this Declaration and the Association Documents shall remain applicable, including, without limitation, the requirement to secure Association prior approval with respect to any work on mechanical, communication or other building systems.

6.15.3 Key Lock System. Each Residential Owner acknowledges and agrees that the Association has full control of and responsibility for the electronic door locking system or other door key system for all Residential Units, including both hardware and software components of the system, which system is a Limited Common Elements appurtenant to all Residential Units. Managing Agent shall furnish a key card or other means of access to the Residential Owner but shall have the right to change or upgrade locks and locking devices. The Residential Owner shall not alter, tamper with, interfere with, add or remove any electronic locking device or other type of locking device without the prior written approval of the Association and shall use reasonable care not to damage the locking device.

ARTICLE 7
ASSESSMENTS

Section 7.1 Covenant of Personal Obligation of Assessments. Declarant and every other Owner, by acceptance of the deed or other instrument of transfer of its Condominium Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree with the Association, and hereby does so covenant and agree to pay to the Association the (a) annual Assessments, (b) special Assessments, and (c) default Assessments applicable to the Owner's Condominium Unit. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Elements or the facilities contained in the Common Elements or by abandoning or leasing its Condominium Unit. The Association is authorized pursuant to Section 7.2.6 below to levy and collect from Owners of Condominium Units the Assessments owing to the Master Association as part of the Association's own assessment procedures and to promptly remit such Assessments collected by the Association to the Master Association. In accordance with Section 38-33.3-315(1) of the Act, Declarant shall pay all Common Expenses until the Association levies its first Assessment to Owners. In the event Assessments have not first been levied by the Association at the time of any conveyance of a Condominium Unit from Declarant to an Owner, then that Owner shall not be obligated for Common Expenses until the first levy of Assessments, which the Association may effect at any time upon written notice to Owners.

Section 7.2 Purpose of Assessments. The Assessments levied by the Association shall be used for the purpose of promoting the health, safety, convenience, and general welfare of the Owners and the improvement and maintenance of the Common Elements and of the services and facilities located on the Common Elements. Proper uses of the Assessments shall include, but are not limited to, the following:

7.2.1 Repairing, replacing, renovating, maintaining and improving any of the Common Elements;

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

7.2.3 Furnishing trash pickup, recycling and/or compost services and water, sewer and utility services and other services to the Project;

7.2.4 Obtaining maintaining and administering insurance in accordance with the provisions of Article 8 below;

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

7.2.6 Paying expenses assessed to the Owners pursuant to the Master Declaration;

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

7.2.8 Generally, addressing any other expenses necessary to meet the purposes of the Association as determined by the Executive Board.

Section 7.3 Amount of Total Annual Assessments. The total annual Assessments against all Condominium Units shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such fiscal year, as approved pursuant to Section 7.5 below, which estimates may include, among other things, the costs associated with the items enumerated in Section 7.2 above, together with any other costs and fees which may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of the Association Documents. In the event of surplus funds remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves, the Executive Board may within its discretion apply the surplus funds (a) into reserves, (b) toward the following year's Common Expenses, (c) toward a credit to Owners against future Assessments or in the form of a distribution, or (d) any combination of the foregoing.

Section 7.4 Apportionment of Annual Assessments.

7.4.1 Each Owner shall be responsible for that Owner's share of the Common Expenses of the Association. The total annual Assessment for any fiscal year of the Association shall be assessed to the Condominium Units in accordance with the percentage interest in the Common Elements allocated to each Unit as set forth in Exhibit C to this Declaration; provided, however, that

(a) The allocation of Common Expenses to a Club Unit will be further allocated among the Club Interest Owners in the manner provided in the Club Plan.

(b) The allocation of Common Expenses to an Employee Housing Unit that would otherwise be allocated in accordance with Exhibit C shall be an allocation equal to one-half (0.5)

of the percentage allocation otherwise attributable to such Employee Housing Unit as set forth in Exhibit C.

(c) With respect to Common Expenses related to (i) the Rooftop Amenities, (ii) those Limited Common Elements comprising the ski locker room and owner ski storage area, and (iii) Amenity Unit A, if the Association is conveyed and assumes the operations of Amenity Unit A as described in this Declaration, the related Common Expenses shall be allocated among the Residential Units based on an equal per-bedroom formula; provided, however (i) a Residential Unit that is submitted to the One Snowmass Residence Club by subjecting it to the Club Plan shall be charged 1.___ times the allocation otherwise attributable to such Residential Unit, which allocation will be further allocated among the Club Interest Owners in the manner provided in the Club Plan, and (ii) in the event that the Rooftop Amenities (and/or Amenity Unit A, if conveyed to the Association) are subject to any license agreement(s) providing rights of use and enjoyment to residences outside of the Project, the Common Expenses shall be allocated among all residences having such rights of use and enjoyment on an equal per-bedroom formula; provided, however, timeshare and fractional ownership residences shall be charged 1.__ times the allocation of a whole ownership residence.

7.4.2 Common Expenses allocated to a particular class of Owners shall be allocated among the Units in the same apportionment as provided for regular Assessments in Section 7.4.1 above in a relative manner among all Units within the applicable class of Units.

7.4.3 To the applicable Condominium Unit(s) for costs chargeable to such individual Unit(s) as provided in this Declaration, including, without limitation, expenses for maintaining, repairing, replacing, or improving any Limited Common Element allocated to such Unit(s); expenses of maintaining, repairing and replacing other exterior elements of such Unit(s); costs of insurance premiums in proportion to risk (if reasonably determinable) and/or insurance deductibles in the manner discussed in Article 8 below; costs of utilities assessed in proportion to usage if the same are separately measured or to the extent the same can otherwise be fairly and equitably attributed to the Condominium Unit(s); costs of telephone, television and internet services based on charges by the applicable provider or otherwise on an equitable basis (e.g., on number of active outlets); expenses chargeable to a particular Owner or Owners as provided in this Declaration or the Association Documents; and other expenses that directly benefit one or more, but less than all, of the Condominium Units and the general allocation of such expenses would be unfair and inequitable to other Owners.

7.4.4 The Executive Board shall determine the applicable budgeting category for each cost and expense of the Association, subject to the Owners' right to veto the budget pursuant to Section 7.5 below. Notwithstanding the foregoing, in the event of any dispute between the Residential Owners and the Commercial Owners (or between the residential and commercial representatives on the Executive Board) regarding the allocation of Common Expenses between the budgeting categories, then such issue shall be submitted to binding arbitration in Pitkin County, Colorado in accordance with Section 5.5 above.

Section 7.5 Annual Budget. Within ninety (90) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budgets. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary. The Executive Board shall give notice to the Owners of the meeting as allowed for in the bylaws. The budget proposed by the Executive Board does not require approval from the Owners and it will be deemed approved by the Owners in the absence of a veto at the noticed meeting by a vote of sixty-seven percent (67%) or more of all votes in the Association. With respect to any budget adopted by a particular class of Director(s) representing that ownership class, such class budget will be deemed approved by the class of Owners in the absence of a veto at the noticed meeting by a vote of sixty-seven percent (67%) or

more of all votes within such ownership class. In the event a proposed budget is not ratified or the Executive Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then-current year shall continue for the succeeding year. The Executive Board shall levy and assess the Association's annual Assessments in accordance with the annual budget.

Section 7.6 Special Assessments; Loans. In addition to the annual Assessments authorized above, the Executive Board may at any time and from time to time determine, levy, and assess in any fiscal year (without the vote of the members of the Association, except as provided in the Act and in this Section below) a special Assessment applicable to that particular fiscal year (and for any such longer period as the Executive Board may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolishing, replacement, renovation or maintenance of the Common Elements or of any facilities located on the Common Elements, specifically including any fixtures and personal property related to it. Any amounts determined, levied, and assessed pursuant to this Declaration shall be assessed to the Condominium Units in the same percentages as are applicable to annual Assessments; provided, however, that any extraordinary insurance costs incurred as a result of the value of a particular Owner's Condominium Unit or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Special Assessments shall be based upon a budget adopted in accordance with Section 7.5 above; provided, however, that the Association may adopt, if necessary, a new budget pursuant to Section 7.5 prior to levying a special Assessment. Such special Assessment(s) shall be due and payable as determined by the Executive Board.

Notwithstanding the foregoing or any contrary provision herein, in the event that the Executive Board, as part of a single proposal or as part of more than one proposal that nonetheless involves a single or integrated plan, proposes (a) a Special Assessment, or series of periodic Special Assessments, (b) a loan or other monetary obligation, and/or (c) an increase in annual Assessments, each of which alone or all in combination exceed twenty percent (20%) of the prior year's annual budget of the Association, such proposal(s) must be approved by the Executive Board, with the approval of at least one (1) director representing each of the Residential Owners and the combined Commercial/District Owners, and a vote of a majority of the votes of any quorum of Owners present at a meeting called for such purpose.

Section 7.7 Due Dates for Assessment Payments. Unless otherwise determined by the Executive Board, the annual Assessments and any special Assessments which are to be paid in installments shall be paid quarterly in advance and shall be due and payable to the Association at its office or as the Executive Board may otherwise direct in any Management Agreement, without notice (except for the notices required by this Article 7), on the first day of each calendar quarter. The Association may, without obligation, collect from Owners assessments owing to the Master Association and remit same to the Master Association. If the event of delinquent payments, then the Board may assess a "late charge" on the installment, impose interest on the outstanding amount and assess other costs and charges as set forth in the Collections Policy of the Association. An Owner's Assessment shall be prorated if the ownership of a Condominium Unit commences or terminates on a day other than the first day or last day, respectively, of a calendar quarter or other applicable payment period.

Section 7.8 Declarant's Obligation to Pay Assessments. Declarant shall be obligated to pay the annual and special Assessments (including installments thereof) on each Unit owned by it.

Section 7.9 Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner in accordance with this Declaration or the Association Documents, shall become liens against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration and the Association Documents. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to the Assessment at least thirty (30) days prior to the due date.

Section 7.10 Lien for Assessments. The annual, special, and default Assessments (including installments of the Assessments) arising under the provisions of this Declaration (together with any and all interest, costs, late charges, expenses, and reasonable attorneys' fees, including legal assistants' fees, which may arise under the provisions of Section 7.11 below) shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Unit to which such Assessments apply. To further evidence such lien upon a specific Unit, the Association may, but shall not be obligated to, prepare a written lien notice setting forth the description of the Condominium Unit, the amount of Assessments on the Condominium Unit unpaid as of the date of such lien notice, the rate of default interest as set by the Collections Policy of the Association and Section 7.11 below, the name of the Owner or Owners of the Condominium Unit, and any and all other information that the Association may deem proper. Any such lien notice shall be signed by a member of the Executive Board, an officer of the Association, or the Managing Agent and shall be recorded in the Office of the Clerk and Recorder of the County of Pitkin, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Condominium Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied.

Section 7.11 Effect of Nonpayment of Assessments. If any annual, special, or default Assessment (or any installment of the Assessment) is not fully paid after the same becomes due and payable, then as often as the same may happen, (i) the Executive Board may impose late fees, charges and default interest as provided in Section 7.7 above, (ii) the Association may declare due and payable all unpaid quarterly or other installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, and (iii) subject to the Collections Policy of the Association, the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same and/or may proceed to foreclose its lien against the particular Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages.

An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. If any such Assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Unit, then all unpaid installments of annual and special Assessments and all default Assessments (including any such installments or Assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 7.7 above, any accrued interest under this Section 7.11, the Association's costs, expenses, and reasonable attorneys' fees (including legal assistants' fees) incurred for any such action and/or foreclosure proceedings shall be taxed by the court as part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Unit in satisfaction of the Association's lien. This Section 7.11 is subject to procedures and requirements of the Collections Policy of the Association.

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

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

Section 7.12 Successor's Liability for Assessments. Notwithstanding the personal obligation of each Owner of a Condominium Unit to pay all Assessments on the Condominium Unit, and notwithstanding the Association's perpetual lien upon a Condominium Unit for such Assessments, all successors in interest to the fee simple title of a Condominium Unit, except as provided in Section 7.13 and Section 7.14 below, shall be jointly and severally liable with the prior Owner or Owners of the Condominium Unit for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. However, such successor in interest shall be entitled to rely upon the existence and status of unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees as shown upon any certificate issued by or on behalf of the Association to such named successor in interest pursuant to the provisions of Section 7.14 below.

Section 7.13 Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments. By acceptance of the deed or other instrument of transfer of a Condominium Unit, each such Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. The Association's perpetual lien on a Condominium Unit for Assessments shall be superior to all other liens and encumbrances except the following:

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

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

7.13.3 Any lien created by the Master Declaration.

With respect to the foregoing subpart 7.13.2, to the extent permitted under the Act, any First Mortgagee who acquires title to a Condominium Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Condominium Unit free of any claims for unpaid Association Assessments, interest, late charges, costs, expenses, and attorneys' fees against the Condominium Unit which accrue prior to the time such First Mortgagee or purchaser acquires title to the Condominium Unit, and the amount of the extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Executive Board.

All other persons not holding liens described in subparts 7.13.1 through 7.13.3 above and obtaining a lien or encumbrance on any Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's future liens for Assessments, interest, late charges, costs, expenses, and attorneys' fees, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

A sale or other transfer of any Unit , including but not limited to a foreclosure sale, except as provided in subparts 7.13.1 through 7.13.3 above, and except as provided in Section 7.14 below, shall not affect the Association's lien on such Unit for Assessments, interest, late charges, costs, expenses, and attorneys' fees due and owing prior to the time such purchaser acquires title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof. Further, no such sale or

transfer shall relieve the purchaser or transferee of a Condominium Unit from liability for, or the Condominium Unit from the lien of, any Assessments made after the sale or transfer.

Section 7.14 Statement of Status of Assessments. Upon fourteen (14) calendar days written request (furnished in the manner described below for the response to such request) to the Managing Agent, Executive Board or the Association's registered agent and payment of a reasonable fee set from time to time by the Executive Board, any Owner, prospective purchaser of a Condominium Unit, or Mortgagee shall be furnished, by personal delivery or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) a statement of the Owner's account setting forth:

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

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

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

7.14.4 Any other information deemed proper by the Association.

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

Section 7.15 Failure to Assess. The omission or failure of the Executive Board to fix the Assessment amounts or rates or to deliver or mail an Assessment notice to each Owner will not be deemed a waiver, modification, or release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association in accordance with any budget procedures as may be required by the Act.

ARTICLE 8
INSURANCE

Section 8.1 Association General Insurance Provisions. The Association shall maintain, to the extent commercially available:

8.1.1 Property insurance on the General Common Elements, the Limited Common Elements and the Units for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date;

8.1.2 Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the General Common Elements, Limited Common Elements, and the Association, in an amount, if any, deemed sufficient in the judgment of the Board, insuring the Board, the Association, the Managing Agent, and their respective employees, agents,

and all persons acting as agents. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Board member. The Owners shall be included as additional insureds (and upon the written request of a First Mortgagee of a Unit, such First Mortgagee shall be included as an additional insured) but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one (1) or more insured parties against other insured parties; and

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

8.1.4 Owners are advised that the forgoing insurance maintained by the Association is not anticipated to cover personal property or furnishings of Owners or upgrades installed by an Owner unless made part of the policy or policies of the Association at the option of the Board. EXCEPT AS OTHERWISE PROVIDED IN A CLUB PLAN, EACH OWNER SHALL PURCHASE INSURANCE COVERING SUCH PERSONAL PROPERTY, FURNISHINGS AND UPGRADES, AND COMMERCIAL OWNERS SHALL PURCHASE BUSINESS INTERRUPTION INSURANCE, EACH AS PROVIDED IN SECTION 8.12 BELOW. Owners are advised to review the policies of the Association and their exclusions from coverage.

Section 8.2 Quality of Insurer. All insurance policies carried pursuant this Article 8 shall be written by reputable companies duly authorized and licensed to do business in the State of Colorado with an A.M. Best's rating of "A" or better, if reasonably available or, if not reasonably available, the most nearly equivalent rating.

Section 8.3 Policy Provisions. Insurance policies carried pursuant to Section 8.1 above must provide that:

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

8.3.2 The insurer to the extent possible waives any right to claim by way of subrogation against Declarant, the Association, the Executive Board, the Managing Agent and the Owners, and their respective agents, employees, guests, tenants, invitees, members of an Owner's household and, in the case of Commercial Unit Owners, their respective lenders and licensees, as applicable;

8.3.3 No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

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

8.3.5 The policy shall include a provision requiring a minimum of thirty (30) days' notice of any material change or cancellation of the policy, to the extent such provision is reasonably available.

Section 8.4 Insurance Proceeds. Any loss covered by the property insurance policy described in Section 8.1 above must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and First Mortgagees as their interests may appear. Subject to the provisions of

Section 8.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and First Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 8.5 Association Policies. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to the Property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

Section 8.6 Insurer Obligation. An insurer that has issued an insurance policy for the insurance described in Section 8.1 above shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.

Section 8.7 Repair and Replacement.

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

8.7.1.1 This Declaration and the Common Interest Community created hereby are terminated pursuant to the express provisions of this Declaration or by law;

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

8.7.1.3 Eighty-five percent (85%) of the votes of the Owners, including a majority of all votes allocated to Residential Owners and a majority of all votes allocated to Commercial Owners, and every Owner of a Unit or its appurtenant Limited Common Elements that will not be rebuilt agree in writing not to rebuild, subject, however, to Article 14 below and its procedures in the event of insufficient insurance proceeds; or

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

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

Section 8.8 Common Expenses. Premiums for insurance and other expenses connected with acquiring such insurance are Common Expenses for the Association.

Section 8.9 Fidelity Insurance. Fidelity bonds or a crime fidelity insurance policy shall be maintained by the Association to protect against dishonest acts on the part of their respective officers,

directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two months' current Assessments plus reserves as calculated from its current budget. In addition, such bond or insurance shall name as an insured the Managing Agent of the Association and shall cover the acts of such managing agents' officers, employees, and agents, as applicable. Any such fidelity coverage shall name the Association as an obligee and shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 8.10 Workmen's Compensation Insurance. To the extent that the Association directly employs any individuals, the Association shall obtain workmen's compensation or similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 8.11 Other Insurance. The Association shall also maintain insurance to the extent reasonably available and in such amounts as its executive board may deem appropriate on behalf of their respective Directors against any liability asserted against a Director or incurred by him in his capacity of or arising out of his status as a Director. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to its responsibilities and duties.

Section 8.12 Insurance Obtained by Owners. EXCEPT AS OTHERWISE PROVIDED IN A CLUB PLAN, EACH OWNER SHALL PURCHASE A CONDOMINIUM UNIT OWNER'S POLICY COVERING ALL OF SUCH OWNER'S PERSONAL PROPERTY AND HOUSEHOLD GOODS OR BUSINESS ASSETS, AS APPLICABLE, AND FURTHER COVERING UPGRADES AND BETTERMENTS MADE TO THE UNIT'S INITIALLY INSTALLED IMPROVEMENTS, INCLUDING, BUT NOT LIMITED TO, PLUMBING FIXTURES, LIGHTING FIXTURES, AND BUILT-IN APPLIANCES AND FIXTURES INSTALLED WITHIN THE UNIT AFTER ORIGINAL CONSTRUCTION. THE POLICY SHALL ALSO PROVIDE PERSONAL OR COMMERCIAL LIABILITY COVERAGE, AS APPLICABLE, FOR THE UNIT AND ITS OWNERS. EACH COMMERCIAL OWNER SHALL FURTHER PURCHASE AND MAINTAIN BUSINESS INTERRUPTION INSURANCE. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall conclude to be desirable. However, none of such insurance coverages shall affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage, nor shall such insurance coverage of an Owner result in apportionment of insurance proceeds as between policies of insurance of the Association and/or the Owner. An Owner shall be liable to the Association for the amount of any such diminution of insurance proceeds as a result of insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners of Condominium Units.

The Board may require an Owner to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

Further, District No. 1 shall provide and keep in force general public liability and property damage insurance against claims for bodily injury or death or property damage occurring in, on or upon the District Units and the improvements thereon, in a limit of not less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in the aggregate, and if higher limits shall at any time be customary to protect against tort liability, such higher limits shall be carried and District No. 1 shall name the Association an additional insured party under such policy. District No. 1 shall deliver to the

Association certificates evidencing all insurance required to be carried under this Section upon reasonable request.

Section 8.13 Rights of Subrogation. The Unit Owners and the Association, for themselves and their insurers shall waive all rights of subrogation against Declarant and its contractors and suppliers, and their affiliates, to the extent that any insurer pays a claim on behalf of a Unit Owner or Owners or the Association.

Section 8.14 Unavailability or Cancellation of Coverage. Neither the Association, Declarant nor any Owner shall be liable for failure to obtain any insurance coverage required by this Declaration or for any loss or damage resulting from such failure, if such failure is due to the general unavailability of such coverage from reputable insurance companies. If the insurance described in Section 8.1 above is not commercially available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

ARTICLE 9
CONVEYANCES AND TAXATION OF CONDOMINIUM UNITS

Section 9.1 Contracts to Convey Entered into Prior to Recording of Condominium Map and Declaration. A contract or other agreement for the sale of a Condominium Unit entered into prior to the filing for record of the Condominium Map and this Declaration in the Office of the Clerk and Recorder of the County of Pitkin, Colorado, may legally describe such Condominium Unit in substantially the manner set forth in Section 9.2 below and may indicate that the Condominium Map and this Declaration are to be recorded.

Section 9.2 Contracts to Convey and Conveyances Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Condominium Map and this Declaration, contracts to convey, instruments of conveyance of Condominium Units, and every other instrument affecting title to a Condominium Unit shall be in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required under the Act or by the circumstances or appropriate to conform to the requirements of any governmental authority or any usage or requirement of law with respect thereto:

> Condominium Unit _____, One Snowmass, according to the Condominium Map recorded _____, 20__, at Reception No. _____, and as defined and described in the Condominium Declaration for One Snowmass, recorded _____, 20__, at Reception No. _____ in the Office of the Clerk and Recorder of Pitkin County, Colorado. (with applicable recording information inserted herein).

Section 9.3 Conveyance Deemed to Describe an Undivided Interest in Common Elements. Every instrument of conveyance, Mortgage, or other instrument affecting the title to a Condominium Unit which legally describes the Unit substantially in the manner set forth in Section 9.2 above shall be construed to describe the Individual Air Space, together with the undivided interest in the Common Elements appurtenant to it, and together with all fixtures and improvements contained in it (unless any such fixtures or improvements shall be Common Elements), and to incorporate all the rights incident to ownership of a Condominium Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, including the easement of enjoyment to use the Common Elements.

Section 9.4 Separate Tax Assessments. Upon the recording of this Declaration and the filing of the Condominium Map for record in the County of Pitkin, Colorado, Declarant shall deliver a recorded

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

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

ARTICLE 10
MECHANICS' LIENS

Section 10.1 Mechanics' Liens. Subsequent to the recording of this Declaration, no labor performed or materials furnished for use and incorporated in any Condominium Unit with the consent of or at the request of the Owner of the Condominium Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in connection with work on such Owner's Condominium Unit against the Condominium Unit of another Owner or against the Common Elements, or any part thereof.

Section 10.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner (if the Association determines that further action by the Association is proper) the Association shall enforce the indemnity provided by the provisions of Section 10.1 above by collecting from the Owner of the Condominium Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Condominium Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 10.2, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit, and enforceable by the Association in accordance with Sections 7.9, 7.10 and 7.11 above.

ARTICLE 11
PROPERTY RESTRICTIONS AND COVENANTS

Section 11.1 Residential Uses. All Residential Units shall be used for dwelling and lodging purposes only, in conformity with all zoning laws, ordinances and regulations and with all provisions of this Declaration. A Residential Unit may be used for home occupations, provided (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Residential Unit; (b) the business activity does not involve visitation of the Residential Unit by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected

for guest visitation to a residence without business activity; (c) the business activity is legal under all local, state and federal laws and conforms to all zoning requirements for the Project; (d) the business activity does not increase pedestrian or vehicular traffic in the Project in excess of what would normally be expected for Residential Units in the Project without business activity; (e) the business activity is consistent with the residential character of the Residential Unit and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Owners or occupants of the Project; and (f) the business activity does not result in a materially greater use of Common Elements or other facilities at the Project, in each case as determined at the discretion of the Executive Board. Long-term or short-term rentals shall not be considered a home occupation or commercial use. Use, occupancy and operation of the Club Units under a Club Plan shall not be considered commercial use. No Residential Unit may be used for "day care," "child care" or "pet care" services, whether licensed or unlicensed. No signage shall be permitted identifying home occupations. Notwithstanding the foregoing, Declarant may use any Residential Unit as a sales office, management office, rental and/or property management office, storage facility and/or such other uses as may be permitted under the Act

Section 11.2 Priority of Club Plan as to Permitted Uses of Club Units. It is intended that the Club Plan shall govern all rights of Owners with respect to the use, possession, enjoyment, management and disposition of the One Snowmass Residence Club and the Club Units subjected thereto. Accordingly, all rights with respect to the use, possession, enjoyment, management or disposition of a Club Unit or the rights and interests therein which an Owner might otherwise have a tenant-in-common (including, but not limited to, any common law or statutory right jointly to use, possess or manage commonly owned property) are hereby unconditionally and irrevocably subordinated to the Club Plan for so long as the Club Plan shall remain in effect; provided, however, that in the event that an election to withdraw a Club Unit from a Club Plan or to terminate the Club Plan is made pursuant thereof, an Owner shall have the rights specified in the withdrawal or termination provisions of the Club Plan. Except as provided in the Club Plan, no Owner or other person or entity acquiring any right, lien or interest in the One Snowmass Residence Club shall seek or obtain, through any legal procedures, judicial partition of the One Snowmass Residence Club or the sale thereof in lieu of partition. If, however, any right, title or interest in a Club Unit is owned by two (2) or more persons as tenants-in-common or as joint tenants or as community property, nothing herein contained shall prohibit a judicial sale of such right or interest in lieu of partition as between such co-tenants or joint tenants.

Section 11.3 Commercial Uses. The Commercial Units shall be used and occupied for service, office and retail business purposes, including, but not limited to, retail stores, ski and snowboard shops and services, offices, food and beverage operations, day-care medical clinics (which may have night hours of operation but not overnight care of patients) or for other commercial purposes permitted by applicable zoning. Owners of Commercial Units may rent or lease such Units to others for the uses permitted herein. Any commercially customary operating hours, and the customary lights, sounds and odors which result from such activities, shall not be deemed a nuisance; provided, however, (i) no amplification or other excessive noise shall be permitted between the hours of 12:00 midnight and 6:00 a.m., (ii) no outdoor activities of any kind shall be permitted during the hours of 12:00 midnight and 6:00 a.m., and (iii) no ski or snowboard tuning shall be permitted or any other use which would generate a similar or higher level of noise or impact to the residential nature of the Project. Declarant may use any Commercial Unit as a sales office, management office, rental and/or property management office, storage facility and/or other uses as may be permitted under the Act. Notwithstanding the foregoing, no Commercial Unit or appurtenant Limited Common Elements shall be used for any manufacturing business or other similar industrial use.

Section 11.4 Employee Housing Units. The Employee Housing Units are hereby designated as rental "Restricted Housing" as such term is defined in the Base Village Housing Agreement and as described in Section 1.3.1(a) thereof. As required by Section 1.5 of the Base Village Housing Agreement, the Employee Housing Units shall be maintained at restricted rents and leased in the manner provided Section 1.4.3(a) of the Base Village Housing Agreement and other applicable provisions of the Base Village

Housing Agreement. Employee Housing Units will enjoy reduced Assessments as provided in Section 7.4 above and, accordingly, shall have no right to access, use or enjoyment of the Rooftop Amenities, the Amenity Units and certain Residential Limited Common Elements providing amenities to the Residential Owners (i.e., ski locker room and owner ski storage area), notwithstanding any contrary provision herein granting such rights to the Residential Owners. The provisions of this Section 11.4 may not be amended or repealed without the written consent of the Town.

Section 11.5 District Units. The District Units shall be used (a) for public and skier pedestrian access purposes, (b) for pedestrian access purposes by Owners and their respective guests, tenants, employees, customers, invitees and licensees, and (c) for use by the public of restroom and locker facilities located therein and other functions and uses consistent with the purposes hereunder, and District No. 1 shall have the right to grant rights, easements and interests in and through the District Units to the public or to specific third parties in order to facilitate such use. District No. 1 shall be entitled to manage the District Units, including, without limitation, by the adoption and amendment of reasonable rules and regulations governing such use. Owners acknowledge and accept that use of the District Units may cause visible and audible impacts to the Units and the Project. In addition, all improvements within the District Units may not be completed concurrently with the completion of the remainder of the Project, and that construction work in the District Units in the future may cause visible and audible impacts to the Units and the Project. This Section 11.5 may not be amended or repealed without the written consent of District No. 1.

Section 11.6 Amenity Units.

11.6.1 Uses of Amenity Unit A. Amenity Unit A as depicted on the Map and any appurtenant Limited Common Elements shall initially be used for fitness facilities and related services and operated by its Owner pursuant to those license agreement(s) providing access to certain owners and occupants within Snowmass Base Village, among others; provided, however, if all such license agreement(s) are ever terminated in the future or are amended to permit additional uses within Amenity Unit A, Amenity Unit A may be used for any recreational, social or entertainment purposes as determined by the Owner of Amenity Unit A. While Residential Owners enjoy access privileges to Amenity Unit A pursuant to that One Snowmass Fitness Facility License Agreement entered into between Declarant and the Association (the "Fitness License Agreement") to the extent that the Fitness License Agreement remains in full force and effect, Amenity Unit A and its facilities and services are not Common Elements of the Project. The Owner of Amenity Unit A retains all rights of ownership, management and use in Amenity Unit A. Without limiting the generality of the foregoing, the Owner of Amenity Unit A reserves the right to use Amenity Unit A in connection with or reasonably related to (a) the right to extend license, lease and/or use privileges to other owner associations and their members, to other properties and to third parties who may or may not be residents at Snowmass Base Village, whether on a temporary or permanent basis, and (b) the right to grant rights or privileges in connection with the marketing and/or sales of properties located within or to be developed within Snowmass Base Village. Further, the Owner of Amenity Unit A (i) may adopt rules, regulations and procedures with respect to Amenity Unit A, (ii) shall have full and absolute authority over the manner and timing of maintenance, repair and alteration of Amenity Unit A, subject to the express terms of this Declaration and any applicable terms of the Fitness License Agreement, and (iii) shall have full and absolute authority over the manner and timing of services provided and operations relating to Amenity Unit A, including, without limitation, the level of staffing. The Owner of Amenity Unit A retains and reserves all rights to use, occupy, maintain, repair, replace, reconfigure, operate and enjoy Amenity Unit A, subject to the express terms of this Declaration and any applicable terms of the Fitness License Agreement.

11.6.2 Uses of Amenity Unit B. Amenity Unit B as depicted on the Map and any appurtenant Limited Common Elements shall initially be used as a lounge known as the Inspirato Lounge operated by Inspirato and providing access to certain owners and occupants within Snowmass Base Village, among others, pursuant to a certain lease with Inspirato (the "Inspirato Lease") to the extent that the

Inspirato Lease remains in full force and effect; provided, however, if Amenity Unit B ceases to operate as the Inspirato Lounge, Amenity Unit B may be used for any recreational, social or entertainment purposes as determined by the Owner of Amenity Unit B. Amenity Unit B and its facilities and services are not Common Elements of the Project. The Owner of Amenity Unit B retains all rights of ownership, management and use in Amenity Unit B. Without limiting the generality of the foregoing, the Owner of Amenity Unit B reserves the right to use Amenity Unit B in connection with or reasonably related to (a) the right to extend license, lease and/or use privileges to other owner associations and their members, to other properties and to third parties who may or may not be residents at Snowmass Base Village, whether on a temporary or permanent basis, and (b) the right to grant rights or privileges in connection with the marketing and/or sales of properties located within or to be developed within Snowmass Base Village. Further, the Owner of Amenity Unit B (i) may adopt rules, regulations and procedures with respect to Amenity Unit B, (ii) shall have full and absolute authority over the manner and timing of maintenance, repair and alteration of Amenity Unit B, subject to the express terms of this Declaration, and (iii) shall have full and absolute authority over the manner and timing of services provided and operations relating to Amenity Unit B, including, without limitation, the level of staffing. The Owner of Amenity Unit B retains and reserves all rights to use, occupy, maintain, repair, replace, reconfigure, operate and enjoy Amenity Unit B, subject to the express terms of this Declaration.

11.6.3 Put Option. In the event that the Owner of either Amenity Unit A or Amenity Unit B at any time provides written notice to the Association that it is ceasing operations of the applicable Amenity Unit and is electing to convey such Amenity Unit to the Association, the Owner of the applicable Amenity Unit shall be required to convey, for no consideration other than the Association's obligation to maintain, manage and operate such Amenity Unit and honor the rights and privileges of all parties having rights and privileges thereto, whether under a license, lease or other instrument, which will be assigned to the Association as part of the conveyance of the Amenity Unit to the Association (such as but not limited to the Fitness License Agreement and/or the Inspirato Lease), and the Association shall be required to accept conveyance of the Amenity Unit and to hold same as a Limited Common Element appurtenant to the Residential Units, to assume any related license, lease or other instrument applicable to the conveyed Amenity Unit and to assume the obligations of the Owner of such Amenity Unit under the terms of the license, lease or other instrument (the "Amenity Unit Put Option"). If the Amenity Unit Put Option is exercised by the Owner of either Amenity Unit, the conveyance of the applicable Amenity Unit will be accomplished in accordance with the terms and provisions set forth in Exhibit D attached hereto and incorporated herein. The Amenity Unit Put Option shall survive any exercise with respect to one Amenity Unit and shall remain fully valid and binding with respect to the other Amenity Unit.

11.6.4 This Section 11.6 and/or the terms of Exhibit D hereto may not be amended or repealed without the written consent of the Owners of the Amenity Units.

Section 11.7 Check-In Units. A Check-In Unit may be operated for purposes of check-in/check-out of Owners and guests, concierge, bell service, lobby areas, rental and property management services, changing rooms, offices, storage and other ancillary uses as determined by the Owner of a Check-In Unit. The Check-In Units and their facilities, systems and services are not Common Elements of the Project and neither the Association nor any Owner has any right, privilege or interest in a Check-In Unit or to its facilities, systems or services except pursuant to a separate agreement, if any, with the Owner of a Check-In Unit. The Owner of a Check-In Unit retains all rights of ownership, management and use, including, without limitation (a) the right to check-in and provide services to owners, guests, renters and tenants of other properties both within and outside of Snowmass Base Village and to other third parties, (b) the right to grant rights or privileges in and to the Check-In Units as determined by the Owner of a Check-In Unit, including, but not limited to, Inspirato, and (c) the full and absolute authority over the manner and timing of operations of the Check-In Unit and the facilities, systems and services related thereto, such as but not limited to the level of staffing.

Section 11.8 Rooftop Amenities. It is acknowledged and agreed that the Rooftop Amenities are subject to that certain Rooftop Amenities License Agreement granting access rights to the certain eligible users of the project within Snowmass Base Village known as Lumin. The Association, as licensor under such License Agreement, agrees to abide by its obligations under such License Agreement and to maintain, manage and operate the Rooftop Amenities in accordance with the terms of such License Agreement. Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the Executive Board shall not be able to independently terminate such License Agreement pursuant to Section 38-33.3-305 of the Act, to the extent applicable, without the approval of Owners representing a majority of all votes in the Association. This Section 11.8 may not be amended or repealed without the written consent of Declarant.

Section 11.9 Conveyance of Condominium Units. All Condominium Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration or the Master Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and in the Master Declaration, as the same may be amended from time to time.

Section 11.10 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on or removed from any part of the Common Elements by any Owner without the prior written approval of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Association. Without the prior written consent of the Executive Board, no Owner or occupant of a Condominium Unit shall penetrate the interior surface walls or drywall of an Individual Air Space Unit for any reason, including, by way of illustration, but not limitation, running speaker wire or cable in a Condominium Unit. With prior written approval by the Executive Board, and subject to any restrictions imposed by the Executive Board, an Owner may reserve portions of the Common Elements for use for a period of time as set by the Executive Board. Any such Owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of the Owner and Owner's guests, lessees and invitees, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. Upon the request of the Association, such Owner shall also immediately reimburse the Association for any expenses that it incurs related to any damage or injury to any person or improvement as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees. This Section shall not apply to Declarant, so long as Declarant shall own a Condominium Unit.

Section 11.11 Use of Limited Common Elements. Except as otherwise provided herein, the use of the Limited Common Elements assigned to Condominium Unit(s) is restricted exclusively to the Owners of the Condominium Unit(s) to which such Limited Common Elements are assigned, and said Owner's guests, lessees and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

Section 11.12 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Project or, taking into account that the Project is a mixed-use project and the particular use involved, in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to or waste of the Common Elements shall be committed by any Owner, or by any member of the Owner's family, or by any guest, invitee, or

contract purchaser of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him, the members of his family, or his guests, invitees, or contract purchasers. Failure to so indemnify shall be a default by such Owner under this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Condominium Unit. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper), the Association shall enforce the foregoing indemnity as a default Assessment.

Section 11.13 Prohibited and Restricted Uses. In addition to the other restrictions contained elsewhere in this Declaration, the occupation and use of the Residential Units and their respective tenants and invitees is subject to the following restrictions:

11.13.1 Overloading. The Residential Units may not be used for any use beyond the maximum loads the floors of the Project designed to carry and no apparatus, equipment, fixtures or other property of any nature may be located within the Residential Unit if the same, singularly or in the aggregate, would violate the maximum loads that the structural flooring in the Residential Unit is designed to support. Further, a Residential Unit may not be used for any use which would place any extraordinary burden on any portion of the Project.

11.13.2 Nuisance. The Residential Units may not be used for any use (1) constituting a public or private nuisance, (2) consisting of the manufacture of any product, or (3) which causes undue odor, noise, vibration or glare, including, without limitation, the use of amplification or equipment, in each instance in a manner that in the sole discretion of the Executive Board interferes with the rights, comfort or convenience of the other Owners. Section 11.12.3 below sets forth specific prohibitions and regulations related to smoking. The Association may adopt rules and regulations to further define and regulate possible nuisances.

11.13.3 Smoking Prohibitions and Regulation. Smoking is absolutely prohibited in or on all areas comprising the Project other than within an Individual Air Space Unit of a Residential Unit and is prohibited on Terraces, Limited Common Elements and all Common Elements. Further, smoke which escapes from an Individual Air Space Unit into another Unit or Common Element shall be considered a nuisance and subject to applicable remedies against the offending Owner, including, without limitation, the imposition of fines in accordance with the governance policies of the Association. The Association may adopt rules and regulations to further define and regulate smoking. Smoking shall be deemed to include the use of smoke-producing or vapor-producing products such as, but not limited to, cigarettes, cigars, pipes, marijuana, hookah, and electronic smoking devices (e.g., vaping). Smoking shall not be deemed to include smoke-producing or vapor-producing products involved with customary cooking, grilling or other household practices within a Unit.

11.13.4 Violation of Law. No portion of a Unit may be used for any use which violates any law, statute, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the Property, including, without limitation, any of them that regulate or concern hazardous or toxic waste, substances or materials.

11.13.5 Pets. In all instances pets shall be governed by the maintenance standard set forth in Section 6.1 above and regulated by applicable rules and regulations of the Association, which rules and regulations may include, without limitation, a maximum number of permitted house pets within a Residential Unit. Permitted house pets include domesticated dogs, cats, caged birds, and aquarium fish. Permitted house pets also include specially trained animals that serve as physical aids to handicapped residents and permitted by applicable law. Pets which are not usual and ordinary domestic household pets may not be kept within the Units. No pet may be kept, bred or maintained for any commercial purpose. If a pet is deemed dangerous or obnoxious in the subjective opinion of the Executive Board, the Owner having

control over the animal will be given a written notice to correct the problem. If such problem is not corrected to the satisfaction of the Executive Board, such Owner, upon written notice and in accordance with the policies and procedures of the Association related to covenant enforcement, may be required to remove the animal from the Residential Unit and/or may be subject to fines and/or other applicable remedies during the period of violation. The Owner having control over the pet is responsible for cleaning up after the pet and will hold the Association harmless from any liability, claim, damage, cost or expense resulting from any action of their pet. At any time a pet is outside the Residential Unit, it must be accompanied by its owner and on a leash and otherwise under the control of its owner.

11.13.6 Barriers; Front Desk. Unless expressly approved by the Executive Board and by Declarant, (a) the Association is prohibited from constructing any new wall, door or other improvement creating a redesign of any Common Element floor plan, and (b) the Association is prohibited from constructing any front desk or other reception area in any portion of the Building. As further discussed in Section 11.14.7 below, a Commercial Unit or Units within the Project are to be utilized as check-in for owners, guests and renters of properties both within and outside of Snowmass Base Village in the manner and subject to the restrictions determined by the owner and/or operator of such Commercial Unit(s).

11.13.7 Window Coverings. To ensure a consistent exterior appearance for the Residential Units, all window coverings as seen from outside of a Residential Unit or the Building must be the color specified in the Association's rules and regulations. All window coverings must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged or otherwise unsightly in the opinion of the Executive Board. The Executive Board will adopt rules and regulations requiring specific window coverings as the approved window coverings for all Residential Units and/or otherwise regulating window coverings and their appearance.

11.13.8 Windows and Glass Doors. No windows or glass doors within a Residential Unit may have any reflective or tinted substance placed on them unless expressly approved by the Association in the manner provided in the rules and regulations of the Association. The Association intends to adopt regulations governing the tinting of windows and any tinting by an Owner of a Residential Unit must fully comply with same. No unsightly materials may be placed on any window or glass door or be visible through such window or glass door.

11.13.9 Signs. Except as expressly permitted under the Act, no signs, banners, pennants or similar items may be displayed to the public view on or from a Residential Unit without the Executive Board's prior written approval, which may be granted, denied or conditioned in the sole and absolute discretion of the Executive Board.

11.13.10 Refuse Removal. To the extent not handled by the Master Association, all rubbish, garbage and debris will be regularly removed from and will not be allowed to accumulate. All trash, garbage and other debris will be disposed of in accordance with the normal practices and procedures of and in places designated by the Association or Master Association, as may change from time to time.

11.13.11 Terraces. The balconies, terraces, decks and patios, if any, that are Limited Common Elements of a Residential Unit or Units ("Terraces") shall be used only for the purposes intended, and shall not be used for drying or hanging garments, cleaning of rugs, or storing other objects, including, without limitation, any bicycles, skis, recreational equipment or gear or other personal property of any nature, except as permitted by law or by any rules and regulations adopted by the Association. No outdoor or patio furniture, barbecue grill, landscaping or plant materials or other personal property or improvements may be placed on any Terrace except in accordance with the rules and regulations of the Association or otherwise specifically approved in writing by the Executive Board. The Executive Board may adopt rules and regulations requiring specific furniture, barbeque grills and/or other personal property as the approved items for use on Terraces, it being acknowledged that such rules and regulations may specify distinct

requirements for each floor on which a Terrace is located. No hot tubs, spas or similar devices may be placed, installed or otherwise used on the Terraces. No exterior equipment or fixtures, including but not limited to speakers or other amplification equipment, may be installed on any of the Terraces without the prior written approval of the Executive Board. The use of amplification on the Terraces shall be governed by Section 11.9.2 above. Each Residential Owner shall keep any Terrace associated with such Residential Unit in a state of good cleanliness and order.

11.13.12 Fireplaces. Fireplaces located in a Residential Unit may not be used for burning of any wood, solid fuel, paper or other items

11.13.13 Unit Temperatures. The Residential Units must (a) be heated as necessary to maintain a minimum temperature of 55 degrees Fahrenheit from October 1 through May 30 every year, and (b) not be cooled to a temperature that causes undue moisture and frosting of Unit elements.

11.13.14 No Impairment. No Owner, a guest, lessee or invitee of a Condominium Unit or agent of such Owner shall do any work which, in the reasonable opinion of the Executive Board, would jeopardize the soundness or safety of the Project or any structure created thereon or would impair any easement or other interest in real property thereto

Section 11.14 Commercial, Amenity and Check-In Unit Operations and Alterations. Notwithstanding anything to the contrary contained in this Declaration, but subject to all applicable laws, ordinances, and regulations imposed by the Town:

11.14.1 An Owner of a Commercial Unit, an Amenity Unit, a Check-In Unit (each, a "Commercial/Amenity Unit") and/or such Owner's tenant may alter that portion of the Commercial/Amenity Unit's building façade that serves as its exterior façade and other Common Elements located immediately adjacent to the Commercial/Amenity Unit (including the creation, removal and relocation of entrances, exits, windows, window boxes, speakers, lighting, awnings, canopies, shutters and other architectural features), provided that (a) such alteration is approved, to the extent applicable, by the Architectural Control Committee in accordance with the applicable requirements of the Design Declaration, including, without limitation, consideration by the Architectural Control Committee of the harmony of the proposed alteration with then-existing external design, the quality of materials and other customary considerations, (b) at least seven (7) days prior to the initially scheduled meeting of the Architectural Control Committee, the applicable Owner provides to the Executive Board notice of any proposed exterior alteration, the date and time of scheduled meeting(s) of the Architectural Control Committee to consider such request (which shall be updated as appropriate), and copies of proposed plans submitted, (c) the approved alteration is constructed and completed by the applicable Owner or tenant in a manner that does not impair or diminish any other improvements or the support, structural elements or other elements of the Building, (d) the Owner of the applicable Commercial/Amenity Unit shall promptly repair or cause to be repaired any damage to any Common Elements caused by the construction or installation of an approved alteration at its expense, and (e) all necessary approvals from any governmental or other authority having jurisdiction over the applicable areas of the Project are secured. The Executive Board shall be entitled to attend meetings of the Architectural Control Committee in which the Architectural Control Committee considers such request for alteration and to provide input to the Architectural Control Committee, but the Executive Board shall have no direct approval or consent rights with respect to the proposed alteration.

11.14.2 An Owner of a Commercial/Amenity Unit and/or such Owner's tenant may make improvements or alterations to the applicable Unit or any appurtenant Limited Common Elements, provided that (a) at least seven (7) days prior to the planned commencement of construction, the applicable Owner provides to the Executive Board notice of any proposed alteration, the date and time of scheduled construction (which shall be updated as appropriate), and copies of proposed plans for such alteration, (b) the improvement or alteration is constructed and completed by the applicable Owner or tenant in a manner

that does not impair or diminish any other improvements or the support, structural elements or other elements of the Building, (c) the Owner of the Commercial/Amenity Unit shall promptly repair or cause to be repaired any damage to any Common Elements caused by the construction or installation of such improvement or alteration at its expense, and (d) all necessary approvals from any governmental or other authority having jurisdiction over the applicable areas of the Project are secured.

11.14.3 Subject to the restrictions of this Declaration, an Owner of a Commercial/Amenity Unit and/or such Owner's tenant may change the use of a Commercial/Amenity Unit and, to the extent required, apply for and obtain land use approvals and other licenses and permits that are necessary or appropriate for the conduct of such revised use, provided such use does not violate the provisions of this Declaration, the Master Declaration or any other covenant applicable to the Commercial/Amenity Unit.

11.14.4 An Owner of a Commercial/Amenity Unit and/or such Owner's tenant may erect and attach signs, banners, posters, decorations, projections and other similar items on the exterior of the Commercial/Amenity Unit ("Commercial/Amenity Signs") on the condition that (a) such Commercial/Amenity Signs are in compliance with the then-current signage plan and regulations for Snowmass Base Village as adopted by the Town (the "Signage Plan"), (b) the Commercial/Amenity Signs are complimentary in size, quality and color scheme with then-existing Commercial/Amenity Signs at the Project, and (c) to the extent applicable, their locations are approved by the Architectural Control Committee in accordance with the requirements of the Design Declaration.

Section 11.15 Acknowledgements. Each Owner is hereby advised of the following matters affecting the Unit and/or the Project and the Owners' use and enjoyment thereof:

11.15.1 Mountain Activities; Construction Activities. The Project is located adjacent to Snowmass Resort, a four-season destination resort with skiing, snowboarding, tubing, snowshoeing, mountain biking, hiking, zip lining, mountain coaster riding and other recreational and entertainment activities and facilities, whether operated by Aspen Skiing Company LLC, the Master Association, District No. 1 or another party (the "Mountain Recreational Areas"). The Mountain Recreational Areas are expected to generate an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating to the construction, operation, use and maintenance of the Mountain Recreational Areas (the "Mountain Activities"). The Mountain Activities include, without limitation (x) vehicular traffic, including, without limitation, (i) buses, vans and other vehicles which transport local residents and others who use the Mountain Recreational Areas over, around and through the Mountain Recreational Areas, and (ii) construction vehicles and equipment; (y) activities relating to the construction, operation and maintenance of roads, trails, ski trails, skiways, and skier bridges and tunnels relating to the Mountain Recreational Areas, including, without limitation, (i) tree cutting and clearing, grading and earth moving, and other construction activities, (ii) construction, operation and maintenance of access roads, water reservoirs, snowmaking equipment, and chairlifts, gondolas or other transportation systems, and (iii) operation of snow grooming and other over-the-snow vehicles and equipment, and safety and supervision vehicles; and (z) activities relating to the use of the Mountain Recreational Areas, including without limitation, (i) skiing, snowboarding, ski patrol activities, ski school activities and queuing, and other over-the-snow activities and mountain support operations and services, (ii) hiking, horseback riding, bicycling, rock climbing and climbing walls, other recreational and over-the-terrain activities, and organized events and competitions relating to such activities, (iii) lodging cabins, restaurants, clubs, restrooms and other public use facilities, (iv) outdoor and indoor concerts and special events, and (v) public access to adjacent United States Forest Service lands.

11.15.2 Construction Activities. The Project is located in an area that is subject to or near current and/or future construction activities relating to the development of adjacent properties, (the "Construction Activities"). The Construction Activities are expected to generate an unpredictable amount

of visible, audible and odorous impacts and disturbances. The Construction Activities may include, without limitation: (1) construction traffic (including, without limitation, construction vehicles and equipment), traffic flagging, detours and temporary closures; and (2) construction activities (including, without limitation, grading, excavation, clearing, site work and construction of indoor and outdoor improvements) relating to nearby properties.

11.15.3 Commercial Activities. A variety of commercial activities are and will be conducted in and adjacent to the Project (the "Commercial Activities"). The Commercial Activities are expected to generate an unpredictable amount of visible, audible and odorous impacts and disturbances. The Commercial Activities may include, without limitation: (1) operation of a sports shop, including, without limitation, the sales and rentals of clothing, skis, ski-related equipment, other over-the-snow equipment, and other recreational equipment (including, without limitation, renting, storing and transporting skis, snowboards and similar equipment); (2) operation of property management services and facilities; (3) meetings, conferences and other group events; (4) sales of tickets for chairlifts, gondolas, other transportation systems, and other activities and events; (5) indoor and outdoor restaurant and bar operations (including, without limitation, the preparation of hot and cold food and beverages and the sale of food and beverages for consumption on and immediately adjacent to the Project and at other locations); (6) sales of services relating to skiing, other over-the-snow activities, and other recreational activities (including, without limitation, ski schools and other forms of individual and group lessons, tours and excursions); (7) public use of the public areas of and adjacent to the Project; (8) activities of the Master Association and the Garage Association (including, without limitation, activities relating to parking and access from the Garage Association's facilities to the public plaza and Snowmass Resort); (9) the installation, operation and maintenance of illuminated and non-illuminated signage; (10) concerts and other outdoor and indoor entertainment, performances and special events, including, without limitation, weddings, festivals, and art fairs; and (11) any other uses or activities permitted by law. The Commercial Activities may occur during daytime and nighttime, subject to any express restriction or prohibitions hereunder as related to the Project itself, including those set forth in Section 11.3 above. Further, certain Commercial Activities and commercial operations may close during periods of the year at the discretion of the applicable owner or operator of same.

11.15.4 Waiver and Release. All Owners and the Association, for themselves and their respective successors and assigns, acknowledges that the Mountain Activities, the Construction Activities and the Commercial Activities, and the impacts and disturbances generated by them, may occur in and around the Units and the Project, including, without limitation, offensive noises, lighting, vibration and odors, damage to real and personal property, and risk of personal injury and death. Such persons may not assert or claim any violation of this Declaration or otherwise based on the existence or occurrence of the Mountain Activities, the Construction Activities or the Commercial Activities, or impacts and disturbances generated by them. All Owners and the Association, for themselves and their respective successors and assigns, forever waives and releases any actions or claims such persons and their successors and assigns may have against Declarant, the Commercial Owners, Aspen Skiing Company LLC, the Master Association, District No. 1 and Inspirato and their respective successors and assigns which in any way arise out of the impacts and disturbances generated from the Mountain Activities, the Construction Activities or the Commercial Activities.

11.15.5 No Parking. Each Owner acknowledges that there are no parking areas or facilities that are part of the Project or its Common Elements. All parking serving the Project is managed by the Master Association pursuant to the Garage Declaration and the Master Declaration and the governing documents of the Garage Association and the Master Association. The Master Association shall assess Owners pursuant to the Garage Declaration for related parking costs and expenses as provided in the Garage Declaration.

11.15.6 No Rights or Representations Regarding Snowmass Resort. Each Owner acknowledges that no right is created or arises from ownership of a Unit, either (1) to use the amenities or facilities comprising Snowmass Resort recreational facilities or other recreation areas; or (2) to any waiver or discount of the prices charged for lift tickets or other fees charged to users of such areas. No representations whatsoever have been made regarding Snowmass Resort, including, without limitation, the opening or closing dates or hours of operation of Snowmass Resort or of the gondola or lifts serving Snowmass Base Village, any ski-in or ski-out access, the availability of skiing or other recreational facilities, or the ownership and operation of Snowmass Resort.

11.15.7 Substantial Public Uses. The Project contains both the District Unit as described in this Declaration and a Commercial Unit or Units that are expected to act as check-in of owners, guests and renters for the Project and for several other properties both within and outside of Snowmass Base Village and, accordingly, there is expected to a substantial level of public traffic through and use of the Project. Further, the Project is located immediately adjacent to a public plaza and winter ice skating area and other public areas. Such public uses may generate considerable noise, activity and other inconveniences to Owners. These areas and uses may also discontinue or may close during periods of the year at the discretion of the applicable owner or operator of same. No interest in or right to use any amenity located near the Project (other than pursuant to the Fitness License Agreement), shall be held by any Owner by virtue of ownership of a Unit. The owners of those facilities shall have the right, in their sole discretion, to remove, relocate, discontinue operation of, restrict access to, charge fees for the use of, sell interests in or otherwise deal with such assets in their sole discretion without regard to any prior use of or benefit to an Owner.

11.15.8 Base Village Metropolitan Districts and Snowmass Village General Improvement District. Owners acknowledge that the Project is located within the boundaries of the Base Village Metropolitan District No. 2 ("District No. 2") and the Snowmass Village General Improvement District (the "GID") (District No. 2 and the GID collectively, the "Snowmass Districts"). Eligible electors and property owners within the boundaries of the Snowmass Districts previously authorized the Snowmass Districts to impose property tax levies and facilities fees and to issue bonds in amounts sufficient to construct or purchase certain improvements within the Town. No additional eligible elector or property owner approvals are required prior to such imposition of property tax levies or the issuance of debt within previously approved amounts within the Project. Further, Owners acknowledge that the Snowmass Districts have issued debt pursuant to such previously approved authorizations. Subject to applicable laws, regardless of whether a property owner was a property owner as of the date that the initial authorization was given to impose property tax levies or issue the bonds, such property owner will be responsible for the payment of taxes that are levied for the purpose of repaying such bonds issued by the Snowmass Districts. Commercial properties within Snowmass Base Village are subject to Base Village Metropolitan District No. 1 ("District No. 1"), a commercial metropolitan district operating within Snowmass Base Village, whose operations may be partially funded by District No. 2. District No. 1 is responsible for management, maintenance and operation of the Base Village Conference Center, the Base Village Transit Center and the public/skier portions of the Base Village Parking Garage, among other areas of responsibility.

11.15.9 Master Association. Owners acknowledge that the Master Association is responsible for the management, maintenance and operation of significant areas within Snowmass Base Village, including generally, without limitation, walkways and driveways within Snowmass Base Village, the Base Village plaza areas and ice rink, snowmelt systems serving any of its areas of responsibility, exterior landscaped areas within Snowmass Base Village, the Base Village Central Plant and the residential portions of the Base Village Parking Garage, among other areas of responsibility.

11.15.10 Disclaimer. Declarant makes no representations, covenants or warranties to any Owner concerning the nature, scope, schedule or continuation of activities operated or conducted in or relating to Snowmass Base Village or the Project. Each Owner, for itself and its successors and assigns,

acknowledges that (1) the activities may be discontinued from time to time or permanently; (2) the activities may not be operated or conducted during the same hours, days or months as any schedule in effect or contemplated on the date of an Owner's purchase of a Unit; (3) the activities may be conducted during more hours (during both daytime and nighttime), days, and months than any schedule in effect or contemplated on the date of an Owner's purchase of a Unit; and (4) more activities may be operated or conducted than occur or are contemplated on the date of an Owner's purchase of a Unit.

11.15.11 No View Easement. Notwithstanding any representation made to the contrary by the Declarant, any real estate agency or any agent, employee or representative of any such person, and by taking title to a Unit each Owner is deemed to have agreed and accepted that there is no easement or other right, express or implied, for the benefit of an Owner or the Association or the Master Association for light, view or air included in or created by this Declaration or as a result of an Owner owning a Unit.

11.15.12 Sound Transmission and Light Disclaimer, Release. EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF THEIR UNIT, HEREBY ACKNOWLEDGES AND AGREES THAT SOUND AND IMPACT NOISE TRANSMISSION IN A MULTI-UNIT BUILDING SUCH AS THE PROJECT IS VERY DIFFICULT TO CONTROL, AND THAT NOISES FROM ADJOINING OR NEARBY RESIDENCES, MECHANICAL EQUIPMENT, THE COMMERCIAL UNITS, SNOWMASS RESORT AND THE SURROUNDING DEVELOPMENTS AND ACTIVITIES CAN AND WILL BE HEARD IN RESIDENCES. NEITHER THE DECLARANT NOR THE OWNERS OF THE COMMERCIAL UNITS MAKES ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND OR IMPACT NOISE TRANSMISSION BETWEEN AND AMONG RESIDENCES AND THE OTHER PORTIONS OF THE PROJECT OR OUTSIDE THE PROJECT OR THE LEVEL OF LIGHT THAT MAY IMPACT A UNIT, EACH AS MORE FULLY DISCUSSED BELOW. EACH OWNER HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW AS OF THE DATE OF THIS DECLARATION, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SOUND OR IMPACT NOISE TRANSMISSION OR LIGHT IMPACTS UPON THE UNITS. In connection therewith, Owners hereby acknowledge that living in a multi-story building and/or living in close proximity to commercial property entails living very close to other persons, businesses and resort, hotel and commercial enterprises with attendant limitations on solitude and privacy. Walls, floors and ceilings have been designed to meet applicable building codes. However, in a multi-story building, Owners and occupants will hear noise from adjacent units within the Project, including but not limited to, noise from showers, bathtubs, sinks, toilets or other sources of running water and/or plumbing fixtures. Also, Owners may hear noise from such items as the swimming pools, commercial activities, indoor and outdoor concerts, snowmaking, snow grooming, ski lifts and gondolas and other activities held at the Project and at other property in the vicinity of the Project, vacuum cleaners, stereos, televisions, or people running, walking, exercising and socializing. Owners can expect to experience substantial levels of sound, music, noise, odors, vibrations and other nuisances from other Units and areas within the Project and from other properties in the vicinity of the Project. Owners may also experience light entering a Unit from commercial lighting, LED signs and displays, and other lighting shows and activity in the vicinity of and from street lights located in close proximity to the windows and doors of the Unit.

11.15.13 Mold. Mold, mildew, fungi bacteria and microbiological organisms (collectively, "*Molds*") are present in soil, air and elsewhere in the environment. Molds can proliferate in various environments including, without limitation, damp areas such as bathrooms, and within walls and partitions. Certain parties have expressed concerns about the possible adverse effects of human health from exposure to Molds. Due to various reasons, including the varying sensitivities of different individuals to various types of Molds, there currently exists no state or federal standards regarding acceptable levels of exposure to Molds. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illnesses have been linked with biological pollutants in the indoor environment, including some forms of Molds. However, it is believed that many of these conditions may

also have causes unrelated to the indoor environment. Therefore, as of the date of this Declaration, it is unknown how many potential health problems relate primarily or exclusively to indoor air quality or Molds. Owners are advised that Declarant and the Association are not qualified and have not undertaken to evaluate all aspects of this very complex issue. Owners acknowledge that Declarant and the Association have not performed any testing or evaluation of, and make no representations or warranties, express or implied, concerning, the task, current or future presence or absence of Molds in the Unit, any Limited Common Elements allocated to the Unit, any unfinished perimeter walls located within the Unit or any other Common Elements. Declarant recommends that Owner, at Owner's expense, conduct its own investigation and consult with such experts as Owner deems appropriate regarding the occurrence and effects of Molds, the potential sensitivity or special risk of the Owner, his or her family members, and other individuals, who will occupy or use the Unit or any Common Elements associated therewith, may have with respect to Molds, any methods to reduce or limit Molds within the Unit, any Limited Common Elements allocated to the Unit, or any unfinished perimeter walls located within the Unit.

When excessive moisture or water accumulates indoors, Molds can grow and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all Molds in an indoor environment. The key to controlling indoor Mold growth is to control moisture. Owners agree to maintain the Unit, any Limited Common Elements allocated to the Unit and any unfinished perimeter walls located within the Unit in such a manner as to reduce the potential for increased Mold formation or growth, including, without limitation, keeping dryer and other vents and/or fans clear and functioning and preventing and repairing plumbing, window and other leaks and other sources of moisture. Owners agree to make periodic inspections of the Unit, and Limited Common Elements allocated to the Unit and any unfinished perimeter walls located within the Unit for the presence of Molds or conditions which may increase the ability of Molds to propagate within the Unit or such areas associated with the Unit and to monitor the Unit and such area on a continual basis for excessive moisture, water or Mold accumulation. If water or moisture is discovered in or around the Unit or such associated areas, the Owner agrees to immediately seek to eliminate the source of water or moisture, failure to eliminate the source of moisture can result in additional damage and growth of Mold. Declarant will not be responsible for damages and each Owner hereby waives all rights to damages and subrogation of damages. Each Owner agrees to indemnify Declarant and the Association and hold Declarant and the Association harmless from damages including all causes of personal injury or property damage, caused by the presence of Mold and/or water or moisture in a Unit or other portions of the Project to the extent that the damages are caused by: (i) the Owner's negligence or failure to properly maintain and monitor the Unit, any Limited Common Elements allocated to the Unit, or any unfinished perimeter walls located within the Unit; or (ii) the Owner's failure to promptly take appropriate corrective measures and minimize any damage caused by water or moisture (including, without limitation, failure to properly notify and engage the help of appropriate professionals or experts).

Section 11.16 Inspirato Matters.

11.16.1 Relationship With Inspirato. Owners acknowledge that Declarant has entered into certain agreements with Inspirato in connection with the initial sale and marketing of the Residential Units and initial branding and operation of the Project, including, without limitation, the grant of a license to Declarant of certain Inspirato trademarks and trade names, which license is subject to the terms and conditions of such license, including an expiration date of the license. The Project is not owned, developed or sold by Inspirato and no assurance is provided that Inspirato shall continue to operate within the Project or remain affiliated with the Project. Declarant and Inspirato are separate parties and each is responsible for all of its own obligations and liabilities, and neither is the agent of the other for any purposes whatsoever.

11.16.2 No Use of Inspirato Trademarks. The term "Inspirato" and the Inspirato trademark design (the "Inspirato Marks") are service marks and registered trademarks of Inspirato. Each Owner, by accepting a deed to a Unit, acknowledges such ownership and covenants and agrees that such Owner shall

not use the Inspirato Marks without the prior written permission of Inspirato. In no event shall the Association or the Executive Board nor the Owners have any right, title or interest in the Inspirato Marks or in any licensing arrangement between Inspirato and Declarant. Each Owner, by its acceptance of a deed to its Unit, acknowledges the foregoing and agrees (i) that it acquires no rights in or to the Inspirato Marks, (b) not to use the Inspirato Marks or any portion of the Inspirato Marks in any reference to the Owner's Unit, such as, but not limited to, any marketing, advertising or placement of such Unit on a website for the purposes of rental or sale solicitation, and (c) not to form, create or utilize (or attempt to form, create or utilize) in connection with the Unit or Project, or any other real estate or hospitality project or venture, any entity whose name utilizes all or any portion of the Inspirato Marks.

11.16.3 Adherence to Maintenance Standards. Without limiting the foregoing provisions of this Section 11.15, Owners acknowledge and agree that if the Association does not continue to satisfy the luxury standard of quality for maintenance and operation of the Project as provided in Section 6.1 above, then Inspirato shall have the right, following a thirty (30) day written notice and right to cure by the Association, to terminate its grant of license for use of certain Inspirato Marks under the grant of license discussed in Section 11.15.1 above. Such termination by Inspirato shall be without any liability or obligation upon Inspirato or Declarant whatsoever. Without limiting the foregoing, any diminution in operating quality from the operating quality maintained by Association prior to the end of the Declarant Control Period control shall be conclusive evidence that the Association is not satisfying the minimum luxury standard referred to above.

ARTICLE 12
EASEMENTS

Section 12.1 Easement of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of the Common Elements, which shall be appurtenant to and shall pass with the title to every Unit, subject to any limitation the Association Documents, including, without limitation, Section 3.9 above.

Section 12.2 Delegation of Use. Any Owner may delegate, in accordance with the Association Documents, the Owner's right of enjoyment in the Common Elements to the Owner's tenants, employees, family, guests, and invitees in accordance with the rules and regulations of the Association.

Section 12.3 Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat affecting the Property, and as shown on the recorded Maps, and as reserved or granted under the Master Declaration or this Declaration. The recording data for recorded easements, licenses or other matters appurtenant to or included in the Property or to which any parts of the Property may become subject is set forth on the attached Exhibit E.

Section 12.4 Easements for Encroachments. The Project is subject to easements hereby created for encroachments between Condominium Units and the Common Elements as follows:

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

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

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

Encroachments referred to in this Section 12.4 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Building or any Condominium Unit constructed on the Property, by error in the Condominium Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project

Section 12.5 Temporary Easement. Building 8 LLC hereby grants to the benefit of the Property initially subjected to this Declaration as described on Exhibit A a temporary, nonexclusive easement over the portion of the Expansion Property depicted on Exhibit F attached hereto and incorporated herein for the purposes of (a) pedestrian and vehicular ingress and egress by Declarant, Owners of Units located in Building West and their respective lessees, guests, licensees and invitees, and (b) the right by Building 7 LLC to construct, repair, replace and maintain driveways, sidewalks, landscaping, fencing, gates, walls, drainage improvements, and all other similar uses and improvements. Notwithstanding the foregoing, it is acknowledged and understood that construction is expected to occur within the Expansion Property and Building 8 LLC may relocate such access easement and/or subject such access rights to certain restrictions (including, without limitation, inconveniences such as construction flagging and delays) to facilitate the construction activities on the Expansion Property, so long as legal and practical access is maintained. The access easement created by this Section shall automatically expire and terminate upon the annexation of all or any portion of such easement area into the Project pursuant to Article 18 below, whereupon the easement created by this Section shall be deemed null and void; provided, however, that Building 8 LLC shall provide, as part of such annexation of Expansion Property, for new pedestrian and vehicular ingress and egress rights in such location and subject to such limitations and restrictions as Building 8 LLC may reasonably determine, either as part of the Common Elements of the Project or by grant of new easement rights.

Section 12.6 Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities and communications systems, including but not limited to water, sewer, gas, telephone, electricity, television, internet or other utility or communication systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such services to erect and maintain the necessary equipment on the Property and to affix and maintain electrical, communications, telephone and other wires, circuits, and conduits under and through the Property. Any company using this general easement shall use its best efforts to install and maintain its improvements 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 disturbed property to its original condition as soon as possible after completion of its work. Should any company furnishing a service covered by the general easement request a specific easement by separate recordable document or a separate agreement with the Association, Declarant or the Executive Board shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property, and/or to enter into exclusive or non-exclusive agreements with companies providing such services, without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

Section 12.7 Reservation of Easements, Exceptions and Exclusions. Declarant reserves for itself and its successors and assigns and hereby grants to the Association the concurrent right to establish from time to time by declaration or otherwise, utility and other easements, including but not limited to, for streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, consistent with the ownership of the Property for the best interest of all of the Owners and the Association, in order to serve all the Owners of the Project.

Section 12.8 Maintenance Easement. An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees, and assigns upon, across, over, in, and

under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 12.9 Easements of Access for Inspection, Maintenance and Emergencies. Some portions of the Common Elements or its related facilities are or may be located within the Condominium Units or may be conveniently accessible only through the Condominium Units. The Association shall have the irrevocable right to have access to each Condominium Unit from time to time during such reasonable hours as may be necessary for the inspection, maintenance, repair, removal, or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs necessary to prevent damage to the Common Elements or to any Unit. Additionally, there is hereby created an easement for such Common Elements as they currently exist within the Condominium Units. Subject to the provisions of Section 6.4 above, damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Elements or as a result of emergency repair within another Unit at the instance of the Association shall be a Common Expense.

Section 12.10 Declarant's Rights Incident to Construction and Marketing. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Property and the right to store materials on the Property and to make such other use of the Property as may be reasonably necessary or incident to the complete construction and sale of the Project, including, but not limited to, construction trailers, temporary construction offices, sales offices, and directional and marketing signs; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, or family members, guests, or invitees of an Owner. Declarant, for itself and its successors and assigns, hereby retains a right to maintain any Unit or Units as sales offices, management offices or model residences so long as Declarant, or its successors or assigns, continues to be an Owner of a Unit. The use by Declarant of any Unit as a model residence, office or other use shall not affect the Condominium Unit's designation on the Map as a separate Unit. Declarant further reserves exclusive easement rights over and across the Property for the purpose of marketing, sales and rental of Units or of other projects developed or marketed by Declarant or its affiliates from time to time, including, without limitation, the right to show the Property and to display signs and other promotional devices.

Section 12.11 Governmental Requirements. Declarant hereby reserves the right to grant such easements, from time to time, as may be required by any government agency. Such easements shall specifically include, but not be limited to, any public rights-of-way and any environmental easements required by federal, state or local environmental agencies, for so long as the Declarant holds an interest in any Condominium Unit.

Section 12.12 Declarant Easements. Declarant reserves unto itself, its successors, assigns, lessees, guests, licensees and invitees, for so long as it holds any interest in any Condominium Unit, the same easement rights granted to Owners under this Declaration and specific easement rights over and across the Property as it may deem necessary for its use from time to time.

Section 12.13 Right of Declarant and Association to Own Units and to Use Common Elements. An easement is hereby reserved by Declarant for itself and its successors and assigns and granted to the Association and its officers, agents, employees, successors and assigns to maintain offices, storage areas, conference areas, and common areas for use by the Association or Declarant within the Common Elements, subject to all rules and regulations established under this Declaration. The costs and carrying charges incurred by the Association in purchasing and owning any such Unit shall be part of the Common Expenses.

Section 12.14 Remodeling Easement. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the Buildings for the construction and

installation of any duct work, additional plumbing, or other additional services or utilities serving the Common Elements in connection with the improvement or alteration of the Common Elements, including the right of access to such areas of the Common Elements as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section, the decision of the Executive Board shall be final.

Section 12.15 Master Association and District Easements. Declarant hereby grants a general easement across, through and over the Common Elements to the Master Association and to District No. 1 to the extent either is providing services or facilities to the Project to enter upon the Property in the proper performance of their duties. Declarant hereby further grants an easement to the Master Association (a) within, under, over and through landscaped areas of the Property located exterior to the roof drip line of the Building for the inspection, operation, maintenance, repair, replacement and improvement of landscaping improvements and any related irrigation systems, (b) within, under, over and through applicable driveway and walkway improvements within the Property for which the Master Association is responsible for the inspection, operation, maintenance, repair, replacement and improvement of such driveway and walkway improvements and any related snowmelt systems, and (c) a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, maintenance and improvement of the Heating/Cooling System Improvements. Declarant hereby further grants an easement to District No. 1 for public pedestrian and skier access purposes to and from the plaza level of the Project to the District Unit.

Section 12.15 Easements Deemed Created. All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easements or to this Article appears in the instrument for such conveyance.

ARTICLE 13
LIMITED POWERS OF ATTORNEY

Section 13.1 Appointment to Association. Each and every Owner hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Project upon its damage, destruction, condemnation, or obsolescence as provided below in Articles 14, 15 and 16 below. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article 8 above, including: the collection and appropriate disposition of the proceeds of such insurance; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear.

Section 13.2 Appointments; General Authority. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointments of the attorneys-in-fact as provided above. The applicable attorney-in-fact as described above shall have full and complete authorization, right, and power to make, execute, deliver and record any document or instrument with respect to the interest of any Owner and, if applicable, Mortgagee which may be necessary or appropriate to exercise the powers granted to the attorney-in-fact as described in each appointment.

ARTICLE 14
DAMAGE OR DESTRUCTION

Section 14.1 The Role of the Board. Except as provided in Section 14.6, in the event of damage to or destruction of all or part of any Common Elements or other property covered by insurance written in the name of the Association under Article 8 (the "Covered Elements"), the Board shall arrange for and supervise the prompt repair and restoration of the Covered Elements including, without limitation, the floor coverings, fixtures, and improvements originally constructed or installed, and replacement thereof installed by the Owners up to the value of those originally constructed or installed, but not including any furniture, furnishings, fixtures, equipment, or other personal property supplied or installed by the Owners in the Units unless covered by insurance obtained by the Association. To the extent the damage or destruction affects all or part of any Unit or its Limited Common Elements or otherwise relating to an individual class of Owners, the Directors representing the Owners of the Units damaged shall perform the foregoing functions. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of its Unit.

Section 14.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Covered Elements, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Covered Elements damaged or destroyed. "Repair and reconstruction" as used in this Article 14 shall mean restoring the damaged or destroyed part of the affected Covered Elements to substantially the same condition in which it existed prior to the damage or destruction, with such affected Covered Elements having substantially the same vertical and horizontal boundaries as before.

Section 14.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the Covered Elements damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary in connection with that action.

Section 14.4 Funds for Repair and Reconstruction. Subject to the provisions of Section 14.6 below, the proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. Notwithstanding the foregoing, in the event that insurance proceeds are insufficient to pay the estimated cost of repair, replacement or reconstruction of the damaged improvements based on the estimate or estimates of the costs to complete same and such damage is less than the seventy percent (70%) threshold of damage as discussed in Section 14.6 below, then Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association and every Owner of a Unit or its appurtenant Limited Common Elements that will not be rebuilt may agree in writing not to repair and reconstruct the damaged improvements or may adopt a plan for the construction of alternative improvements. Any improvements not reconstructed shall be restored to an attractive state and maintained by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with Section 8.7.2 above or as otherwise required by the Act.

Section 14.5 Insurance Proceeds Sufficient to Repair. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association as attorney-in-fact to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair and restoration of the improvements. Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 14.6 Insurance Proceeds Insufficient to Repair; Special Assessment; Remedies for Failure to Pay Special Assessment. If the insurance proceeds are insufficient to repair and reconstruct the

improvements, and if such damage is not more than seventy percent (70%) of the total replacement cost of all of the Covered Elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and, if permitted under the Act, the proceeds of a special Assessment to be made against all of the Owners and their Units. Any such special Assessment shall be a Common Expense and shall be due and payable as provided in Article 7 above. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair, replacement, or restoration of the improvement using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the Assessment.

Any Assessment provided for in this Section shall be a debt of each Owner and a lien on the Owner's Unit and may be enforced and collected as provided in Article 7 above.

If the insurance proceeds are insufficient to repair and reconstruct the improvement, and if such damage is more than seventy percent (70%) of the total replacement cost of all of the Covered Elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and, if permitted under the Act, the proceeds of a special Assessment made against all of the Owners and their Units, provided, however, that sixty-seven percent (67%) of the votes of the Owners, including sixty-seven percent (67%) of all votes allocated to Residential Unit Owners and sixty-seven percent (67%) of all votes allocated to Commercial Owners, and fifty-one percent (51%) or more of the First Mortgagees of record, may elect to terminate the Association; and in such event, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary or assistant secretary, the General Common Elements or Limited Common Elements shall be rendered safe and not unsightly and shall be permitted to remain in such state and any General Common Elements or Limited Common Elements capable of sale shall be sold pursuant to the provisions of this Section by the Association free and clear of the provisions contained in this Declaration and the articles of incorporation, and bylaws of the Association. Assessments for Common Expenses shall not be abated during the period prior to sale.

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

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

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

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

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

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

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

In the event that the Owners and First Mortgagees do not elect to terminate the Association as provided above, by approval of Owners representing at least eighty percent (80%) of the total votes of in the Association, and every Owner of a Unit or its appurtenant Limited Common Element that will not be rebuilt, and the consent of fifty-one percent (51%) or more of the First Mortgagees of record, it may alternatively be determined not to repair and reconstruct improvements within the Common Elements, and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to a safe and not unsightly state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 14.7 Repairs. All repairs and reconstruction contemplated by this Article 14 shall be performed substantially in accordance with this Declaration and the original plans and specifications for the Covered Elements, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Association Documents.

Section 14.8 Notice of Damage or Destruction to First Mortgagees. In the event that a substantial portion of the General Common Elements or Limited Common Elements is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner within a reasonable time following the event of casualty damage.

ARTICLE 15
OBSOLESCENCE

Section 15.1 Adoption of Plan; Rights of Owners. By approval of Owners representing an aggregate ownership interest in the General Common Elements of eighty-five percent (85%) or more, including eighty-five percent (85%) or more of all votes allocated to Residential Unit Owners and eighty-five percent (85%) or more of all votes allocated to Commercial Owners, and the consent of fifty-one percent (51%) or more of the First Mortgagees of record, the Project may be declared obsolete and a written plan for the renewal and reconstruction thereof may be adopted. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the real property records of Pitkin County, Colorado, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the date of adoption of such plan that its Unit shall be purchased by the Association for the fair market value of the Unit in cash or certified funds. The Association shall then have thirty (30) days after the expiration of such 15-day period within which to cancel such plan. If such plan is not canceled, the Unit of the requesting Owner shall be purchased according to the following procedures.

If such Owner and the Association can agree on the fair market value of the Unit, then such sale shall be consummated within ninety (90) days after such agreement. If the parties are unable to agree, the date when either party notifies the other that no agreement may be reached shall be the "commencement date" from which all periods of time mentioned hereafter shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an independent appraiser. If either party fails to make such a nomination, the appraiser

nominated shall, within five (5) days after default by the other party, appoint and associate with another independent appraiser. If the two designated or selected appraisers are unable to agree on the fair market value of the Unit, they shall appoint another independent appraiser to be umpire between them, if they can agree on such person, which umpire shall independently determine the fair market value of the Unit in the case of continued disagreement. If the two appraisers are unable to agree upon such umpire, each appraiser previously appointed shall nominate two independent appraisers, and from the names of the four appraisers so nominated one shall be drawn by lot by any judge of any court of record in Colorado, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser.

The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire shall be final and binding, and a judgment based upon the decision rendered may be entered in any court having jurisdiction thereof. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds for the same purposes and in the same order as provided in Sections 14.6.1 through 14.6.6 above.

Section 15.2 Sale of Obsolete Units. By approval of Owners representing an aggregate ownership interest in the General Common Elements of eighty-five percent (85%) or more, including eighty-five percent (85%) or more of all votes allocated to Residential Owners and eighty-five percent (85%) or more of all votes allocated to Commercial Owners, and the consent of fifty-one percent (51%) or more of the First Mortgagees of record, the Units may be declared obsolete and that the Project should be sold. In such instance, the Association shall immediately record in the real property records of Pitkin County, Colorado, a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and all governing documents of the Association. Unless otherwise agreed in writing by all the Owners, the sale proceeds (and any insurance proceeds under Section 8.4 above) shall be apportioned among the Owners in proportion to each Owner's undivided interest in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner and designated as an agency account. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in Sections 14.6.1 through 14.6.6 above.

ARTICLE 16
CONDEMNATION

Section 16.1 Consequences of Condemnation. If, at any time or times, all or any part of the General Common Elements or Limited Common Elements shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages, or other proceeds of condemnation, the sum of which is referred to as the "condemnation award" below, shall be payable to the Association, and the provisions of this Article 16 shall apply. The condemnation award shall be apportioned among the Owners and the Mortgagees as follows: (a) with respect to General Common Elements so condemned, on the basis of their respective percentage interests in the General Common Elements, (b) with respect to Limited Common Elements so condemned, on the basis of a Unit's percentage interest in the General Common Elements as a percentage of the aggregate percentage interests of all Units to which such Limited Common Element is appurtenant. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled, and such shares shall be paid into separate accounts and disbursed as soon as practical for the same purposes and in the same order as is provided in Sections 14.6.1 through 14.6.6 above.

Section 16.2 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article 14 above.

Section 16.3 Notice of Condemnation. In the event that any portion of the General Common Elements or Limited Common Elements shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.

ARTICLE 17
ALTERNATIVE DISPUTE RESOLUTION

Section 17.1 **IMPORTANT NOTICE:** Agreement to Encourage Resolution of Disputes; Exclusive Procedures; Statutes of Limitation. Declarant, the Association, and their respective officers and directors, all Owners, and any Person not otherwise subject to the Declaration but who agree to submit to the procedures set forth in this Article (these "Procedures"), including all construction professionals, architects, contractors, subcontractors, developers, builders, builder vendors, engineers, inspectors and others who performed or furnished any engineering, design, planning, supervision, inspection, construction or observation of the construction of any improvement in the Project (each of the foregoing being referred to as a "Party"), hereby agree to encourage the amicable resolution of disputes involving the Project and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Party covenants and agrees to submit all Claims, as defined below, each alleges to have to the Procedures set forth herein and not to a court of law. **All Parties herby agree to the mandatory mediation and arbitration of all Claims as set forth in this Article and irrevocably waive any right to trial of any Claim by jury or otherwise in a court of law.**

Each Party agrees that these Procedures shall be the sole and exclusive remedy that each Party shall have for any Claim. Should any Party commence litigation or any other action against any Party in violation of the terms of this Article, such Party shall reimburse all costs and expenses, including attorneys' fees, incurred by the other Party in such litigation or action within ten (10) days after written demand.

The Parties understand and agree that no Claim may be initiated after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitation or statute of repose.

Section 17.2 Statement of Clarification. Without modifying or restricting the scope of these Procedures and as a statement of clarification only, the intent of these Procedures is to foster constructive dialogue between the Parties, to permit corrective measures to be implemented without the necessity of final settlement documentation, to inform Parties of implications related to certain Claims that may not otherwise be readily apparent to such Parties, and to assist the Parties in resolving Claims, if possible, *before* incurring significant legal and consultant expenses, particularly through the informal Procedures set forth in Section 17.4 below.

Section 17.3 Certain Definitions.

17.3.1 Definition of Claim. As used in this Article, the term "Claim" shall mean all claims, disputes and other controversies between one Party and another Party, regardless of how the same may have arisen or on what it might be based, excepting only those matters identified as exclusions in this Section below. Without limiting the generality of the foregoing, "Claim" shall include all claims, disputes or controversies relating to or arising out of, in whole or in part, any of the following: (a) any Agreement for Sale and Purchase between Declarant and any Owner; (b) the Property or the Unit (as defined in any such Agreement); (c) the purchase of the Property or the Unit; (d) the interpretation, application or

enforcement of any of the Association Documents or Project Association Documents (sometimes referred to collectively as the "Association Documents"); (e) the soils of any property that lie within the Project or the presence of radon and/or mold within any Unit or other areas within the Project; (f) land development, design, construction and/or alteration of any of the improvements within the Project and/or any alleged defect therein; (g) any rights, obligations or duties of any Party under any of the Association Documents or any warranty, whether express, implied or limited, owed by a Party; (h) any limited warranty agreement between Declarant and any Owner and/or the Association; or (i) any breach of any of the foregoing referenced documents.

Notwithstanding the foregoing, the following will not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the Procedures set forth in this Article: (i) any suit by the Association to collect assessments or other amounts due from any Owner, (ii) any suit or other action by the Association or Declarant to act under or enforce any provisions of this Declaration relating to additions or alteration of improvements by Owners and/or any restrictive covenants or obligations of this Declaration, including any suit to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) or such other ancillary relief as the court may deem necessary, and (iii) any suit between Owners, which does not include Declarant or the Association as a party.

17.3.2 Definition of Defect Claim. Any Claim involving the development, design, construction and/or alteration of the Project or any improvement within the Project and/or any alleged defect therein, however arising, is referred to herein as a "Defect Claim" and the alleged defect, the "Alleged Defect." The Association, its officers, directors and members, and Owners generally acknowledge, understand and agree that not every necessary repair or replacement of an improvement within the Project is due to a construction defect and, similarly, Declarant and other construction and design professionals that are Parties hereunder generally acknowledge, understand and agree that not every necessary repair or replacement of an improvement is due to faulty required maintenance of or damage to such improvement. Often, such repair and replacement issues arise from a combination of issues that may or may not include the original design and construction, the level of inspection and maintenance programs (or lack thereof) and the existence of other factors such as unusual weather events or conditions, improper use and/or unforeseen wear and tear. This Article supports a proper evaluation of all factors and encourages a collaborative and comparative approach to responsibility.

17.3.3 Association and Owner Responsibilities. The Association and its Executive Board and each Owner understand and acknowledge the importance of a regular inspection and maintenance program for the Project and the Units therein and shall comply with all maintenance manuals and other documents and recommendations provided to the Association and/or Owners with respect to the inspection, operation and routine maintenance of all systems, equipment, and similar items (including, but not limited to, mechanical, electrical, plumbing, structural and exterior systems and improvements) made part of or serving the Project or its Units. The Association and each Owner shall perform such recommended inspection and maintenance and shall make all necessary repairs and maintenance called for to reasonably address the results of these inspections and to maintain the Project and its Units to a level consistent with its original quality. Further, the Executive Board and each Owner shall cooperate, at no cost or expense to them, with all inspections that may be undertaken by or at the request of the Declarant on or with respect to the Project or its Units and any improvement thereon or therein. The Association and each Owner understand, assume the risk and agree that, if the Association or such Owner fails to follow the inspection, maintenance and repair requirements and standards contained in such manuals or materials delivered to them and such failure causes, whether in whole or in part, damage to the Project or its Units, to any improvement within the Project or to other property, the resulting damage shall not be deemed to be the result of a design or construction defect.

Section 17.4 Informal Procedures.

17.4.1 Association Meetings. For a period of eight (8) years following the recording of this Declaration, notices of Association and director meetings (including notice of agenda items relating to potential Defect Claims) shall be given to Declarant, and Declarant and/or its representative(s) shall be entitled to attend and participate in at least one (1) meeting of the Association's members to discuss any potential Claim against Declarant. The Declarant and the Executive Board agree to use their respective good faith efforts to engage in constructive dialogue toward the goal or resolving any design or construction concerns.

17.4.2 Initial Notice. Any Party asserting a Claim ("Claimant") against another Party ("Respondent") shall give written notice to each Respondent and to the Executive Board stating Claimant's good faith description of: (i) the nature of the Claim, including the persons involved and the Respondent's role in the Claim, and (ii) the Claimants' desire to meet with the Respondent to discuss in good faith, ways to resolve the Claim. In that legal and professional fees are discouraged at this stage of these Procedures, no statement as to the legal basis of the Claim or of any proposed remedy is necessary.

17.4.3 Right to be Heard; Negotiation. Any Respondent shall have the right to be heard by the Claimant and, if any Claimant is the Association, by the Members, and the Claimant shall make itself reasonably available upon the request of Respondent to meet in person and to confer for the purpose of resolving the Claim by good faith negotiation. The Parties shall confer and negotiate in good faith toward such resolution for a minimum period of forty-five (45) days after the date that the Claimant has provided notice to each Respondent pursuant to Section 17.4.2 above. Notwithstanding such minimum negotiations period, the Parties are encouraged throughout these Procedures to attempt to resolve any differences between them through ongoing communications and informal dialogue. Any settlement of the Claim through discussion and negotiation shall be documented in writing and signed by the Parties in the manner described in Section 17.6.4 below.

17.4.4 Right to Inspect, Cure and Correct. Any Respondent shall have the right (without obligation), before the institution by the Claimant of binding arbitration below, to inspect, cure and correct any improvement or condition within the Project with respect to a Defect Claim, as follows:

17.4.4.1 In addition to other rights and obligations set forth in this Article, a Respondent may elect to inspect the Alleged Defect, in which event the Respondent shall complete the initial inspection and testing within thirty (30) days after the date that the Claimant has provided notice to each Respondent pursuant to Section 17.4.2 above, and at a mutually agreeable date and time. The Respondent shall bear all costs of inspection and testing, including any damage caused by the inspection and testing. Before entering onto the Project for the inspection, the Respondent shall supply the Claimant with proof of liability insurance coverage. The Respondent shall, upon request, allow the inspection to be observed and recorded or photographed. Nothing that occurs during a Respondent's inspection may be used or introduced as evidence to support a defense of spoliation of evidence by the Claimant or any potential party in subsequent litigation.

17.4.4.2 Within sixty (60) days of completion of the initial inspection or testing, the Respondent may elect to repair some or all of the Alleged Defects by sending a written notice of election to repair to the Claimant. Notwithstanding any tolling provided by law, the applicable statutes of limitation and repose on any and all Claims relating to the Alleged Defects shall be tolled (i) from the completion of the initial inspection and/or testing until (a) Respondent's written notice of election to repair, or (b) the expiration of sixty (60) days, whichever is sooner; and (ii) from the date of any written notice of election to repair by Respondent until sixty (60) days after substantial completion of the repairs. This tolling applies to any and all Claims relating to Alleged Defects for which Claimant has given written notice pursuant to subparagraph 18.4.2 (regardless of whether Respondent has elected to repair none, some or all of the Alleged Defects). If the Respondent elects to repair some or all of the Alleged Defects, then (i) Respondent has the

right to do so and the Claimant may not, directly or indirectly, impair, impede or prohibit the Respondent from making repairs; and (ii) until after the substantial completion of the repairs (a) the Claimant shall not file or pursue final binding arbitration (but may pursue mediation), and (b) if the Claimant is the Association, the Claimant shall not undertake the procedures for a consensus vote for Association action set forth in subparagraph 18.5.4. With any notice of election to repair, Respondent shall provide to Claimant a list of the Alleged Defects that Respondent has elected to repair, a detailed explanation of the repair work to be performed and the reasonably expected completion date for the repairs. The notice shall also include the name of any contractors the Respondent intends to employ for the repairs. Claimant shall promptly cooperate with the Respondent to schedule the repairs and provide reasonable access to the Project (including Common Elements and Condominium Units) for the repairs.

17.4.4.3 For the purpose of exercising the rights to inspect, cure, correct and repair set forth above in subparagraphs 17.4.4.1 and 17.4.4.2, Declarant reserves for itself, its designees, the Association and its designees, a perpetual nonexclusive easement of access throughout the Project (including Common Elements and Units) to the extent reasonably necessary to exercise such rights.

17.4.4.4 Within ten (10) days after receipt of the Respondent's notice to repair, a Claimant may deliver to the Respondent a written objection to the proposed repair if the Claimant believes in good faith that the proposed repairs will not remedy the Alleged Defect. The Respondent may elect to modify the proposal in accordance with the Claimant's objection, or may proceed with the scope of work set forth in the original proposal.

17.4.4.5 If the Respondent fails to send a notice to repair or otherwise strictly comply with this Section 17.4.4 within the specified time frames, or if the Respondent does not complete the repairs within the time set forth in the notice to repair, the Claimant shall be released from the requirements of this Section 17.4.4 and may proceed with the formal procedures set forth in Section 17.5 below. Notwithstanding the foregoing, if the Respondent notifies the Claimant in writing before the stated completion date that the repair work will not be completed by the completion date, the Respondent shall be entitled to one reasonable extension of the completion date.

17.4.4.6 The Respondent shall notify the Claimant when repairs have been completed. The Claimant shall have ten (10) days following the completion date to have the work inspected to verify that the repairs are complete and satisfactorily resolved the Alleged Defect. A Claimant who believes in good faith that the repairs made do not resolve the Alleged Defect may proceed with the formal procedures set forth in Section 17.5 below.

17.4.4.7 With respect to areas of repair work undertaken by the Respondent pursuant to these Procedures, the Respondent will conduct daily clean-up and render the work site each night in a safe and orderly condition and, at the completion of the repair work, shall restore the affected areas to substantially the same condition in which they existed prior to the repair, subject to any additional improvements or alterations involved with the repair. The specific materials and workmanship related to the repair work performed by the Respondent shall be warrantied against material defects for a period of one (1) year, which warranty shall be in addition to any express warranties on the original work and shall be subject to the same terms and conditions

of the original express warranty, but which repair work shall not be construed to be an "improvement" to real property for purposes of C.R.S. § 13-80-104.

17.4.4.8 Any Alleged Defect discovered after repairs have been completed shall be subject to the same requirements of this Article if the Respondent did not have notice or an opportunity to repair the new Alleged Defect.

17.4.5 No Requirement for Final Settlement to Begin Repairs; Settlement Proposal. The informal Procedures set forth in this Section 17.4 are for the purpose of encouraging early resolution of Claims and no formal written settlement or other agreement shall be required for inspection and corrective work to occur pursuant to Section 17.4.4 above. No Party shall be deemed to have waived any rights or Claims by reason of such corrective work, and the Claimant shall be entitled to monitor the effectiveness of the corrective measures instituted. Alternatively, if the Respondent desires a formal settlement agreement before commencing corrective measures or other action to resolve the subject matter of the Claim, the following Procedures may be employed:

17.4.5.1 Within thirty (30) days following completion of the inspection process, the Respondent may give Claimant written notification of its settlement proposal, including, in the case of a proposal to remedy a Defect Claim, a report of the scope, findings and results of the inspection, the damage caused by the Alleged Defect and a description of and a timetable for the work necessary to remedy the Alleged Defect.

17.4.5.2 Within fifteen (15) days after its receipt of Respondent's settlement proposal, Claimant shall notify Respondent of its acceptance or rejection thereof. Failure to give such notice shall be deemed to be a rejection of the proposal

17.4.5.3 If the settlement proposal for remedial work is accepted, Claimant and Respondent shall endeavor to document the settlement proposal in writing within thirty (30) days after acceptance, which settlement shall be signed by the Parties in the manner described in Section 17.6.4 below.

17.4.6 Effect of Corrective Work. It is acknowledged and agreed by all Parties and by any guarantors, insurers and/or indemnitors of the Parties that any work conducted pursuant to Section 17.4.4 above (a) is in the nature of corrective or repair work and does not constitute nor shall be asserted or construed to be an "improvement" to real property for purposes of C.R.S. § 13-80-104, and (b) unless part of a written settlement agreement signed by the Claimant and each Respondent, does not constitute nor shall be asserted or construed to be a voluntary payment or assumption of a voluntary obligation without insurer consent under any applicable commercial general liability insurance policy.

17.4.7 Broad Construction. The Procedures set forth in this Section 17.4 are designed to encourage the good faith resolution of a Claim or appropriate correction of improvements and the right of the Respondent to be heard and to inspect and correct shall be ongoing and construed liberally throughout all of the Procedures set forth in this Article so as to permit the same, for example but not limitation, as there arise new issues, legal theories, engineering opinions, developments with insurers, and other developments and information, even if after the formal dispute resolution procedures commence as described below. Accordingly, the informal and formal dispute resolution procedures are anticipated to run concurrently from time to time and the Parties agree to reasonably, timely and in good faith cooperate with each other to respond to requests, to permit the rights set forth in these Procedures and to facilitate the processes of these Procedures toward the goal of a successful and voluntary resolution of Claims.

Section 17.5 Formal Notice and Association Consensus.

17.5.1 Formal Notice. At any time following the forty-five (45) day negotiation period described in Section 17.4.3 above (or following such longer period as the Parties may agree), the Claimant may provide written formal notice to each Respondent stating (i) the nature of the Claim, including if applicable a list of any alleged construction defects and a description, in reasonable detail, of the type and location of such defects, the damages claimed to have been caused thereby, and Respondent's role in the Claim, (ii) the legal or contractual basis of the Claim (i.e., the specific authority out of which the Claim arises), (iii) the date on which the Claim first arose, and (iv) the specific relief and/or proposed remedy sought. Notwithstanding the foregoing or any contrary provision herein, the Claimant shall, in addition to complying with these Procedures, follow the alternative dispute resolution procedures set out in the Construction Defect Action Reform Act, Colo. Rev. Stat**.** § 13-20-801 et seq., as it may be amended from time to time ("CDARA") and the procedures set forth in Colo. Rev. Stat. **§** 38-33.3-303.5 et seq. ("CCIOA Construction Defect Procedures") with respect to any Defect Claim, and the initial formal notice required under CDARA and required pursuant to Colo. Rev. Stat. **§** 38-33.3-303.5(1)(e) may be combined with the formal notice of Claim required by this Section 17.5.1.

Formal written notice as provided in this Section and the satisfaction of the Association Consensus Vote (defined below), if applicable, is required as an express condition to commence the resolution Procedures set forth in Sections 18.6, 18.7 and the Sections following, below.

17.5.2 Association Defect Claims. Notwithstanding any contrary provision herein, no formal notice of Claim under Section 17.5.1 (including, without limitation, a Notice of Claim under CDARA) may be further pursued by a Claimant (a) if the Claim is a Defect Claim which relates, in whole or in part, to the Common Elements (including Limited Common Elements) of the Project or to any portion of the Units that is the responsibility of the Association to maintain, repair, and replace or to any Defect Claim that the Association intends to assert on its own behalf or on behalf of Owners (referred to herein as an "Association Defect Claim"), and (b) unless and until the Procedures set forth in this Section 17.5 below are satisfied. The Parties understand and agree that the Procedures of this Section 17.5 are essential to the protection of individual Owners who may not understand the implications and effects of the assertion of an Association Defect Claim by the Association, including, without limitation, the possible impact of such Claim on sales of Units within the Project and/or the ability of Owners to borrow funds when an Owner's Unit is being pledged as collateral for the loan.

17.5.3 Power of Attorney to Association. The Association is hereby designated to act as the exclusive representative of all Owners who are members of the Association in asserting any Association Defect Claim, and each Owner does hereby appoint the Association to exclusively act as its power of attorney (which power shall be irrevocable) with respect to any Association Defect Claims, including the right to compromise and settle the same. No Owner shall assert an Association Defect Claim except through the Association.

17.5.4 Meeting and Consensus Vote for Association Action. Notwithstanding anything contained in these Procedures to the contrary and in addition to any requirements prescribed by law, before asserting a Claim the Association shall do the following:

17.5.4.1 The Executive Board of the Association, following the approval of an Association Defect Claim by a majority of all of its directors, shall mail or deliver written notice to each Owner at the Owner's last-known address described in the Association's records and to each Respondent containing all of the information and disclosures required by Colo. Rev. Stat. **§** 38-33.3-303.5(1)(c) and, to the extent not required by such Statute, the following: (a) the manner in which the Association proposes to fund the cost of the Association Defect Claim, including any proposed special assessments or use of reserves, (b) the anticipated duration of the Association Defect Claim, the likelihood of its success, and the risks to which the Association is exposed (e.g., an assessment of counter-claims and/or other potential liability to the Association), (c) a reasonable

assessment and explanation of the anticipated impact of the Association Defect Claim on the marketability of Units for sale within the Project and the impact on the ability of Owners to refinance and buyers of Units to secure financing, explained for both during the pendency of the Association Defect Claim and after its resolution, together with a prominent statement advising Owners if it is concluded that any such impact does exist, (d) a prominent statement advising Owners that the existence of the Association Defect Claim may represent a material matter requiring legal disclosure to lenders, purchasers, auditors and/or other appropriate parties, and (e) providing proper notice for a meeting of Owners to be held not sooner than ten (10) days or longer than fifteen (15) days after such mailing, at which Owners shall discuss (but not yet vote) on whether to approve the Association Defect Claim as described in Section 17.5.4.2 below. A failure to hold the meeting within this time period voids the subsequent vote. A quorum is not required at the meeting. Respondents will be invited to attend and will have an opportunity to address the Owners concerning the Association Defect Claim as required by Colo. Rev. Stat. § 38-33.3-303.5(1)(c).

17.5.4.2 The Association Defect Claim must be approved and authorized by the affirmative written vote during the voting period, which voting period commences upon the conclusion of the Owner meeting and extends to the date falling ninety (90) days after the date of the notice described in Section 17.5.4.1 above (or, if earlier, the date when the Association determines that the Association Defect Claim is either approved or disapproved) (the "Voting Period"), by delivery of a written ballot or other written form of approval approved by the Executive Board directing the specific vote of the Owner (but not by proxy granting discretion to the proxy holder as to how to vote), of Owners holding at least a majority of the total voting rights in the Association (the "Association Consensus Vote").

17.5.4.3 The Association Consensus Vote must be obtained before the expiration of the Voting Period; otherwise the Owners shall be deemed to have declined to provide their approval of Association Defect Claim.

17.5.4.4 Notwithstanding any contrary provision or lack of provision herein, the Association shall fully and timely comply with all requirements of Colo. Rev. Stat. § 38-33.3-303.5, et seq., as supplemented by this Section 17.5. Further, notwithstanding this Section 17.5.4, the notice to Owners, meeting and vote set forth in this Section 17.5.4 is not required for an Association to proceed when the Association is the contracting party for the performance of labor or purchase of services or materials.

17.5.5 Limit on Director and Officer Liability. No director or officer of the Association shall be liable to any person or entity for failure to institute or maintain or bring to conclusion a cause of action, mediation or arbitration for an Association Defect Claim if the following criteria are satisfied: (i) the director or officer was acting within the scope of his or her duties; (ii) the director or officer was not acting in bad faith; and (iii) the act or omission was not willful, wanton or grossly negligent.

17.5.6 Tolling. All statutes of limitation and repose applicable to an Association Defect Claim shall be deemed tolled as provided in Colo. Rev. Stat. § 38-33.3-303.5 et seq.

Section 17.6 Mediation.

17.6.1 Following the formal written notice discussed in Section 17.5.1 above and, if applicable, the approval of the Association Consensus Vote within the Voting Period, the Claimant shall have thirty (30) days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Pitkin County, Colorado unless otherwise agreed by the Parties. A mediator shall be selected no later

than forty-five (45) days after the Claimant has given notice to the Respondent of its submittal to mediation and, if the Association is a Party and the Parties are unable to agree on a mediator, one shall be chosen by the American Arbitration Association. Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator.

17.6.2 If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

17.6.3 If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to submit the Claim to binding arbitration as provided below.

17.6.4 Any settlement of the Claim through mediation or through negotiation shall be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the Procedures set forth in this Article. In such event, the Party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorney's fees and court costs.

Section 17.7 Final and Binding Arbitration. Upon termination of mediation as provided in Section 17.6.3 above, if Claimant desires to pursue the Claim, Claimant shall have forty-five (45) days to deliver an arbitration notice to Respondent(s) and to initiate final, binding arbitration of the Claim under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. If any Claim is not timely submitted to arbitration, or if Claimant fails to appear for the arbitration proceeding, then the Claim shall be deemed waived and abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of any such Claim. The following arbitration procedures shall be applicable to each Claim that is arbitrated:

17.7.1 The arbitrator must be a person qualified, with applicable industry experience and/or legal experience, to consider and resolve the applicable Claim.

17.7.2 No person shall serve as the arbitrator where that person has any financial or personal interest in the result of the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator with fourteen (14) days after receipt of the Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner in which that arbitrator was selected.

17.7.3 The arbitration shall be presided over by a single arbitrator. Notwithstanding any other provision of this Section 17.7, if the Parties are unable to agree upon an arbitrator to resolve a Claim, they shall request from the AAA a list of qualified arbitrators. Promptly following their receipt of the list, the Parties shall meet in person or by telephone and shall follow the AAA procedures of ranking and striking names so as to determine the person who shall serve as the arbitrator. The cost of the list shall be split equally by the Parties.

17.7.4 The arbitrator shall hold at least one hearing in which the Parties, their attorneys and expert consultants may participate. The arbitrator shall fix the date, time and place for the hearing. The arbitration proceedings shall be conducted in the County in which the Project is located unless otherwise agreed by the Parties.

17.7.5 Discovery shall be limited to document disclosures as provided by the AAA, and no other discovery shall be conducted in the absence of an order of the arbitrator or express written agreement among all the Parties. The manner, timing and extent of any discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in Federal Rules Of Civil Procedure 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any Party that fails to cooperate in good faith in discovery agreed to by the Parties or ordered by the arbitrator pursuant to this Section.

17.7.6 The arbitrator may, in his or her reasonable discretion, permit the Parties to submit pre-hearing briefs, post-hearings briefs and/or proposed findings of fact and conclusions of law. The arbitrator shall also have authority to establish reasonable terms regarding inspections, destructive testing and retention of independent consultants, if applicable.

17.7.7 The Parties agree that where any Claim, dispute or other controversy existing between them is submitted to arbitration, and any other Party may have liability with respect thereto, all Parties agree that the third parties may be joined as additional Parties in the arbitration, or if a separate arbitration exists or is separately initiated, to the consolidation of all such arbitrations. By way of example only and not by limitation, in the event of an Alleged Defect, Declarant would have the right to join in the arbitration any design professional, contractor, subcontractor or other third party whose acts or omissions allegedly caused or contributed to the damages alleged by the Claimant.

17.7.8 The arbitration award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered promptly after the close of the hearing and no later than thirty (30) days from the close of the hearing, unless otherwise agreed by the Parties. The arbitration award shall be in writing and shall be signed by the arbitrator.

17.7.9 Any issue about whether a Claim is covered by this Article shall be determined by the arbitrator. Notwithstanding anything to the contrary, if a Party contests the validity or scope of arbitration in a court of law, the arbitrator or the court shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party.

17.7.10 The arbitrator shall apply the substantive law of Colorado and may award injunctive relief or any other remedy available in Colorado.

17.7.11 The award rendered by the arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in the County in which the Project is located in accordance with applicable law and judgment obtained thereon, and execution may issue. If any Party objects to entry of judgment upon any arbitration award entered pursuant to this Section 17.7, the Party that substantially prevails in any ensuing dispute concerning the entry of judgment upon such award shall be entitled to all reasonable attorneys' fees and costs incurred in the enforcement of the award.

17.7.12 The fees and costs of the arbitration, including without limitation the arbitrator and its consultants, shall be borne equally by the Parties.

17.7.13 Except as may be required by law or for confirmation of an arbitration award, neither a Party nor an arbitrator may disclose the existence or contents of any arbitration or arbitration award without the prior written consent of all Parties to the Claim.

Section 17.8 Amendments to this Article; Standing to Enforce. Notwithstanding anything to the contrary contained in this Declaration or any of the Association Documents, the terms and provisions of this Article 17 inure to the benefit of Declarant, are enforceable by Declarant, and SHALL NOT EVER BE AMENDED OR NULLIFIED WITHOUT THE WRITTEN CONSENT OF DECLARANT and without regard to whether Declarant owns any portion of the Project at the time of such amendment. BY TAKING TITLE TO A UNIT, EACH OWNER ACKNOWLEDGES AND AGREES THAT THE TERMS OF THIS ARTICLE 17 ARE A SIGNIFICANT INDUCEMENT TO THE DECLARANT'S WILLINGNESS TO DEVELOP AND SELL THE UNITS AND THAT IN THE ABSENCE OF THE PROVISIONS CONTAINED IN THIS ARTICLE, DECLARANT WOULD HAVE BEEN UNABLE AND UNWILLING TO DEVELOP AND SELL THE UNITS FOR THE PRICES PAID BY THE ORIGINAL PURCHASERS. Any amendment made without the requisite written consent of Declarant shall be null and void and shall have no effect. Further, all employees and agents of Declarant and all contractors, subcontractors, architects, engineers and other development professionals associated with the design or construction of any portion of the Project (each a "Third Party Beneficiary") are third-party beneficiaries of this Article and of the terms and conditions contained herein, including without limitation the requirement for binding arbitration, and any Third Party Beneficiary has standing to enforce the terms and conditions of this Article, including without limitation to compel binding arbitration.

Section 17.9 Reformation. The Parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving Claims. Accordingly, they recognize that an essential part of the Declaration is this Article and its agreement between and among the Parties to provide for the submission of all Claims to informal negotiation and correction efforts, mediation and final and binding arbitration. Therefore, if any court or arbitrator concludes that any provision of these Procedures is void, voidable or otherwise unenforceable, the Parties understand and agree that the court or arbitrator shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the Parties' express desire that the merits of all Claims be resolved only by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in these Procedures.

Section 17.10 Notices; Computation of Time. All notices given or required by these Procedures shall be in writing and shall be deemed given and received (a) when hand delivered to the intended recipient by whatever means; (b) three business days after the same is deposited in the United States mail, with adequate postage prepaid and sent by certified mail, return receipt requested, or (c) one business day after the same is deposited with an overnight courier service of national reputation, with the delivery charges prepaid. In the event any date called for herein falls on a Saturday, Sunday or legal holiday for which U.S. mail service is not provided, such date shall be extended to the next business day following such Saturday, Sunday or holiday.

ARTICLE 18
EXPANSION AND WITHDRAWAL RIGHTS

Section 18.1 Reservation of Expansion and Withdrawal Rights.

18.1.1 Declarant reserves the right for itself and any Successor Declarant to subject all or any part of the Expansion Property to the Project and subject such Expansion Property to the provisions of this Declaration and thereby expand the Property to include additional Condominium Units, not to exceed the maximum numbers set forth in Section 3.1 above, and/or to expand the Common Elements. The consent of the existing Owners, First Mortgagees or other Mortgagees shall not be required

for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option. Construction of improvements related to such expansion shall be substantially completed prior to being subjected to this Declaration. Declarant shall not be obligated to expand the Project beyond the number of Units and extent of Common Elements initially submitted to this Declaration.

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

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

18.1.4 Before being annexed into the Project and subjected to this Declaration as provided herein, Declarant alone is liable for all expenses in connection with the Expansion Property, except for expenses directly related to any easements or other property rights thereon benefiting the Project, which expenses arising from such property rights shall be a Common Expense.

Section 18.2 Supplemental Declarations and Supplemental Maps. Such expansion(s) may be accomplished by the filing for record by Declarant in the Office of the Clerk and Recorder for Pitkin County, Colorado, of one or more Supplemental Declarations and, if the real property being subject to this Declaration by such Supplemental Declaration has not been previously mapped in a map recorded in the Office of the Clerk and Recorder for Pitkin County, Colorado, of a Supplemental Map depicting such Expansion Property recorded concurrently with the applicable Supplemental Declaration. The Supplemental Declaration shall set forth the Building(s) and real property, if any, to be included in the expansion, together with any covenants, conditions, restrictions and easements particular to such property. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion. Declarant may exercise such rights for expansion on all or any portion of the Expansion Property in whatever order of development Declarant in its sole discretion, determines.

Section 18.3 Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Property subject to this Declaration as so expanded. For example, "Condominium Unit" shall mean the Condominium Units as shown on the Map plus any additional Condominium Units added by a Supplemental Declaration or Declarations and Supplemental Map or Maps, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Condominium Units shall be effective to transfer rights in the Property as expanded.

Section 18.4 Declaration Operative on New Condominium Units.

18.4.1 The new Condominium Units and new Common Elements shall be subject to all of the terms and conditions of this Declaration, and of any Supplemental Declaration, upon placing the Supplemental Map(s) depicting such Condominium Units and Common Elements and placing the related Supplemental Declaration(s) of public record in the Office of the Clerk and Recorder of Pitkin County, Colorado.

18.4.2 In the event that a portion of the Expansion Property is submitted to the provisions of this Declaration, Declarant shall retain the right to, but shall not be obligated to, submit any additional portion of the Expansion Property to the provisions of this Declaration pursuant to the provisions of this Article 18.

18.4.3 No condominium units or other improvements constructed in the Expansion Property shall be deemed incorporated into the Project or deemed subjected to the provisions of this Declaration until a Supplemental Declaration and a Supplemental Map is filed of record so annexing such units and/or property into the Project.

Section 18.5 Effect of Expansion.

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

18.5.2 Notwithstanding any inclusion of additional Condominium Units under this Declaration, each Owner (regardless of whether such Owner is the owner of a Condominium Unit shown on the original Map, or is the owner of a Condominium Unit constructed in the Expansion Property) shall remain fully liable with respect to obligations for the payment of Common Expenses of the Association, including the expenses as related to new Common Elements, costs and fees, if any. The recording of a Supplemental Declaration or Supplemental Map shall not alter the amount of the Common Expenses assessed to a Condominium Unit prior to such recording.

Section 18.6 Construction Easement. Declarant expressly reserves the right to perform warranty work, repairs and construction work and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until completion thereof. All work may be performed by Declarant without the consent or approval of any Owner or First Mortgagee or holder of any Mortgage. Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easements include the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the property not designated as reserved for future development in this Declarant or on the Map for the purpose of furnishing utility and other services to buildings and improvements to be constructed on any of the property reserved for future development and/or other real property owned by Declarant. Declarant's reserved construction easements include the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Elements not occupied by an improvement containing Units.

Section 18.7 Reciprocal Easements. If all or any part of the Expansion Property is not submitted to this Declaration, and until such time as such submission should occur if at all:

18.7.1 the owner(s) of the Expansion Property shall have whatever easements are necessary or desirable, if any, for access, utility services, repair, maintenance and emergencies over and across the Project; and

18.7.2 the Owner(s) in the Project shall have whatever easements are necessary or desirable, if any, for access, utility services, repair, maintenance and emergencies over and across the Expansion Property.

Declarant shall prepare and record in the Pitkin County real property records whatever documents are necessary to evidence such easements, if any. Such recorded easements shall specify that the owners of the Expansion Property and the Owners in the Project, shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s) so created. Preparation and recordation by the Declarant of any easement pursuant to this Section shall conclusively determine the existence, location, extent and validity of the reciprocal easements that are necessary or desirable and as contemplated in this Section.

Section 18.8 No Interference with Expansion or Development Rights. Neither the Association nor any Owner may take any action or adopt any Rule or regulation that will interfere with or in any manner limit or diminish any expansion or development right reserved by this Article 18 without the prior written consent of the Declarant. In the event of any controversy, dispute or litigation involving exercise of the reserved expansion or development rights by Declarant, this Declaration shall be interpreted so as to give the Declarant the broadest, most flexible expansion or development rights allowed by the Act.

ARTICLE 19
ASSOCIATION MATTERS

Section 19.1 Master Association Matters. Each Owner, by accepting a deed to a Condominium Unit, recognizes that (a) the Project is subject to the Master Declaration, and (b) by virtue of ownership of the Condominium Unit, the Owner has become a member of the Master Association. Each Owner, by accepting a deed to a Condominium Unit, acknowledges that he has received a copy of the Master Declaration. The Owner agrees to perform all of his obligations as a member of the Master Association as they may from time to time exist, including, but not limited to, the obligation to pay assessments as required under the Master Declaration and other governing documents of the Master Association.

Section 19.2 Enforcement of the Master Declaration. The Association shall have the power, subject to the primary power of the executive board of the Master Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to the Project, and to collect regular, special, and default assessments on behalf of the Master Association.

Section 19.3 Architectural Control.

19.3.1 No exterior or structural addition to or change or alteration to the Common Elements (including the construction of any additional window, awning or door) 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 by the Executive Board as to harmony of external design and location in relation to surrounding structures and topography, and until the architectural control provisions of the Design Declaration shall have been properly satisfied.

It is hereby acknowledged that there may be designated on the Condominium Map exterior walls or surfaces adjacent to certain Condominium Units which are deemed to be Limited Common Elements (but only to the extent such walls or surfaces are not structural in nature). No exterior or structural addition to or change or alteration to a Condominium Unit or to the Limited Common Elements (including the construction of any additional window, awning or door) shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Executive Board.

19.3.2 The alterations and changes described in this Article shall also be in compliance with and have received all approvals required by the Master Declaration, the Design

Declaration and any applicable zoning and other laws, rules and regulations, including the rules and regulations promulgated by the Association.

Section 19.4 Limitation of Liability. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROJECT, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THOSE PORTIONS OF THE PROPERTY TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION, OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS. Further, the Association shall not be liable for injury or damage to person or property resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner of a Condominium Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to the Owner of any Unit or such Owner's guest, lessee or invitee for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's guest, lessee or invitee for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Declaration where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 19.5 Measures Related to Insurance Coverage.

19.5.1 The Executive Board, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Project which are the maintenance responsibility of the Owner, which will, in the Executive Board's sole discretion, decrease the possibility of fire or other damage in the Project, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Executive Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Owners to install and maintain smoke detectors or other health/safety devices, requiring Owners to allow the Association to inspect the smoke detectors or other health/safety devices on a schedule to be determined by the Executive Board, requiring Owners to make improvements to the Owner's Condominium Unit, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed Five Hundred Dollars ($500) per Condominium Unit in any twelve (12) month period.

19.5.2 In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any requirement made by the Executive Board pursuant to Section 17.5.1 above, the Association, upon fifteen (15) days' written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost. Such cost shall be an assessment and a lien against the Condominium Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Executive Board pursuant to Section 17.5, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or guest, lessee or occupant of the Condominium Unit, except that access may be had at any time without notice in an emergency situation.

Section 19.6 Inspection, Maintenance, Repair and Replacement of a High-Risk Component. The Executive Board may, from time to time, after notice to all Owners and an opportunity for members comment, determine that certain portions of a Condominium Unit required to be maintained by the Owners, or certain objects, equipment or appliances within a Condominium Unit pose a particular risk of damage to other Units and/or the Common Elements if they are not properly inspected, maintained, repaired or replaced. Those items determined by the Executive Board to pose such a particular risk are referred to herein as a "High-Risk Component". The Executive Board may require one or more of the following with regard to a High-Risk Component:

19.6.1 that it be inspected at specified intervals by a representative of the Association or by an inspector(s) designated by the Executive Board;

19.6.2 that it be replaced or repaired at specified intervals, or with reference to manufacturers' warranties, whether or not the individual component is deteriorated or defective;

19.6.3 that it be replaced or repaired with items or components meeting particular standards or specifications established by the Executive Board;

19.6.4 that when it is repaired or replaced, the installation includes additional components or installments specified by the Executive Board;

19.6.5 that it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the Executive Board; and

19.6.6 if the replacement or repair is completed by an Owner, that it be inspected by a person designated by the Executive Board.

The imposition of requirements by the Executive Board in this provision shall not relieve an Owner of his or her obligations regarding a High-Risk Component, including, but not limited to, the obligation to perform and pay for all maintenance, repairs and replacement thereof. If any Owner fails or refuses to maintain, repair or replace a High-Risk Component in accordance with the requirements established by the Executive Board hereunder, the Association may, in addition to all other rights and powers granted to it pursuant to the Association Documents, enter the Condominium Unit for the purpose of inspecting, repairing, maintaining, or replacing a High-Risk Component, as the case may be, and charge all costs of doing so back to the Owner as a special Assessment.

ARTICLE 20
DURATION OF COVENANTS AND AMENDMENT

Section 20.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 20.2 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, from time to time, upon the written consent or vote of Owners representing an aggregate voting interest of sixty-seven percent (67%) or more of all ownership votes in the Association. Notwithstanding the foregoing, any proposed amendment to this Declaration (a) which modifies or affects any rights, obligations or restrictions of Declarant shall require the prior written approval of Declarant, (b) which modifies or affects any rights, obligations or restrictions of a particular class of Owners shall require the written consent or vote of Owners representing an aggregate voting interest of sixty-seven percent (67%) or more of all ownership votes in the particular class of Owners, (c) which amends Section 4.3 or Section 11.16 above shall require the prior written approval of both Declarant and Inspirato, and (d) which proposes to amend a provision requiring a vote higher than sixty-seven percent (67%) of all ownership votes in the Association shall require the written consent or vote of Owners holding the higher percentage of votes as

set forth in such provision, in each case in addition to the approval requirements otherwise set forth in this Section above.

Section 20.3 Unilateral Amendment Rights Reserved by Declarant. Notwithstanding the provisions of Section 20.2 above or any other provision of this Declaration, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration to the fullest extent permitted under the Act.

Section 20.4 Recording of Amendments. Any amendment to this Declaration made in accordance with this Article 20 shall be immediately effective upon recording in the office of the Clerk and Recorder of the County of Pitkin, Colorado, of a copy of the amendment, executed and acknowledged by the Association and accompanied by a certificate of the secretary of the Association stating that the required number of consents or votes of Owners was obtained.

ARTICLE 21
DECLARANT RIGHTS EXERCISE, EXPIRATION AND TRANSFER

Any right or any interest reserved or granted to Declarant under this Declaration or the Act or otherwise contained in this Declaration or the Act for the benefit of Declarant, including without limitation, the rights related to Club Plans under Article 4 of this Declaration and the expansion and withdrawal rights contained in Article 18 of this Declaration ("Declarant Rights") may be exercised by Declarant from time to time as provided herein or therein but in any event such Declarant Rights shall expire and terminate without further act or deed twenty-five (25) years after the date of recording of this Declaration. Declarant Rights may be partially or wholly transferred or assigned by Declarant (or by any Co-Declarant), either separately or with one (1) or more other such rights or interests, to any person, corporation, partnership, association, or other entity, by written instrument executed by Declarant (or the applicable Co-Declarant) and by the transferee or assignee and recorded in the office of the Clerk and Recorder of the County of Pitkin, Colorado.

ARTICLE 22
MISCELLANEOUS

Section 22.1 Restriction on Declarant Powers. Notwithstanding anything to the contrary in this Declaration, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.

Section 22.2 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other Association Documents shall be through any proceedings at law or in equity brought by any aggrieved Owner, the Association, or Declarant against the Association or any Owner. Such actions may seek remedy by injunction or restraint of a violation or attempted violation, or an action for damages, or any of them, without the necessity of making an election.

Section 22.3 Nonwaiver. Failure by Declarant, the Association, or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 22.4 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one (1) or more of the provisions of it by judgment or court order

or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect.

Section 22.5 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 22.6 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 22.7 Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the articles of incorporation of the Association and the bylaws of the Association, this Declaration shall control. In case of conflicts in the provisions in the articles of incorporation of the Association and the bylaws of the Association, the articles of incorporation of the Association shall control. In the event of any conflict between the provisions of this Declaration and the provisions of the Master Declaration, the Master Declaration shall control.

Section 22.8 Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Executed as of the _____ day of _____, 20__.

SV BUILDING 7 DEVELOPMENT LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____

SV BUILDING 8 DEVELOPMENT LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, as _____ of SV Building 7 Development LLC, a Delaware limited liability company.

WITNESS my hand and official seal.
My commission expires:_____.

[SEAL]

_____
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, as _____ of SV Building 8 Development LLC, a Delaware limited liability company.

WITNESS my hand and official seal.
My commission expires:_____.

[SEAL]

_____
NOTARY PUBLIC

JOINDER OF LIENOR

The undersigned, beneficiary under the Deed of Trust dated _____ and recorded _____ at Reception No. _____ in the office of the Clerk and Recorder of the County of Pitkin, Colorado, as amended and supplemented from time to time (the "Deed of Trust"), for itself and its successors and assigns, approves the foregoing Condominium Declaration for One Snowmass, affecting a portion of the property encumbered by the Deed of Trust, and agrees that no foreclosure or other enforcement of any remedy pursuant to the Deeds of Trust shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by that Declaration; provided, however, that the Deed of Trust, as a lien recorded prior to the Declaration, has and shall continue to have priority over all assessment liens of the Association (as defined in the Declaration), pursuant to C.R.S. Section 38-33.3-316(2)(a)(I).

By: _____

Name: _____

Title: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20__, by _____ as _____ of _____, a_____ _____.

WITNESS my hand and official seal.

My commission expires: _____.

_____
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All of the property subject to that certain Final Plat and Condominium Map, One Snowmass, recorded _____, 20__ at Reception No. _____ in the real property records of Pitkin County, Colorado.

EXHIBIT B

LEGAL DESCRIPTION OF EXPANSION PROPERTY

EXHIBIT C

OWNERS' PERCENTAGE INTEREST IN COMMON ELEMENTS

Unit No.	% Interest in Common Elements
	100.00%

The formula used to establish such allocation of ownership interests is based upon a Condominium Unit's square footage as a percentage of the aggregate square footage of all Condominium Units. The allocation of percentage ownership interests in the Common Elements to each of the Condominium Units as set forth in this Exhibit C, and its use in calculating the Assessment obligations and voting rights in the Association, shall be binding on and relied upon by all Owners and shall not be subject to recalculation based on any re-measurement of the Condominium Units or otherwise.

EXHIBIT D

PUT OPTION PROCEDURES

As described in Section 11.6.3 of this Declaration, the Owner of an Amenity Unit may at any time provide written notice to the Association that it is ceasing operations of the applicable Amenity Unit and is electing to convey the Amenity Unit to the Association, in which event the Owner of such Amenity Unit shall be required to convey, for no consideration other than the Association's obligation to maintain, manage and operate such Amenity Unit and honor the rights of all parties having rights or privileges thereto (including, without limitation, under the Fitness License Agreement or the Inspirato Lease, as applicable), which will be assigned to the Association), and the Association shall be required to accept conveyance of such Amenity Unit and to hold same as a Limited Common Element appurtenant to the Residential Units, to assume any related license, lease or other instrument granting rights or privileges in the Amenity Unit, and to assume the obligations as Owner of the Amenity Unit under any such license, lease or instrument (the "Amenity Unit Put Option"). If the Amenity Unit Put Option is exercised with respect to either Amenity Unit, the following provisions shall apply:

1. Title. If the Amenity Unit Put Option is exercised, the Amenity Unit shall be conveyed to the Association by special warranty deed free and clear of all monetary liens and encumbrances. The Owner of the Amenity Unit shall defend, indemnify and hold the Association harmless from and against any and all costs, expenses, liabilities and damages (including reasonable attorney's fees and expenses of litigation) incurred by the Association as a result of any such monetary liens or encumbrances on the Amenity Unit, including, without limitation, claims or liens of mechanics, materialmen, suppliers, laborers, or others for work performed or materials supplied which attach or may in the future attach to the Amenity Unit. Any personal property conveyed by the Owner of the Amenity Unit to the Association at such Owner's election shall be conveyed by a bill of sale, without warranty as to condition.

2. Closing. The closing of the Amenity Unit Put Option (the "Closing") shall occur on the date that is thirty (30) days after the date of exercise of the Amenity Unit Put Option, or on such other date as the parties may agree, at the offices of the Managing Agent for the Association. At the Closing,

a. Real property taxes and assessments, if any, applicable to the Amenity Unit being conveyed for the period from January 1 of the year of the Closing through the day of the Closing shall be prorated between the Owner of the Amenity Unit and the Association based upon the most current levy and assessment (which shall be a final settlement) or, if such assessment is not available for the Amenity Unit, then based upon the Owner of the Amenity Unit's good faith estimate of such assessment, after consultation with the Pitkin County Assessor (which shall not be a final settlement but shall be subject to reapportionment based on actual taxes).

b. The Owner of the Amenity Unit shall fully settle and satisfy such additional closing costs and expenses as may be shown on the settlement statements to be executed by the Owner of the Amenity Unit and the Association in connection with the conveyance of the Amenity Unit.

c. The Owner of the Amenity Unit and the Association shall execute and deliver an assignment and assumption or separate assignments and assumptions, in each case in a form that is reasonable and customary, assigning by such Owner of the Amenity Unit and assuming by the Association any license, lease or other instrument granting rights or privileges to the Amenity Unit and any other agreements relating to the operations of the Amenity Unit.

d. Each of the Owner of the Amenity Unit and the Association shall execute and deliver such additional instruments, documents and agreements a may be reasonably requested by the other to evidence

or perfect the transaction contemplated herein. Without limiting the foregoing, the Owner of the Amenity Unit shall provide title insurance for the Amenity Unit in an amount equal to the estimated replacement cost as reasonably estimated by the Association.

3. Damage to Amenity Unit. In the event that the Amenity Unit Put Option is exercised as a result of damage, destruction or other adversity or casualty occurring to the Amenity Unit, the Owner of the Amenity Unit shall also execute and deliver an assignment of insurance proceeds in substantially the form required by the provider of insurance, applicable to the damaged portion of the Amenity Unit, or delivery of any such proceeds received by the Owner of the Amenity Unit and not spent by such Owner toward the benefit of the Amenity Unit. The Closing and conveyance of the Amenity Unit shall be conditioned upon such assignment and/or payment of insurance proceeds or other mechanism effectively granting the Association the use of such proceeds when paid by the provider of insurance. At Closing, the Association shall accept such assignment of insurance proceeds and/or delivery of actual and unspent proceeds received and shall be required to reconstruct and repair the Amenity Unit as provided in Article 14 of the Declaration as though the Amenity Unit were Limited Common Element-Residential.

4. Survival. If the Amenity Unit Put Option is exercised by the Owner of either Amenity Unit, the Amenity Unit Put Option shall survive such exercise and shall remain fully valid and binding with respect to the other Amenity Unit.

5. Time of Essence. Time is of the essence hereof. If the date set for performance of any obligation or the exercise of any right arising under this Exhibit falls on a Saturday, Sunday, or holiday observed by banks in the Town of Snowmass, Colorado, such performance or exercise will be deemed timely completed if rendered on the next following business day.

6. Rule Against Perpetuities. The options, privileges, covenants or rights created by the Amenity Unit Put Option or this Exhibit shall automatically terminate to the extent not fully exercised on the date falling ninety (90) years after the date of recording of this Declaration.

EXHIBIT E

EASEMENTS, LICENSES AND OTHER TITLE MATTERS

EXHIBIT F

LOCATION OF TEMPORARY EASEMENT