



Cheri Brunvand-Summit County Recorder 8/2/2000 10:11 DF:

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
RED HAWK LODGE CONDOMINIUM**

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DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR RED HAWK LODGE CONDOMINIUM

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RED HAWK LODGE CONDOMINIUM (as amended from time to time, this "Declaration") is made as of May 30, 2000, by KEYSTONE/INTRAWEST L.L.C., a Delaware limited liability company (together with its successors and assigns, "Declarant").

Recitals

A. Declarant owns the real property located in the County of Summit, State of Colorado, that is more particularly described on Exhibit A attached hereto and made a part hereof.

B. Declarant desires to create a condominium on such property pursuant to the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

C. Declarant deems it necessary and desirable to subject such property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

Declaration

In consideration of the foregoing, Declarant hereby declares as follows:

ARTICLE I
DECLARATION

1.01 Declaration.

Declarant hereby creates a condominium named "Red Hawk Lodge Condominium" on the Property (as such term is defined below) and declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration.

1.02 Covenants Running with the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, the Owners (as such term is defined below), the Association (as such term is defined below), and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

ARTICLE II
DEFINITIONS

2.01 Basic Definitions.

As used in this Declaration, the following terms have the meanings given to them in this Section 2.01.

(a) "Act" means the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

(b) "Area," when reference is made to a Unit or Units, means the total number of square feet of the floor surface thereof as shown on the Map, or if such square footage is not shown on the Map, then "Area," when reference is made to a Unit or Units, means the total number of square feet of the floor area of such Unit or Units as determined by the Executive Board.

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

(d) "Assessment" means a General Assessment, a Special Assessment or a Default Assessment levied and assessed pursuant to Article VII below.

(e) "Assessment Lien" has the meaning given to that term in Section 7.08 below.

(f) "Association" means Red Hawk Lodge Condominium Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(g) "Association Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

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

(i) "Common Elements" means the General Common Elements and the Limited Common Elements.

(j) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements; (B) providing facilities, services and other benefits to Owners; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (E) regulating and managing the Condominium; (F) operating the Association; and (G) performing and observing the obligations or conditions to be performed or observed by the Association under any easement, contract or agreement, including without limitation, the easements and agreements described on Exhibit D attached hereto and hereby made a part hereof; and

(ii) reserves for any such costs, expenses and liability.

(k) "Condominium" means Red Hawk Lodge Condominium, the common interest community created on the Property by this Declaration, consisting of the Units and the Common Elements.

(l) "Declarant" means Keystone/Intrawest L.L.C., a Delaware limited liability company, and its successors and assigns.

(m) "Declarant Control Period" has the meaning given to that term in Section 6.03 below.

(n) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Red Hawk Lodge Condominium, as the same may be amended from time to time.

(o) "Declaration of Cross Easements" has the meaning given to that term in Section 8.06 below.

(p) "Declaration of Trash Facilities Easement" has the meaning given to that term in Section 8.05(c) below.

below. (q) "Default Assessment" has the meaning given to that term in Section 7.06

Board. (r) "Director" means a duly elected or appointed member of the Executive

(s) "Executive Board" means the Association's board of directors.

(t) "First Mortgage" means any Mortgage which is not subordinate to any other lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

(u) "First Mortgagee" means a Mortgagee under a First Mortgage.

below. (v) "General Assessment" has the meaning given to that term in Section 7.04

(w) "General Common Elements" means all of the Condominium, other than the Units and the Limited Common Elements. Without limiting the generality of the preceding sentence, the General Common Elements include, without limitation:

(i) all Improvements, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, storage areas, roofs, chimneys, drainage facilities, patios, balconies, decks, porches, courtyards, stoops, exits and entrances, except for those Improvements that are designated by the Act, by this Declaration or by the Map as Units or Limited Common Elements; and

(ii) any parcels of real property and improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement or other agreement including, without limitation, the agreements and easements listed on Exhibit D, and (B) that are used or possessed by the Association for the benefit of all Owners.

(x) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(y) "Improvement" means any building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Property and within which one or more Units or Common Elements are located.

(z) "Interest in General Common Elements" means the undivided interest in the General Common Elements appurtenant to each Unit, determined in accordance with the terms and conditions of Section 3.02 below.

(aa) "Limited Common Elements" means those portions of the Common Elements allocated by this Declaration or by operation of the Act for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, "Limited Common Elements" include, without limitation,

(i) the Lodge Spa and any shutters, awnings, window boxes, windows and doors located at the boundaries of Units, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, patios, balconies, decks, pools, hot tubs, spas, porches, courtyards, recreational facilities, elevators, waiting areas, libraries, laundry facilities, storage spaces, ski lockers, restrooms, entrances, exits and walkways and other areas and Improvements that are designed to serve fewer than all of the Units;

(ii) the underground parking spaces within the Condominium which may be used by the Owners of Residential Units and their Guests, but not by the Owner of the Office Unit or their lessees or other Guests, except as set forth to the contrary in paragraph 10.18(d) below;

(iii) any parcels of real property and improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement or other agreement, and (B) that are used or possessed by the Association for the benefit of Owners of fewer than all of the Units; and

(iv) any physical portion of the Condominium that is designated on the Map as "Limited Common Element," "LCE," "LCER" or "LCEO".

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. Nonstructural walls located wholly within a Unit are Limited Common Elements appurtenant to the Units in which they are located.

(bb) "Lodge Parking Ramp" means the ramp to the underground parking garage within the Condominium.

(cc) "Lodge Trash Facility" means the trash collection and storage area identified as the Lodge Trash Facility on the Map.

(dd) "Lodge Spa" means the swimming pool, hot tub, steam room and shower room facilities identified as the Lodge Spa on the Map.

(ee) "Majority," regardless of whether capitalized, means any percentage greater than 50 percent.

(ff) "Map" means the condominium map for Red Hawk Lodge Condominium attached to and made a part of this Declaration as Exhibit B, as the same may be amended or supplemented from time to time.

(gg) "Membership" means a membership in the Association and the rights granted to Owners pursuant to this Declaration and the other Association Documents to participate in the Association.

(hh) "Mortgage" means any mortgage, deed of trust or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

(ii) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage and any successor to the interest of any such Person under a Mortgage.

(jj) "Neighbourhood Company" means The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation.

(kk) "Neighbourhood Company Documents" means the Neighbourhood Company Declaration and the articles of incorporation, the bylaws and all rules and regulations of the Neighbourhood Company, including, without limitation, those of the Neighbourhood Company's Design Review Board, as the same may be amended from time to time.

(ll) "Neighbourhood Company Declaration" means the Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone, recorded in the Summit County Records on December 1, 1995 under Reception No. 504399, as the same may be amended from time to time.

(mm) "Office Unit" means the Unit designated as the Office Unit on the Map.

(nn) "Officer" means a duly elected or appointed officer of the Association.

(oo) "Owner" means the record holder of legal title to the fee simple interest in any Unit or portion thereof. If there is more than one record holder of legal title to a Unit, each

record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Unit.

(pp) "Person" means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Colorado.

(qq) "Property" means:

(i) the real property located in Summit County, Colorado, that is more particularly described on Exhibit A attached hereto and made a part hereof; and

(ii) any real property that is later made subject to this Declaration in accordance with the terms and conditions contained herein.

(rr) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Unit or portion thereof.

(ss) "Residential Unit" means any Unit, other than the Office Unit.

(tt) "Rules and Regulations" means any instruments adopted by the Association for the regulation and management of the Condominium, as the same may be amended from time to time.

(uu) "Share of Common Expenses" means the share of Common Expenses allocated to each Unit in accordance with the terms and conditions of Section 7.02 below.

(vv) "Special Assessment" has the meaning given to that term in Section 7.05 below.

(ww) "Special Declarant Rights" means all "special declarant rights" (as such term is defined in the Act) that Declarant reserves for itself in this Declaration.

(xx) "Springs Association" means The Springs at River Run Condominium Association, Inc., a Colorado nonprofit corporation to be formed pursuant to covenants to be recorded for the Springs Project.

(yy) "Springs Project" has the meaning given to that term in Section 8.05(c) below.

(zz) "Successor Declarant" means any Person who succeeds to any Special Declarant Right.

(aaa) "Summit County Records" means the Office of the Clerk and Recorder for Summit County, Colorado.

(bbb) "Total Condominium Area" means the Area of all Units in the Condominium, as determined in accordance with paragraph 2.01(b) above.

(ccc) "Townhome Association" means the Red Hawk Townhomes Condominium Association, Inc., a Colorado nonprofit corporation.

(ddd) "Townhomes" means the Red Hawk Townhomes Condominium.

(eee) "Turn Around Easement" has the meaning given to that term in Section 8.07 below.

(fff) "Unit" means a physical portion of the Condominium that:

- (i) is created by this Declaration;
- (ii) is designated for separate ownership;
- (iii) has boundaries that are described in this Declaration or shown on the Map; together with
- (iv) the Interest in General Common Elements appurtenant to that Unit;
- (v) the right to exclusive or nonexclusive use of the Limited Common Elements appurtenant to that Unit, if any; and
- (vi) the Membership in the Association appurtenant to that Unit.

If walls, floors or ceilings are designated as boundaries of a Unit, all paneling, tiles, wallpaper, painting, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements.

2.02 Gender and Number.

Wherever the context of this Declaration so requires:

- (a) words used in the masculine gender shall include the feminine and neuter genders;

- genders;
- (b) words used in the neuter gender shall include the masculine and feminine genders;
 - (c) words used in the feminine gender shall include the masculine and neuter genders;
 - (d) words used in the singular shall include the plural; and
 - (e) words used in the plural shall include the singular.

ARTICLE III UNITS AND COMMON ELEMENTS

3.01 Units.

- (a) Declarant hereby creates 100 Residential Units and 1 Office Unit within the Condominium, the boundaries and identifying numbers of which are shown on the Map.
- (b) No Owner may alter its Unit, subdivide its Unit or relocate the boundaries between its Unit and an adjacent Unit, except as provided by this Declaration.
- (d) Except as expressly provided to the contrary in this Declaration, the Interest in General Common Elements, the right to use Limited Common Elements and the Membership in the Association appurtenant to the Unit may not be partitioned or separated from the Unit or any part thereof.
- (e) Notwithstanding anything to the contrary contained in paragraph 3.01(b) above, paragraph 3.01(c) above or elsewhere in this Declaration:
 - (i) nothing in paragraph 3.01(b) above, paragraph 3.01(c) above or elsewhere in this Declaration shall prevent or limit Declarant's exercise or enjoyment of any Special Declarant Right; and
 - (ii) an Owner may grant its rights to use any General Common Element or any Limited Common Element appurtenant to the Owner's Unit to the Owner's Guests.

3.02 Interests in General Common Elements.

- (a) The Interests in General Common Elements shall be allocated among the Units as set forth in this Section 3.02. The Interest in General Common Elements appurtenant to a Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\begin{array}{lcl} \text{Interest in General} & (\text{Area of the Unit}) & \times 100 \\ \text{Common Elements} & = & (\text{Total Condominium Area}) \end{array}$$

(b) The Interest in General Common Elements appurtenant to each of the initial 101 Units of the Condominium are set forth on Exhibit C attached hereto and made a part hereof.

(c) If any Units are added to or withdrawn from the Condominium, or if the Area of one or more Units is increased or decreased, the Interest in General Common Elements for all Units within the Condominium after such addition or withdrawal, increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 3.02(a) above.

(d) Except as expressly provided to the contrary elsewhere in this Declaration, an Interest in General Common Elements may not be partitioned from the Unit to which it is appurtenant, and any purported conveyance, encumbrance or transfer of an Interest in General Common Elements made without the Unit to which the Interest in General Common Elements is appurtenant shall be void.

3.03 Limited Common Elements.

Except as expressly provided to the contrary in this Declaration, the allocation of the Limited Common Elements shown on the Map or by operation of the Act may not be altered without the consent of all Owners whose Units would be affected by such reallocation and then, only in accordance with the terms and conditions of the Act.

3.04 Separate Taxation of Units.

Pursuant to the Act, each Unit constitutes a separate parcel of real estate and will be separately assessed and taxed.

3.05 Description of Units.

To convey, encumber or otherwise affect legal title to a Unit an instrument must describe the Unit as follows:

[Unit ____/Office Unit], Red Hawk Lodge Condominium, according to the Declaration of Covenants, Conditions and Restrictions for Red Hawk Lodge Condominium, recorded under Reception No. ____ of the records of the Clerk and Recorder for Summit County, Colorado, and the Condominium Map attached as an Exhibit thereto and also separately recorded under Reception No. ____ of the records of the Clerk and Recorder for Summit County, Colorado.

ARTICLE IV
THE ASSOCIATION

4.01 Formation of the Association.

On or before the date on which Declarant conveys the first Unit to a Purchaser, Declarant shall form the Association.

4.02 Purposes and Powers.

(a) The Association's purposes are:

(i) to manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements;

(ii) to provide certain facilities, services and other benefits to the Owners;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) to enter into amend, revise or otherwise deal with agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with one or more condominium associations or the Neighbourhood Company which contemplate the sharing of expenses among the Association and the other condominium associations or the Neighbourhood Company for facilities and services that serve the Association and the other condominium associations or the Neighbourhood Company;

(vi) to take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners; and

(vii) to regulate and manage the Condominium.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes;

(ii) exercise any powers conferred on it by the Act or any Association Document; and

(iii) exercise all powers that may be exercised in Colorado by nonprofit corporations.

(c) Without in any way limiting the generality of paragraph 4.02(b) above, the Association may, but is not obligated to:

(i) provide certain facilities and services to the Owners, such as (A) recreational facilities and services, (B) water, sewer, gas, electric, cable television and other utility facilities and services, (C) parking facilities and services, (D) trash collection facilities and services, and (E) snow removal facilities and services;

(ii) acquire, sell, lease and grant easements over, across and through Common Elements;

(iii) borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefor;

(iv) make capital improvements, repairs and replacements to Common Elements; and

(v) hire and terminate managing agents and other employees, agents and independent contractors.

4.03 Association Documents.

(a) This Declaration creates the Condominium and sets forth certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to the Property. The Articles create the Association. The Bylaws provide for the regulation and management of the Association, and the Rules and Regulations provide for the regulation and management of the Condominium.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

4.04 Books and Records.

Upon request, the Association shall allow Owners and Mortgagees and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

ARTICLE V MEMBERSHIP AND VOTING

5.01 Membership.

(a) There shall be one Membership appurtenant to each Unit. The Membership appurtenant to a Unit shall be held by the Owners of that Unit and may not be separated from the Unit to which it is appurtenant. A Membership may be transferred or encumbered only in connection with the conveyance or encumbrance of a fee simple interest in the Unit to which the Membership is appurtenant. Any transfer or encumbrance of a Membership other than as permitted in this Section 5.01 shall be void and have no force or effect.

(b) Notwithstanding anything to the contrary in paragraph 5.01(a) above, an Owner may assign its voting rights to any Person by duly executed proxies timely delivered to the Association.

5.02 Voting.

(a) Each Membership shall be entitled to one vote regardless of the number of Owners of the Unit to which the Membership is appurtenant. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a Membership appurtenant to a particular Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) The votes allocated to the initial 101 Units of the Condominium are set forth on Exhibit C attached hereto and made a hereof.

(c) The Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

ARTICLE VI
EXECUTIVE BOARD

6.01 Number and Election of Directors.

(a) The Executive Board shall consist of three Directors. The initial Directors shall hold office until the election or appointment of their successors at the 2001 annual meeting. Thereafter, subject to the terms and conditions of Sections 6.03 and 6.04 below, each Director will hold office for a term of one year and the Owners shall elect the Directors at the annual meetings.

(b) In any election of Directors to the Executive Board, every membership shall have the number of votes equal to the number of Directors to be elected. Cumulative voting shall not be allowed in the election of Directors of the Executive Board or for any other purpose.

6.02 Powers of the Executive Board.

(a) Except as provided in this Declaration, the Articles and the Bylaws, the Executive Board may act on behalf of the Association in all instances.

(b) The Executive Board may not act on behalf of the Association to:

(i) amend this Declaration;

(ii) terminate the Association, this Declaration or the Condominium;

(iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Section 6.03 below; or

(iv) determine the qualifications, powers and duties, or terms of office, of Directors.

6.03 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 6.03(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase

"Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the earliest to occur of:

(i) the date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under this Declaration;

(ii) the date that is two years after the last conveyance of a Unit by Declarant or a Successor Declarant in the ordinary course of business; or

(iii) the date that is two years after any right to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in paragraph 6.03(a) above, not later than sixty days after the conveyance of 25 percent of the Units that may be created under this Declaration to Purchasers, one Director appointed by Declarant shall be replaced with a Director elected by Owners other than Declarant.

(d) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

6.04 Removal of Directors.

Notwithstanding any provision of this Declaration or any other Association Document to the contrary, the Owners, by a 67 percent vote of all Memberships represented and entitled to vote at any meeting at which a quorum is present, may remove any Director, with or without cause, other than a Director appointed by Declarant during the Declarant Control Period.

6.05 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Director shall be filled by a Director elected by the remaining Directors.

(c) Any Director elected or appointed pursuant to this Section 6.05 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

ARTICLE VII
ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.01 Obligations for Assessments.

(a) Each Owner, by accepting a deed to a Unit (regardless of whether it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed, to pay to the Association all:

- (i) General Assessments;
- (ii) Special Assessments;
- (iii) Default Assessments; and
- (iv) other charges,

that the Association is required or permitted to levy or impose on such Owner or such Owner's Unit pursuant to this Declaration or any other Association Document.

(b) Notwithstanding the definition of the term "Owner":

(i) a Person who acquires a Unit in a foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date of the foreclosure sale; and

(ii) a Person who acquires a Unit by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date on which the Owner of the Unit executes the deed-in-lieu of foreclosure.

(c) No Owner shall be exempt from liability for any such Assessment or other charges by waiving the use or enjoyment of any Common Element by abandoning a Unit against which such Assessments or other charges are made.

(d) Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Unit during the period of such Owner's ownership of the Unit. If there is more than one Owner of a Unit, each Owner shall be jointly and severally liable with the other Owners of the Unit for all Assessments and other charges levied on the Unit or any Owner of the Unit.

(e) Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

7.02 Shares of Common Expenses.

(a) Except as otherwise set forth in this Declaration, the Association's Common Expenses shall be allocated among the Units as set forth in this Section 7.02. The Share of Common Expenses allocated to a Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\text{Share of Common Expenses} = \frac{(\text{Area of the Unit})}{(\text{Total Condominium Area})} \times 100$$

(b) The Share of Common Expenses attributable to the initial 101 Units of the Condominium are set forth on Exhibit C attached hereto and made a part hereof.

(c) If any Units are added to or withdrawn from the Condominium, or the Area of one or more Units is increased or decreased, the Shares of Common Expenses for all Units within the Condominium after such addition, withdrawal, increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 7.02(a) above.

(d) Until the Association levies an Assessment, Declarant shall pay all Common Expenses.

7.03 Budgets.

(a) Prior to the first levy of a General Assessment, and thereafter on or before October 1 of each calendar year, the Executive Board shall adopt a proposed annual budget for the Association for the following calendar year that sets forth:

(i) the Executive Board's estimates of Common Expenses for the next calendar year;

(ii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through General Assessments; and

(iii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through Special Assessments.

(b) Within thirty days after adopting a proposed annual budget, the Executive Board shall deliver a summary of the proposed annual budget to the Owners and set a date for a meeting of the Owners to consider ratification of the proposed annual budget. The date of such meeting shall not be less than fourteen days nor more than sixty days after the delivery of the summary of the proposed annual budget to the Owners. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. If the proposed annual budget is rejected, the annual budget last ratified by the Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent annual budget proposed by the Executive Board.

(c) If the Executive Board deems it necessary or advisable to amend an annual budget that has been ratified by the Owners under paragraph 7.03(b) above, the Executive Board may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen days nor more than sixty days after the delivery of the summary of the proposed amendment. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

7.04 General Assessments.

(a) After the Owners ratify an annual budget pursuant to paragraph 7.03(b) above, the Association shall levy an assessment for Common Expenses (a "General Assessment") on each Unit. The amount of the General Assessment levied against a Unit shall equal the product obtained by multiplying:

(i) the amount set forth in the annual budget ratified by the Owners as the amount of Common Expenses to be raised by General Assessments, by

(ii) that Unit's Share of Common Expenses.

(b) The Owners shall pay the General Assessments levied against their respective Units in such periodic installments as may be required by the Association.

(c) If the Owners ratify an amendment to the General Assessment portion of an annual budget pursuant to paragraph 7.03(b) above, the amount of the General Assessment levied against each Unit shall be adjusted accordingly, as shall the amount of each Owner's periodic installments.

(d) If the Owners fail to ratify an annual budget for any calendar year prior to January 1 of that calendar year, the Owners shall continue to pay periodic installments of the General Assessment to the Association at the rate payable during the prior calendar year until such time as the Owners ratify a new annual budget for the then current calendar year. Once the Owners ratify a new annual budget, the Association shall levy against each Unit the General Assessment for the then current calendar year and each Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the remainder of such calendar year, giving the Owners credit, in such manner as the Executive Board deems necessary or appropriate, for any installments that the Owners have previously paid to the Association during such calendar year.

(e) The failure of the Association to levy a General Assessment for any calendar year shall not be deemed a waiver, modification or release of an Owner's liability for the Share of Common Expenses allocated to such Owner's Unit.

7.05 Special Assessments.

(a) The Assessments that the Association may levy pursuant to this Section 7.05 are referred to in this Declaration as "Special Assessments."

(b) Notwithstanding anything to the contrary contained in Section 7.04 above, if any Common Expense is attributable to the operation, maintenance, repair, replacement, alteration or improvement of a Limited Common Element, the Association may levy an Assessment for such Common Expense against the Units to which that Limited Common Element is assigned, equally, in proportion to the Shares of Common Expenses attributable to those Units or in any other equitable proportion as the Association reasonably deems appropriate.

(c) Each Special Assessment levied against any Unit shall be shown on an annual budget, or an amendment to an annual budget, ratified by the Owners pursuant to Section 7.03 above and shall be paid as and when required by the Association.

7.06 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) the negligence or misconduct of an Owner or an Owner's Guest; or

(ii) a violation of any covenant or condition of an Association Document by an Owner or an Owner's Guest,

the Association may levy an Assessment for such Common Expense against such Owner's Unit. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the Owner's violation of any covenant or condition of any Association Document are each referred to herein as a "Default Assessment."

(b) Default Assessments need not be shown on an annual budget, or on an amendment to an annual budget, ratified by the Owners pursuant to Section 7.03 above.

(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Units against which Default Assessments have been levied shall pay such Default Assessments as and when required by the Association.

7.07 Assignment of Assessments.

The Association shall have the unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved by a majority of the votes allocated to Memberships present at a meeting at which a quorum is present.

7.08 Assessment Lien.

(a) The Association shall have a lien on each Unit for any Assessment levied against that Unit and for any fines, late charges, penalties, interest and attorneys' fees, disbursements and costs of collection imposed against the Owner of such Unit under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Unit, except:

(i) liens and encumbrances recorded prior to the recordation of this Declaration;

(ii) liens for real estate taxes and other governmental assessments or charges against the Unit; and

(iii) a First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent.

(c) Notwithstanding the terms and conditions of subparagraph 7.08(b)(iii) above, an Assessment Lien is prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent to the extent permitted by the Act.

(d) The recording of this Declaration constitutes record notice and perfection of an Assessment Lien on each Unit. No further recordation of any claim of any Assessment Lien is required.

(e) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six years after the full amount of the Assessment secured thereby becomes due.

(f) This Section 7.08 does not prohibit actions or suits to recover sums secured by an Assessment Lien or the Association from taking a deed in lieu of foreclosure.

(g) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be owed by the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments.

(h) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

7.09 Waiver of Homestead Exemptions.

By acceptance of the deed or other instrument of conveyance of a Unit, an Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended, as the same may apply to the Assessment Lien.

7.10 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid Assessments currently levied against

such Owner's Unit. The statement shall be furnished within fourteen calendar days after receipt of the request and is binding on the Association, the Executive Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Unit for unpaid Assessments which were due as of the date of the request.

(b) If a First Mortgagee delivers to the Association a written request for notice of unpaid Assessments levied against a Unit subject to a First Mortgage held by that First Mortgagee, the Association shall report to the First Mortgagee any unpaid Assessments levied against such Unit that remain unpaid for more than sixty days after the same shall have become due. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

7.11 Reserve Fund.

(a) The Association shall have the right to maintain a reserve fund for Common Expenses. The reserve fund will be funded as follows. At the closing of the sale of a Unit by Declarant to a Purchaser, the Purchaser shall pay to the Association an amount equal to the Association's estimate of three months of Common Expenses for the fiscal year in which the sale of the Unit occurs. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through Assessments.

(b) Payments by Purchasers to the Association at closings under paragraph 7.11(a) above shall not be credited against, or relieve Purchasers from, their obligation to pay other Assessments levied against Units by the Association.

(c) Upon the sale of a Unit from one Owner to another, the Association shall not be obligated to return to the transferor any funds held in reserve.

ARTICLE VIII UTILITIES, LODGE SPA AND HAWK CIRCLE

8.01 Water, Sewer and Electric Services.

(a) The Association shall be responsible for obtaining water, sewer and electric services for all portions of the Condominium.

(b) Common Expenses for water, sewer and electric services for portions of the Condominium other than the Lodge Spa shall be allocated by the Association among all Units and charged to the Owners of all Units in accordance with their Shares of Common Expenses.

(c) Expenses for water, sewer and electric services for the Lodge Spa shall be allocated in accordance with the Declaration of Cross Easements.

8.02 Gas.

(a) The Association shall be responsible for obtaining gas services for all portions of the Condominium.

(b) Common Expenses for gas services shall be allocated among the Units and charged to the Owners as follows:

(i) Common Expenses for gas service to the fireplaces located in the Residential Units shall be allocated among the Residential Units equally and charged to the Owners of the Residential Units; and

(ii) Common Expenses for gas service providing heat and hot water to portions of the Condominium other than those set forth above in Section 8.02(b)(i) and the Lodge Spa shall be allocated among all Units and charged to the Owners of the Units in accordance with their Shares of Common Expenses.

(ii) Expenses for gas services for the Lodge Spa shall be allocated in accordance with the Declaration of Cross Easements.

8.03 Cable Television.

(a) The Association shall be responsible for obtaining cable television services for the Residential Units and the Limited Common Elements appurtenant thereto. The Owner of the Office Unit shall be responsible for obtaining cable television services for the Office Unit and the Limited Common Elements appurtenant thereto and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith, including, without limitation, any connection fees, directly to the cable company providing the same.

(b) Common Expenses for cable television shall be allocated among all Residential Units equally and charged to the Owners of the Residential Units as Special Assessments.

8.04 Telephone.

(a) Each Owner shall be responsible for obtaining telephone services for its Unit and the Limited Common Elements designed to serve only its Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith, including, without limitation, any connection fees, directly to the telephone company providing the same.

(b) The Association shall determine what, if any, telephone services are necessary for the General Common Elements that serve all of the Units and shall be responsible for obtaining those services. The Common Expenses incurred by the Association for those services shall be allocated among the Units equally and charged to the Owners of the Units as Special Assessments.

8.05 Trash Removal.

(a) The Association shall be responsible for obtaining trash removal services for all portions of the Condominium.

(b) Subject to the terms and conditions set forth in paragraph 8.05(c) below, Common Expenses incurred by the Association for trash removal services shall be allocated among all Units equally and charged to the Owners of all Units as a portion of the General Assessments.

(c) Pursuant to the Declaration of Trash Facilities Easement (the "Declaration of Trash Facilities Easement") the Declarant, as the owner and developer of a condominium project (the "Springs Project") to be constructed to the west of and adjacent to the Property, reserved unto itself and for the benefit of future owners of condominium units to be constructed in the Springs Project, easements over and across the Lodge Parking Ramp and the Lodge Trash Facility. The Association is responsible for the operation, maintenance, repair and replacement of the Lodge Trash Facility. Commencing on the date of incorporation of the Springs Association, a portion of the costs incurred by the Association in connection with the performance of its obligations under the Declaration of Trash Facilities Easement will be reimbursed by the Springs Association on the basis of the number of Units in the Condominium and the number of Units in the Springs Project. The costs allocated to the Association pursuant to the Declaration of Trash Facilities Easement shall be Common Expenses and shall be allocated among the Units in accordance with the Units' respective Shares of Common Expenses, without regard to usage.

8.06 Lodge Spa.

Pursuant to the Declaration of Cross Easements, recorded in the Summit County Records on February 21, 2000, under Reception No. 617186 (the "Declaration of

Cross Easements"), (a) the owners of units at the Townhomes have an easement to use the Lodge Spa, (b) the Association is responsible for the operation, maintenance, repair and replacement of the Lodge Spa, and (c) the costs incurred by the Association in connection therewith are allocated between the Association and the Townhome Association on the basis of the number of Residential Units in the Condominium and the number of units in the Townhomes. The costs allocated to the Association with respect to the Lodge Spa under the Declaration of Cross Easements shall be Common Expenses and shall be allocated among the Residential Units in accordance with the Units' respective Shares of Common Expenses, without regard to usage.

8.07 Turn Around Easement.

A turn around easement benefitting the Condominium is provided by virtue of the turn around easement shown on the Map (the "Turn Around Easement") and created by the Declaration of Cross Easements. Pursuant to the Declaration of Cross Easements,

(a) the Townhome Association is responsible for the operation, maintenance, repair and replacement of the Turn Around Easement and the improvements related thereto, including, without limitation, the access gate, and

(b) the costs incurred by the Townhome Association in connection therewith are allocated between the Association and the Townhome Association, 10 percent to the Association and 90 percent to the Townhome Association.

The costs allocated to the Association with respect to the Turn Around Easement under the Declaration of Cross Easements shall be Common Expenses and shall be allocated among all Units in accordance with the Units' respective Shares of Common Expenses, without regard to usage.

8.08 Other Utilities.

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 in any reasonable and equitable manner approved by at least 67 percent of all of votes allocated to all Memberships.

ARTICLE IX
MAINTENANCE OF COMMON ELEMENTS AND UNITS

9.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain the Common Elements and the other Association property in good order and condition and shall otherwise manage and operate the Common Elements as it deems necessary or appropriate. In addition, the Association shall ensure that all interior Common Elements (including without limitation, the Lodge Spa and the underground parking area) are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium. In this regard the Association may:

- (a) construct, modify, add to, repair, replace or renovate any improvements that are located on or constitute a part of any Common Element;
- (b) plant and replace trees, shrubs and other vegetation on any Common Element;
- (c) place, maintain and replace signs upon any Common Element;
- (d) adopt and enforce Rules and Regulations regulating the use of Common Elements; and
- (e) take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements.

9.02 Maintenance of Units.

Each Owner, at such Owner's sole cost and expense, shall maintain in good order and repair its Unit (including all fixtures located therein) and the Limited Common Elements assigned solely to its Unit, other than those Limited Common Elements which the Association chooses to maintain for reasons of uniformity or structural considerations. Without limiting the generality of the preceding sentence, the Association may maintain all exterior patios, roofs, decks, trellises, skylights and other such exterior portions of the Condominium, even if such portions are Limited Common Elements appurtenant to a single Unit, and all costs incurred by the Association in that regard shall be charged to Owners as Special Assessments in accordance with Section 7.05 above.

9.03 Mechanic's Liens and Indemnification.

No labor performed or materials furnished and incorporated into a Unit with the consent or at the request of an Owner or an agent, contractor or subcontractor of an Owner shall be the basis either for filing a lien against the Unit of any other Owner not expressly requesting or consenting to the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and any Mortgagee from and against all liability arising from any claim or lien against the Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Owner's Unit at the Owner's request.

9.04 Neighbourhood Company.

The rights and obligations of the Association and the Owners under this Article IX are subject to the rights of the Neighbourhood Company and the Design Review Board of the Neighbourhood Company under the Neighbourhood Company Documents.

ARTICLE X
COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided in this Declaration, the covenants, conditions and restrictions set forth in this Article X shall apply to all Units and Common Elements.

10.02 Association Documents.

Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Association Documents that apply to such Owner or such Owner's Unit.

10.03 Neighbourhood Company Documents.

Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Neighbourhood Company Documents that apply to such Owner or such Owner's Unit.

10.04 Notice of Conveyance, Assignment or Encumbrance.

(a) Promptly after a conveyance of a fee simple interest in a Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.

(b) Promptly after an encumbrance of a fee simple interest in a Unit or portion thereof, the Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.

10.05 Use of Residential Units.

(a) Except as otherwise expressly permitted by this Declaration, an Owner of a Residential Unit may use such Residential Unit only as a permanent or vacation residence for itself and its Guests. No Owner shall lease its Residential Unit for a term longer than sixty days, or for consecutive terms of less than sixty days if such terms, when aggregated, exceed sixty days, without the prior written consent of the Association. The foregoing restriction shall not apply to consecutive short term rentals for vacations. No Owner of a Residential Unit shall conduct any business, profession, occupation or trade from its Unit, including, without limitation, the operation of a so-called "bed and breakfast" or "chalet".

(b) Notwithstanding the restrictions set forth in paragraph 10.05(a) above:

(i) an Owner may use its Residential Unit as its private office, on the condition that the Owner does not invite others to its Unit to conduct business; and

(ii) the Association and, during the Declarant Control Period, Declarant may use one Residential Unit owned or leased by it as a management office, or a combined management office and residence for a resident manager, for the Condominium.

10.06 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to the Common Elements. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element. The Owners' rights to use the Common Elements are subordinate and subject to all of the rights and powers of the Association with respect to the Common Elements, including, without limitation, the Association's right and power to adopt rules regulating the use of the Common Elements.

10.07 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make any improvement or alteration to a Common Element or any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association.

(b) Notwithstanding paragraph 10.07(a) above, an Owner who owns adjoining Units may remove or alter any intervening partition, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity, electrical systems, or mechanical systems or lessen the support of any portion of the Condominium.

(c) No new Improvement shall be constructed on the Property and no construction, alteration, installation or other work affecting the exterior surface of any existing Improvement shall be made, except as required or approved by the Neighbourhood Company's Design Review Board, and then only in strict accordance with the terms and conditions of the Neighbourhood Company Documents.

(d) Without limiting the generality of paragraphs 10.07(a) through (c) above, an Owner of a Unit may not, without the prior written consent of the Association, install or erect any improvement, mechanical system or fixture that either:

- (i) protrudes beyond the boundaries of the Owner's Unit; or
- (ii) is located wholly outside the Owner's Unit (even if located within a Limited Common Element that is assigned to solely the Owner's Unit).

(e) The Association shall perform or make, or cause to be performed or made, any Improvement, construction, alteration, installation or other work on, to or affecting the exterior of any Improvement on the Property which the Neighbourhood Company requires, in writing, be performed or made.

10.08 Nuisances, Hazardous Activities and Unsightliness.

(a) No Person shall conduct any activity on the Property which creates a nuisance.

(b) No Person shall conduct any activity on the Property which is or might be hazardous to any Person or property.

(c) No unsightliness shall be permitted at the Property.

(d) Normal construction activities shall not be considered to violate the terms and conditions of this Section 10.08. By accepting a deed to a Unit, an Owner acknowledges that the Condominium is a part of River Run Village and that noises, lights and odors common to commercial activities, as well as construction activities may exist on or near the Property, at any time and from time to time.

10.09 Signs.

(a) No signs whatsoever shall be erected or maintained on the Property, except signs required by legal proceedings and those permitted or approved by the Neighbourhood Company.

(b) Without limiting the generality of paragraph 10.09(a) above, no "For Sale" or "For Rent" signs shall be displayed on the exterior or interior of a Unit.

10.10 Compliance with Laws.

Nothing shall be done or kept at the Property in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority.

10.11 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept at the Property that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance. Activities incident to or necessary for the conduct of business by the Owner of the Office Unit shall not violate the terms of this Section 10.11 even if such activities result in an increase in rates of insurance. Any such increase in the rates of insurance shall be charged to the Owner of the Office Unit.

10.12 Subdivision, Rezoning and Timesharing.

(a) No Unit may be subdivided, unless the subdivision has been approved by 100 percent of the votes allocated to all Memberships.

(b) No application for rezoning any portion of the Property, and no applications for variances or use permits, shall be filed with any governmental or quasi-governmental authority, unless the proposed rezoning has been approved by 100 percent of the votes allocated to all Memberships and the uses that would be permitted under the rezoning comply with this Declaration and the other Association Documents.

(c) No Owner shall offer or sell any interest in any Unit under a "timesharing" or "interval ownership" plan or similar plan.

(d) The covenants, conditions and restrictions set forth in paragraphs 10.12(a) through (c) above shall not apply to Declarant's development of the Property or to Declarant's exercise of any Special Declarant Right.

10.13 Vehicles and Parking.

(a) No motor vehicle classed by manufacturer rating as exceeding three-quarter ton and no mobile home, trailer, detached camper or camper shell, boat or other similar equipment or vehicle may be kept or parked at the Property.

(b) No motor vehicle shall be constructed, repaired or serviced at the Property.

(c) Each Owner of a Residential Unit may use one parking space in the Condominium's underground parking facility during any period during which the Owner or one or more of its Guests are staying in the Owner's Unit. At no time may an Owner of a Residential Unit or its Guests use more than one parking space in the Condominium's underground parking facility, and an Owner may not park a car in the Condominium's underground parking facility for more than seven consecutive days when the Owner or its Guest is not staying in the Owner's Unit.

(d) The Owner of the Office Unit shall have no right to use, and shall not permit its lessees and other Guests to use, any parking space located in the Condominium's underground parking facility.

(e) An Owner shall not sell, lease or otherwise convey all or any part of the parking rights it has by virtue of its ownership of a Unit or Membership in the Association.

10.14 Deliveries, Trash Removal and Other Services.

(a) Each Owner acknowledges that vehicular traffic will be very limited within River Run Village. Accordingly, by acceptance of a deed to a Unit, an Owner agrees that all deliveries and all trash removal services, and other such services to that Owner or its Unit shall be effected in accordance with the Neighbourhood Company Documents. Unless otherwise directed by the Association. Owners of all Units and their Guests shall place all trash and other waste from the Units in receptacles which are located in the Condominium's underground parking facility and designated for that purpose.

(b) Owners shall not, and shall not permit their Guests, to litter. No burning of trash, garbage or other waste materials will be permitted at the Property.

10.15 Exterior Storage.

No Owner shall store any materials or items on or in any Common Element, other than those Common Elements designed for that purpose, such as ski lockers, and then only in strict accordance with the terms and conditions of the Association Documents.

10.16 Animals.

No animals of any kind shall be raised, bred or kept on the Property or within any Unit.

10.17 Solid-Fuel Burning Devices.

No solid-fuel burning devices, such as charcoal grills and wood burning stoves or fireplaces shall be used, kept or stored on the Property.

10.18 Office Unit.

(a) The Office Unit may be used and occupied for administrative office purposes only. The Owner of the Office Unit may lease all or any portion of the Office Unit for such purpose.

(b) The Owner of the Office Unit shall not use, and shall not permit its Guests to use, any portion of the Condominium which is designated on the Map for exclusive use by Owners of Residential Units, including, without limitation, the Lodge Spa and Condominium's underground parking spaces.

(c) Notwithstanding anything to the contrary contained in this Declaration, the Owner of the Office Unit may make Improvements or alterations to the Office Unit or the Limited Common Elements designed to serve only the Office Unit, including without limitation, the erection of partitions as permitted under subparagraph 3.01(d)(iii) above, without the consent of any Owner or the Association, on the conditions that:

(i) the Improvement or alteration does not impair any other Unit or any Limited Common Element designed to serve any Unit;

(ii) the Owner of the Office Unit repairs any damage to any General Common Element caused thereby at its cost and expense; and

(iii) the Improvement or alteration complies with all applicable requirements of the Neighbourhood Company Documents.

If any such Improvement or alteration will impair any other Unit or any Limited Common Element assigned to serve any other Unit, the Owner of the Office Unit may not make the Improvement or alteration without the prior written consent of the Owners of the Units, or the Owners of the Units served by the Limited Common Elements that will be impaired thereby, as the case may be.

(d) Notwithstanding anything to the contrary in this Article X, the Owner of the Office Unit and its lessees and other Guests, shall have the right to use the underground parking facility for the purposes of vehicular and pedestrian access to and from trash receptacles and areas designated on the Map as LCEO.

10.19 Declarant's Exemption.

Nothing contained in this Declaration or in any other Association Document shall be construed to prevent:

(a) Declarant's exercise and enjoyment of any Special Declarant Right or any other rights of Declarant under this Declaration or any other Association Document; or

(b) the conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, improvements or signs, necessary or convenient to the development, construction, marketing or sale of property within or adjacent to the Condominium.

ARTICLE XI EASEMENTS AND RESERVATIONS

11.01 Declarant's Easements Over Common Elements.

(a) Declarant hereby reserves for itself, its successors and assigns a general easement over, across, through and under the Common Elements to:

- (i) discharge Declarant's obligations under this Declaration;
- (ii) exercise any of Declarant's rights under this Declaration; and
- (iii) make improvements at the Property, or any other real estate owned by Declarant.

(b) Declarant hereby reserves for itself, its successors and assigns, the right to:

(i) establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements; and

(ii) create other reservations, exceptions and exclusions for the best interest of Declarant and other Persons,

on the conditions that (A) the parties benefitted by the easement, license, permit, reservation, exception or exclusion must use reasonable efforts to locate any such easement, license, permit, reservation, exception or exclusion to minimize interference with the use of the Property by the Owners to the extent practicable; and (B) if the parties benefitted by the easement, license, permit, reservation, exception or exclusion construct or install any improvements on the Property pursuant to the same, the benefitted parties shall promptly repair any damage caused to the Property thereby at their sole cost and expense.

11.02 Utility Easement.

(a) Subject to the terms and conditions of this Declaration and all other Association Documents. Declarant hereby creates a general easement over, across, through and under the Property for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable communication that service the Property or any portion thereof as well as any such lines and systems which service property owned by the Neighbourhood Company. The Association may, but is not obligated to, authorize the release of portions of the general easement created pursuant to this Section 11.02 upon the request of any Owner showing good cause therefor.

(b) Pursuant to this easement, a utility or service company may install and maintain facilities and equipment on the Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements to provide service to the Units or the Common Elements. Notwithstanding anything to the contrary contained in this Section 11.02, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on any portion of the Property, except in accordance with terms and conditions of Sections 10.07 and 10.18 above. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Owners, the Association, Declarant and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to the Property or any portion thereof or property of the Neighbourhood Company as permitted

under paragraph 11.02(a) above requests a specific easement by separate recordable document, the Association shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Property.

11.03 Association's Easement.

(a) The Association shall have a general easement over, across, through and under each Unit and each Common Element to:

(i) exercise any right held by the Association under this Declaration or any other Association Document; and

(ii) perform any obligation imposed upon the Association by this Declaration or any other Association Document.

(b) Notwithstanding the foregoing, the Association shall not enter any Unit without reasonable prior notice to the Owner thereof, except in cases of emergency.

11.04 Easements for Encroachments.

To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, an easement shall exist for that encroachment, but such easement shall not relieve an Owner of liability in the case of willful misconduct.

11.05 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

11.06 Metro District Easement.

Declarant hereby grants a general easement to any metropolitan district or other special district providing services or facilities to the Property to enter upon the Property in the proper performance of their duties.

11.07 Recorded Easements and Licenses.

The Property shall be subject to (a) the Declaration of Cross Easements, (b) all easements and licenses as shown on any recorded plat affecting the Property and (c) any other easements or licenses of record or of use as of the date of recordation of this Declaration. The recording data for all presently recorded easements and licenses appurtenant to or included in the Condominium have been set forth on Exhibit D attached

hereto. In addition, the Property is subject to all easements created or permitted by this Declaration.

ARTICLE XII INSURANCE

12.01 Insurance Required to be Obtained by the Association.

The Association shall obtain and maintain all insurance required to be obtained and maintained by the Association under the Act and any additional insurance that the Executive Board deems necessary.

12.02 Casualty Insurance for Improvements.

(a) The Association shall obtain and maintain casualty insurance for all Improvements located on or forming a part of the Common Elements, including, without limitation, the structural and mechanical components serving the Units, in accordance with the requirements set forth in Section 12.01 above.

(b) Owners shall be responsible for obtaining and maintaining any casualty insurance that they desire for Improvements located in or forming a part of their Units, and for any fixtures, furnishings and equipment, other than fixtures and equipment that are part of the Common Elements, located within their Units.

12.03 Adjustments.

Any loss covered by insurance maintained by the Association shall be adjusted with the Association in accordance with the terms and conditions of the Act. The insurance proceeds for any such loss shall be paid in accordance with the terms and conditions of the Act.

ARTICLE XIII CASUALTY

13.01 Casualty to Common Elements.

The Association shall respond to any damage to, or the destruction of, any Common Elements in accordance with the terms and conditions of the Act.

13.02 Casualty to a Unit.

To the extent that the Association is not obligated to make any such repairs or replacements, each Owner shall repair or replace any damage to or destruction to the interior of its Unit, as soon as is reasonably practical after such damage or destruction occurs.

ARTICLE XIV CONDEMNATION

14.01 Condemnation of All Units.

If the entire Condominium is taken by condemnation or similar proceeding, the Condominium shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association in accordance with the terms and conditions of the Act.

14.02 Condemnation of Fewer Than All Units.

If one or more Units, but less than the entire Condominium, is taken by condemnation or similar proceeding,

- (a) any condemnation award payable in connection therewith shall be paid;
- (b) the Interest in General Common Elements appurtenant to those Units shall be reallocated; and
- (c) the Shares of Common Expenses allocated to those Units shall be reallocated.

in accordance with the terms and conditions of the Act.

14.03 Condemnation of Common Elements.

(a) If any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and used by the Association:

- (i) first, to repair any damage to Common Elements resulting from the condemnation or similar taking; and
- (ii) second, for any other Common Expenses.

(b) The Association shall not be required to pay all or any portion of the condemnation award received for the condemnation or similar taking of a Limited Common

Element to the Owners of the Units served by such Limited Common Element, unless the Association deems it necessary or appropriate to do so.

ARTICLE XV
SPECIAL DECLARANT RIGHTS

15.01 Improvements.

Declarant hereby reserves for itself, its successors and assigns the right, but is not obligated, to construct:

- (a) any improvements shown on the Map; and
- (b) any other buildings, structures or improvements that Declarant desires to construct on the Property or any other real estate owned by Declarant, regardless of whether the same ever become part of the Condominium.

15.02 Development Rights.

- (a) Declarant hereby reserves for itself, its successors and assigns:
 - (i) the right to amend this Declaration to add additional real estate to the Condominium as permitted pursuant to section 38-33.3-222 of the Act;
 - (ii) the right to subdivide any Unit owned by Declarant;
 - (iii) the right to combine any Units owned by Declarant; and
 - (iv) the right to convert any Unit owned by Declarant into Common Elements.
- (b) In exercising any development right reserved hereunder, Declarant shall execute and record an amendment to this Declaration in accordance with the requirements of the Act.

15.03 Sales Offices and Models.

Declarant hereby reserves for itself, its successors and assigns the right to maintain sales offices, management offices and models within any Unit owned or leased by Declarant. Declarant also reserves for itself, its successors and assigns the right to construct and maintain signs advertising the Condominium on any and all Common Elements.

15.04 Merger.

Declarant hereby reserves for itself and its successors and assigns the right to merge or consolidate the Condominium with any other condominium.

15.05 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date on which the Declarant Control Period expires or the date that is fifty years after the date on which this Declaration is recorded in the Summit County Records. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XV and any other right reserved to Declarant in this Declaration, without the consent of the Association or any of the Owners.

15.06 Interference with Special Declarant Rights.

Neither the Association nor any Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Special Declarant Right, without Declarant's prior written consent. Any action taken in violation of this Section 15.06 shall be null and void and have no force or effect.

15.07 Rights Transferable.

Declarant may transfer any Special Declarant Right reserved to it under this Article XV or under any other provision of this Declaration in accordance with the terms and conditions of the Act.

ARTICLE XVI
MORTGAGEE PROTECTIONS

16.01 Benefit of Mortgagees.

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

16.02 Notice of Actions.

If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making such request:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which an interest is held by the First Mortgagee;
- (b) any delinquency in the payment of Assessments which remains uncured for sixty days by an Owner whose Unit is encumbered by a First Mortgage held by such First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action which would require the consent of First Mortgagees as set forth in this Article; and
- (e) any judgment rendered against the Association.

16.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration, the Association may not take any of the following actions without the consent of 67 percent of the First Mortgagees (based on one vote for each Unit covered by a First Mortgage):

- (a) by act or omission seek to abandon or terminate the Condominium, except after condemnation or substantial casualty;
- (b) except as provided herein for condemnation, casualty and the exercise of Special Declarant Rights, change the Interests in General Common Elements, Shares of Common Expenses or votes in the Association of any Unit;
- (c) subdivide, partition, or relocate the boundaries of any Residential Unit, except as permitted with respect to Special Declarant Rights;
- (d) abandon, subdivide, partition, encumber, sell, or transfer the Common Elements (the granting of easements for public utilities or for other purposes provided for in this Declaration shall not be deemed transfers);

(e) use hazard insurance proceeds for losses to any portion of the Common Elements for other than repair, replacement, or reconstruction of such Common Elements, except as provided by the Act; or

(f) merge the Condominium with any other common interest community, except as permitted with respect to Special Declarant Rights.

16.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within thirty days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

16.05 First Mortgagee's Rights.

(a) First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies, for the Common Elements. First Mortgagees making such payment shall be owed immediate reimbursement from the Association.

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

16.06 Limitations on First Mortgagee's Rights.

No requirement for approval or consent by a First Mortgagee provided in this Article shall operate to:

(a) deny or delegate control over the general administrative affairs of the Association by the Owners or the Executive Board;

(b) prevent the Association or the Executive Board from commencing, intervening and/or settling any legal proceeding; or

(c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of the Article XII above.

16.07 First Mortgagee Rights Shall Not be Impaired.

The Association Documents do not currently contain any rights of first refusal. If, however, the Association Documents did contain a right of first refusal or if the Association Documents are amended to include a right of first refusal, then any such right of first refusal in the Association Documents shall not impair the rights of a First Mortgagee (i) to foreclose or take title to a Unit in accordance with the remedies set forth in the First Mortgage of such First Mortgagee; (ii) to accept a deed or assignment of a Unit in lieu of foreclosure in the event of default by the mortgagor under a First Mortgage; or (iii) to sell or lease a Unit acquired pursuant to (i) or (ii) of this Section 16.07.

16.08 Declarant Rights.

No provision or requirement of this Article XVI shall apply to any Special Declarant Rights or other rights reserved to Declarant in this Declaration.

**ARTICLE XVII
ENFORCEMENT AND REMEDIES**

17.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or by any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner or a Unit shall be enforceable by Declarant or by the Association by:

- (i) a proceeding for injunctive relief;
- (ii) a suit or action to recover damages; or

(iii) in the discretion of the Association, for so long as any Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from participation in any Association affairs.

(c) In addition to the rights and remedies described in paragraph 17.01(b) above, if an Owner fails to perform or observe any covenant or condition to be performed or observed by such Owner under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such failure to comply, the Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty days after the Owner receives a written invoice therefor from the Association.

(ii) The Association may, after notice and an opportunity to be heard, fine the Owner, as a Default Assessment, an amount not to exceed \$100 for each violation. The Owner shall pay any such fine to the Association within thirty days after the Owner receives written invoice therefor from the Association.

(iii) With respect to an Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(iv) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

17.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the nonprevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

17.03 Interest.

If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate of 18 percent per annum, or such other rate as the Executive Board may establish from time to time, from the due date of such unpaid amount until the date paid.

17.04 Right to Notice and Hearing.

Whenever an Association Document requires that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Executive Board or a committee or officer of the Association) shall give at

least three days' prior written notice of the proposed action to all Owners whose interests would be significantly affected by the proposed action, as reasonably determined by the proposing party. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the party proposing to take the action, and all affected Owners may give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. Any affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and hearing shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board. Such right of appeal may be exercised within ten days after an Owner receives notice of the decision, by filing a written notice of appeal with the Executive Board. The Executive Board shall conduct a hearing within forty-five days thereafter, giving the same notice and observing the same procedures as were required for the original hearing.

17.05 Nonwaiver.

Failure by Declarant, the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Declaration or any other Association Document shall in no way be deemed to be a waiver of the right to do so thereafter.

ARTICLE XVIII TERM AND AMENDMENTS

18.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Property until the Declaration is terminated pursuant to Section 18.02 below.

18.02 Termination.

Subject to the rights of Mortgagees under Article XVI above, the Owners may terminate the Condominium and this Declaration, by the vote of 67 percent of the votes allocated to all Memberships. If the necessary votes are obtained, the agreement of the Owners to terminate the Condominium and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Owners in accordance with the Act. Upon recordation of the termination agreement in the Summit County Records, the Condominium shall be terminated, this Declaration shall have no further force or effect, and the Association shall be dissolved. Notwithstanding the foregoing, the Owners may not terminate the Condominium during the Declarant Control

Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

18.03 Amendments.

(a) Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under Article XVI above, Owners may amend any provision of this Declaration at any time by a vote of at least 67 percent of the votes allocated to all Memberships. If the necessary votes and consent are obtained, the Association shall cause an amendment to the Declaration to be recorded in the Summit County Records in accordance with the terms and conditions of the Act. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

(b) In addition to Declarant's other rights to amend this Declaration and the Map as set forth in this Declaration and the Act, Declarant may:

(i) amend this Declaration and the Map to correct clerical, typographical, technical or other errors; and

(ii) amend this Declaration to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, the Federal Home Loan Mortgage Corporation, the government National Mortgage Association or the Federal National Mortgage Association.

(c) Notwithstanding the terms and conditions of paragraph 18.03(a) above, Declarant may amend this Declaration as provided in paragraph 18.03(b) above and elsewhere in this Declaration or the Act, without the approval of the Owners.

ARTICLE XIX MISCELLANEOUS

19.01 Interpretation of the Declaration.

Except for judicial construction, the Association, by its Executive Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive

and binding as to all persons and property benefitted or bound by the covenants and the provisions hereof.

19.02 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provision hereof.

19.03 Disclaimer of Representations.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of the Condominium can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subject to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, that such use will continue in effect.

19.04 Reference to Declaration and Deeds.

Deeds to and instruments affecting any Unit or any other part of the Condominium may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee-owner or other person claiming through any deed or other instrument and his heirs, executors, administrators, successors and assigns.

19.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder on the condition that Declarant's rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

19.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

19.07 Exhibits.

All exhibits attached to this Declaration are a part of, and are incorporated into, this Declaration.

19.08 Governing Law.

This Declaration shall be governed by and construed in accordance with Colorado law.

19.09 Notices.

All Owners of each Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or the representative of the Owners of a Unit shall furnish such registered address to the secretary of the Association within ten days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed their registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Owner(s):

Red Hawk Lodge Condominium Association, Inc.
c/o Keystone Resort Property Management
P.O. Box 38
Keystone, Colorado 80435
Attention: Secretary

19.10 Waivers.

No waivers by the Association of any right of the Association shall constitute a waiver by the Neighbourhood Company of any right of the Neighbourhood Company.

19.11 Priority of Neighbourhood Company Documents.

This Declaration and the other Association Documents shall be subject and subordinate to the Neighbourhood Company Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Neighbourhood Company Documents, the terms and conditions of the Neighbourhood Company Documents shall

EXHIBIT A

(Attached to and forming a part of Declaration
of Covenants, Conditions and Restrictions for Red
Hawk Lodge Condominiums)

LEGAL DESCRIPTION OF THE PROPERTY

A PARCEL OF LAND BEING A PORTION OF LOT 4 OF "SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE REMAINDER OF LOT 3 OF KEYSTONE BASE 1, FILING NO. 2" RECORDED AT RECEPTION NUMBER 556773. LOCATED IN THE NORTH HALF OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE COUNTY OF SUMMIT, THE STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 4, THENCE — S89°59'33"W, ALONG THE NORTH LINE OF LOT 4, SAID LINE ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF MONTEZUMA ROAD, A DISTANCE OF 578.19 FEET TO THE TRUE POINT OF BEGINNING; THENCE S00°02'19"W, A DISTANCE OF 335.13 FEET; THENCE S15°03'16"E, A DISTANCE OF 121.26 FEET; THENCE S70°54'02"W, A DISTANCE OF 174.90 FEET; THENCE N27°00'00"W, A DISTANCE OF 57.07 FEET; THENCE N00°00'00"W, A DISTANCE OF 447.58 FEET TO A POINT ON A NON-TANGENT CURVE ON THE NORTH LINE OF SAID LOT 4, SAID LINE ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF MONTEZUMA ROAD; THENCE ALONG SAID NORTH LINE OF SAID LOT 4 THE FOLLOWING TWO COURSES: 1.) THENCE NORTHEASTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 3070.82 FEET, A CENTRAL ANGLE OF 00°36'22" AND A CHORD WHICH BEARS N86°17'44"E, A DISTANCE OF 32.48 FEET; 2.) THENCE N85°59'33"E, A DISTANCE OF 127.81 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

(Attached to and forming a part of Declaration
of Covenants, Conditions and Restrictions for Red
Hawk Lodge Condominiums)

MAP

A reduced copy follows this
cover sheet. A full-sized
copy of the Map has been
recorded separately under Reception No. _____

COVER SHEET

128

project # 1-10767-10000000000000000000
project manager [redacted]
designed by [redacted] job no. 101
drawn by [redacted] sheet no.

LEGAL DESCRIPTION FOR THE PROPERTY.

[illegible]

COMMENTS/DECLARATIONS: DISCLOSE

STITCHER PRODUCTS, L.L.C., A DALLAS-BASED JEWELRY COMPANY, SUES THE DALLAS AND THE NEW YORK STOCK EXCHANGES FOR ALLEGEDLY FAILING TO DISCLOSE THAT THE COMPANY'S STOCK WAS BEING TRADED IN CONNECTION WITH THE INVESTIGATION OF THE ALLEGEDLY FRAUDULENT COLLUSION OF DALLAS' EXCHANGES. STITCHER SUES FOR \$100 MILLION IN DAMAGES, INCLUDING ATTORNEY'S FEES AND COSTS. STITCHER'S SUIT IS FILED IN THE DISTRICT COURT OF THE EIGHTH JUDICIAL DISTRICT OF TEXAS, DALLAS COUNTY.

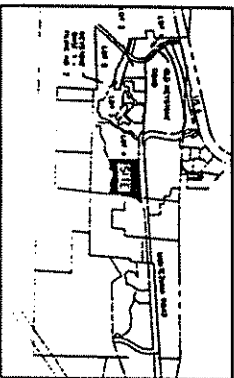
STITCHER PRODUCTS, L.L.C.
 10000 W. LAKOTA BLVD.
 SUITE 100
 DALLAS, TEXAS 75243
 TEL: 972-381-1111
 FAX: 972-381-1112

STITCHER SUES STOCK EXCHANGES
 DALLAS-BASED JEWELRY COMPANY
 SUES STOCK EXCHANGES FOR
 DALLAS COUNTY, TEXAS
 DALLAS COUNTY, TEXAS
 DALLAS COUNTY, TEXAS

ACQUISITION OF THE

[illegible]

My Comments



SURVEYOR'S CERTIFICATE

[illegible]

REPORT ON RESEARCH CONDUCTED

APPROVAL BY CHAIRMAN OF BOARD OF COUNTY COMMISSIONERS

I hereby certify that the County Commission has reviewed the foregoing report and approved the same.

Dated at _____

Chairman of Board of County Commissioners

Chapters

[illegible]

THE COMPANY CERTIFICATE

[illegible]

1 MONTE CARLO SALT BAG DETECTOR WAS ACQUIRED FOR \$2,000.00

IN MY OFFICE AT _____ b6
_____ b7C AND FILE UNDER RECORDING NO. _____

CHECKS RETURNED
BANK OF CANADA CLERK AND RECORDER

UPONER'S CONSENTS

RE COMPANY AND INFORMATION OF U.S. GOVT. AGENCIES, ASSOCIATES
THE PROPERTY OF A SOURCE OF TRUST EXCLUDED BY THE PROPERTY
RECORDS CENTER, HAS BEEN RECORDED UNDER RECORD
NO. _____ AND IS NOT ATTACHED TO RECORDING RECORD

NOTES

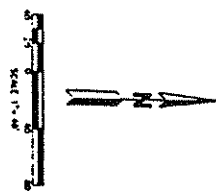
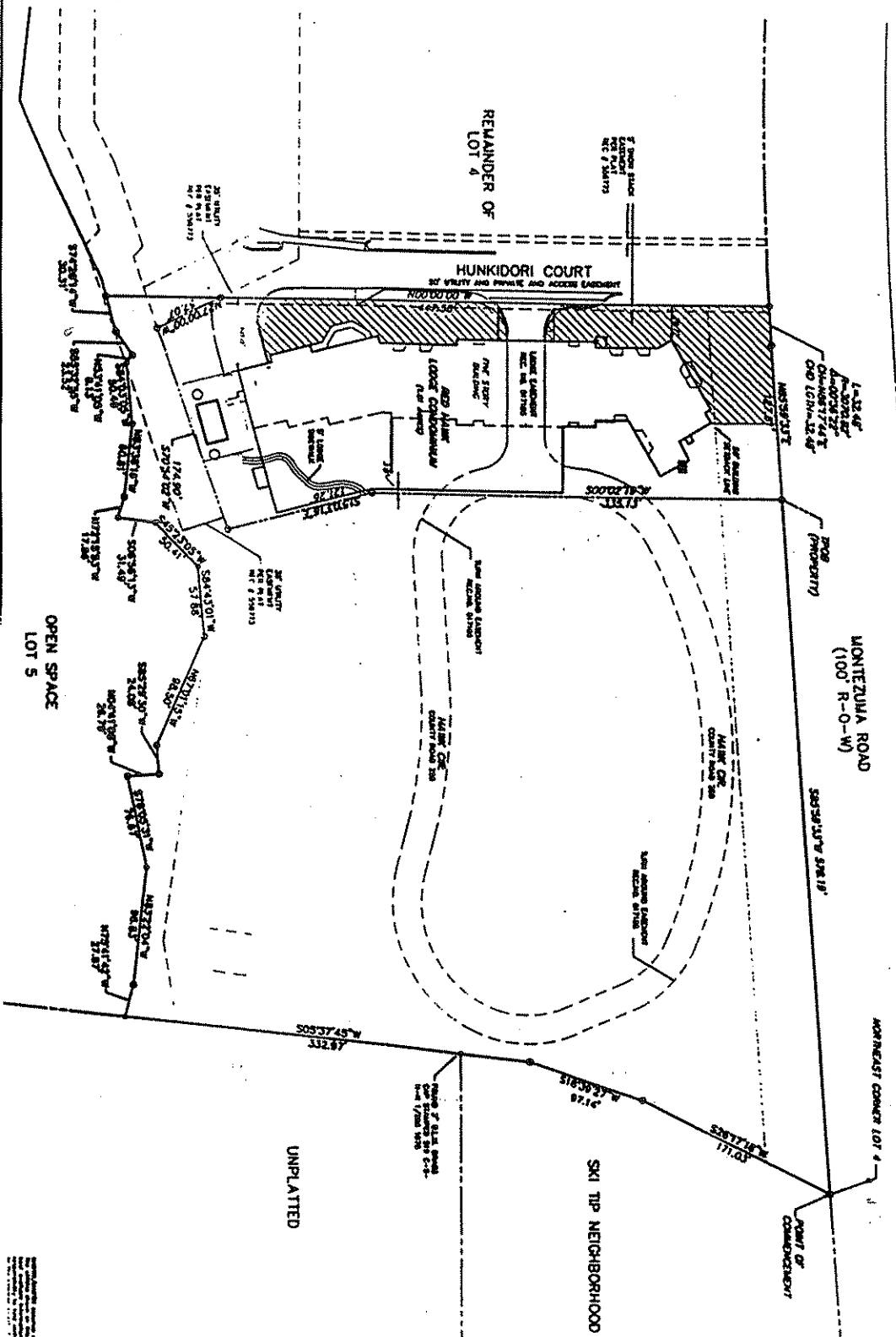
- [illegible]

CONDOMINIUM MAP OF RED HAWK LODGE CONDOMINIUM

BOUNDARY

A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE
 REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF
 OF SECTION 19, TOWNSHIP 6 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
 COUNTY OF SUMMIT, STATE OF COLORADO.

2 OF 10



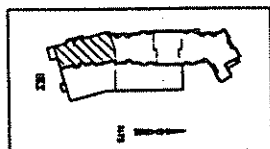
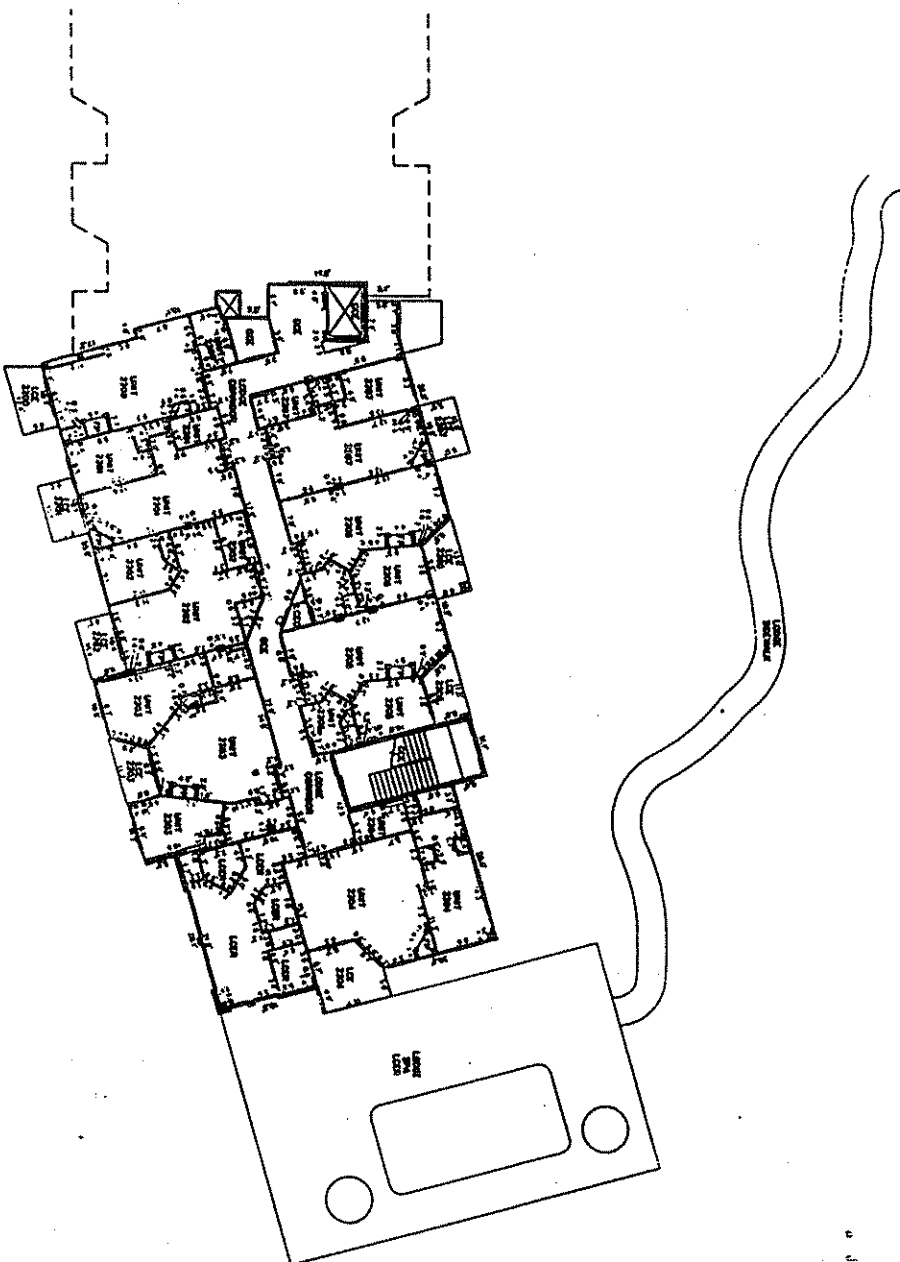
LEGEND

PROPERTY LINE
 EASEMENT
 LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2

MARTIN/MARTIN
 Consulting Engineers
 425 West 1st Avenue
 Suite 100
 Denver, Colorado 80202
 Phone: 333-1111
 Fax: 333-1112

A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 6 AND THE REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF SUMMIT, STATE OF COLORADO.

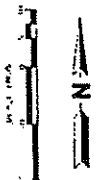
▲ 22



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DECEMBER

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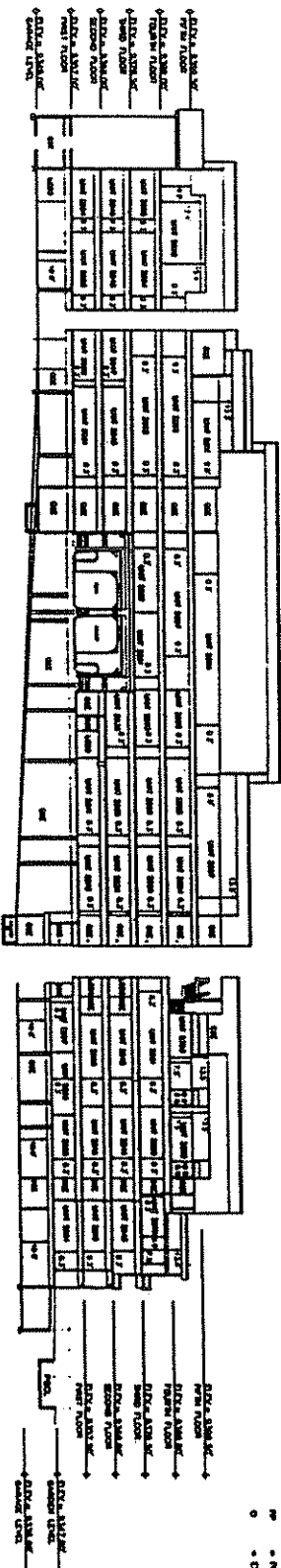


MARTIN/MARTIN
Consulting Engineers
4300 Wilshire Dr.
Beverly Hills, CA
(310) 476-0000
and (310) 476-0000

CONDOMINIUM MAP OF RED HAWK LODGE CONDOMINIUM BUILDING ELEVATION VIEW

A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE
REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF
OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF SUMMIT, STATE OF COLORADO.

10 OF 10



- NOTES**
- 1) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 2) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 3) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 4) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 5) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 6) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 7) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 8) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 9) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.
 - 10) ALL EXTERIOR WALLS ARE 8" OR 12" THICK AS SHOWN.

- LEGEND**
- EXTERIOR COMMON ELEMENT
 - EXTERIOR COMMON ELEMENT
 - EXTERIOR COMMON ELEMENT
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 - EXTERIOR COMMON ELEMENT

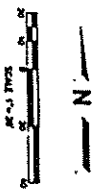


EXHIBIT C

(Attached to and forming a part of Declaration
of Covenants, Conditions and Restrictions for Red
Hawk Lodge Condominiums)

ALLOCATED INTERESTS

<u>Unit</u>	<u>Interest in General Common Elements</u>	<u>Shares of Common Expenses</u>	<u>Votes</u>
Office Unit	.08%	.08%	1
2200	0.57%	0.57%	1
2201	0.63%	0.63%	1
2202	0.70%	0.70%	1
2203	1.04%	1.04%	1
2204	0.94%	0.94%	1
2205	0.66%	0.66%	1
2206	0.66%	0.66%	1
2207	0.63%	0.63%	1
2210	0.73%	0.73%	1
2211	0.98%	0.98%	1
2212	0.98%	0.98%	1
2213	0.66%	0.66%	1
2214	0.75%	0.75%	1
2215	0.60%	0.60%	1
2216	0.70%	0.70%	1
2217	1.04%	1.04%	1
2218	1.26%	1.26%	1
2219	0.66%	0.66%	1
2220	0.61%	0.61%	1
2221	0.74%	0.74%	1
2222	0.84%	0.84%	1
2223	1.01%	1.01%	1
2224	1.00%	1.00%	1
2225	1.03%	1.03%	1
2226	0.98%	0.98%	1
2227	0.64%	0.64%	1
2228	0.66%	0.66%	1
2229	0.86%	0.86%	1
2234	0.73%	0.73%	1
2235	0.98%	0.98%	1
2236	0.80%	0.80%	1
2237	1.11%	1.11%	1
2238	0.98%	0.98%	1
2239	0.66%	0.66%	1
2240	1.22%	1.22%	1
2241	1.16%	1.16%	1
2242	1.04%	1.04%	1
2243	1.30%	1.30%	1
2244	0.66%	0.66%	1
2245	1.08%	1.08%	1
2246	0.74%	0.74%	1
2247	0.84%	0.84%	1
2248	1.01%	1.01%	1
2249	1.00%	1.00%	1
2250	1.03%	1.03%	1
2251	0.98%	0.98%	1
2252	0.64%	0.64%	1
2253	0.66%	0.66%	1
2254	1.11%	1.11%	1
2258	0.73%	0.73%	1
2259	0.98%	0.98%	1
2260	0.87%	0.87%	1

<u>Unit</u>	<u>Interest in General Common Elements</u>	<u>Shares of Common Expenses</u>	<u>Votes</u>
2261	1.16%	1.16%	1
2262	1.15%	1.15%	1
2263	1.32%	1.32%	1
2264	1.24%	1.24%	1
2265	1.00%	1.00%	1
2266	1.03%	1.03%	1
2267	0.98%	0.98%	1
2268	0.64%	0.64%	1
2269	0.66%	0.66%	1
2270	0.87%	0.87%	1
2271	1.22%	1.22%	1
2272	1.22%	1.22%	1
2273	0.87%	0.87%	1
2274	0.98%	0.98%	1
2275	0.66%	0.66%	1
2276	1.22%	1.22%	1
2277	1.15%	1.15%	1
2278	0.66%	0.66%	1
2279	1.69%	1.69%	1
2280	0.66%	0.66%	1
2281	1.08%	1.08%	1
2284	0.73%	0.73%	1
2285	0.98%	0.98%	1
2286	0.87%	0.87%	1
2287	1.16%	1.16%	1
2288	1.15%	1.15%	1
2289	1.32%	1.32%	1
2290	1.41%	1.41%	1
2291	0.90%	0.90%	1
2292	1.09%	1.09%	1
2293	1.11%	1.11%	1
2294	0.87%	0.87%	1
2295	1.22%	1.22%	1
2296	1.22%	1.22%	1
2297	0.87%	0.87%	1
2298	0.98%	0.98%	1
2299	0.66%	0.66%	1
2300	1.79%	1.79%	1
2301	1.43%	1.43%	1
2302	0.66%	0.66%	1
2303	0.98%	0.98%	1
2307	1.62%	1.62%	1
2308	0.79%	0.79%	1
2309	1.16%	1.16%	1
2310	1.15%	1.15%	1
2311	1.25%	1.25%	1
2312	0.64%	0.64%	1
2313	0.64%	0.64%	1
2314	1.22%	1.22%	1
2315	1.22%	1.22%	1
2316	1.11%	1.11%	1
2317	1.49%	1.49%	1

EXHIBIT D

(Attached to and forming a part of Declaration
of Covenants, Conditions and Restrictions for Red
Hawk Lodge Condominiums)

LIST OF RECORDED EASEMENTS

1. Right of way for ditches or canals constructed by the authority of the United States as reserved in United States Patent recorded December 19, 1986 under Reception No. 329502.
2. Terms, conditions and provisions of Master Easement recorded February 27, 1996 under Reception No. 509983 and First Amendment thereto recorded December 19, 1996 under Reception No. 530426.
3. Terms, conditions and provisions of Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone, recorded December 1, 1995, under Reception No. 504399.
4. Terms, conditions and provisions of Declaration of Cross Easements (Red Hawk Lodge and Red Hawk Townhomes) recorded February 21, 2000, under Reception No. 617186.
5. Terms, conditions and provisions of Declaration of Trash Facilities Easement created by Keystone/Intrawest L.L.C., recorded _____, 2000, under Reception No. _____.
6. Terms, conditions and provisions of Deed of Easement (Red Hawk Lodge), between Keystone/Intrawest L.L.C., and The Keystone Neighbourhood Company, recorded _____, 2000, under Reception No. _____.

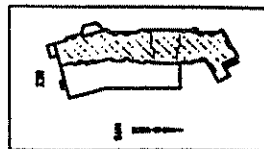
EXHIBIT E

(Attached to and forming a part of Declaration
of Covenants, Conditions and Restrictions for Red
Hawk Lodge Condominiums)

CERTIFICATION OF COMPLETION

A copy of the Certificate follows this cover sheet

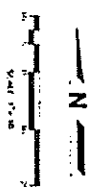
A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE
REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF
OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF SUMMIT, STATE OF COLORADO.



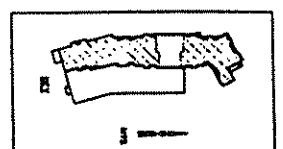
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A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF SUMMIT, STATE OF COLORADO.



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RED HAWK LODGE CONDOMINIUM

May 19, 2000

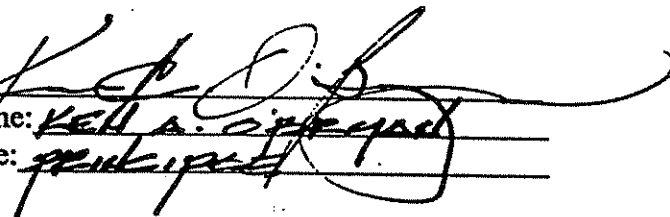
Jacobs Chase Frick Kleinkopf & Kelley LLC
1050 17th Street, Suite 1500
Denver, CO 80265

To Whom It May Concern:

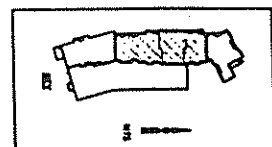
To the extent that we have observed construction, all of the structural components of Red Hawk Lodge, as shown on the Condominium Map of Red Hawk Lodge Condominiums, containing 100 Residential Units and 1 Office Unit (as such terms are defined in the Declaration of Covenants, Conditions and Restrictions for Red Hawk Lodge Condominium), are substantially complete.

Signed,

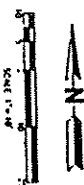
PIERCE, SEGERBERG & ASSOCIATES ARCHITECTS

By: 
Name: Kelly A. Dwyer
Title: Principal

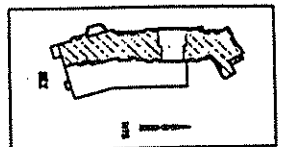
A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF OF SECTION 19, TOWNSHIP 6 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF SUMMIT, STATE OF COLORADO.



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A PARCEL OF LAND LOCATED IN LOT 4, SUBDIVISION EXEMPTION REPLAT OF LOTS 1, 2, 4, 5 AND THE REMAINDER OF LOT 3, KEYSTONE BASE 1, FILING NO. 2 LOCATED IN THE NORTH HALF OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF SUMMIT, STATE OF COLORADO.



- [illegible]

- [illegible]

MAINTENANCE/REPAIRS
Consulting Engineers
4234 Irving St.
Wood Ridge, CO
(303) 431-4466
enrco@earthlink.net

BYLAWS
OF
RED HAWK LODGE CONDOMINIUM ASSOCIATION, INC.

ARTICLE 1.
DEFINITIONS

1.01 Declaration.

As used herein "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Red Hawk Lodge Condominium, recorded with the Clerk and Recorder of Summit County, Colorado.

1.02 Other Definitions.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings given to them in the Declaration.

ARTICLE 2.
OFFICES

The Association is a Colorado nonprofit corporation, with its principal office located c/o Keystone/Intrawest L.L.C., P.O. Box 8876, 0574 County Road #5, Keystone, Colorado 80435. The Association may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the Executive Board may from time to time determine.

ARTICLE 3.
MEMBERSHIP, VOTING, QUORUM AND PROXIES

3.01 Membership.

The members of the Association shall be as set forth in the Articles.

3.02 Voting Rights.

(a) The total number of votes allocated to all the Memberships shall be 101. The 101 votes shall be allocated among the 101 Memberships equally.

(b) If any Units are added to or withdrawn from the Condominium, the total number of votes allocated to all Memberships and the allocation thereof after such addition, withdrawal, increase or decrease shall be recalculated so that each Membership appurtenant to a Unit has one vote.

(c) Each Membership shall be entitled to one vote, regardless of the number of Owners of the Unit to which the Membership is appurtenant. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a Membership appurtenant to a particular Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(d) The Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

3.03 Quorum.

Except as otherwise required by law or the Articles, the presence in person or by proxy of Owners entitled to vote more than 20 percent of the total votes of the Owners shall constitute a quorum.

3.04 Proxies.

Votes may be cast in person or by proxy. Every proxy must be executed in writing by the Owner or his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

3.05 Majority Vote.

At any meeting of the Owners, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the Owners, unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws.

3.06 Cumulative Voting.

Cumulative voting shall not be allowed in the election of Directors to the Executive Board, or for any other purpose.

ARTICLE 4.
ADMINISTRATION

4.01 Annual Meeting.

The annual meeting of the Owners shall be held at a time designated by the Executive Board in the month of November in each year, or at such other date designated by the Executive Board, beginning with the year 2000, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

4.02 Special Meetings.

Special meetings of the Owners, for any purpose, unless otherwise prescribed by statute, may be called by the president or by a majority of the Directors and shall be called by the president at the request of Owners entitled to vote 20 percent or more of the total votes of all Owners.

4.03 Place of Meeting.

The Executive Board may designate the Association's principal offices or any place within Summit County, Colorado, as the place for any annual meeting or for any special meeting called by the Executive Board.

4.04 Notice of Meeting.

Written or printed notice of any meeting of the Owners, stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each Owner entitled to vote at such meeting not less than ten nor more than fifty days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Owner at his address as it appears in the office of the Association, with postage thereon prepaid. For the purpose of determining Owners entitled to notice of or to vote at any meeting of the Owners, the Executive Board may set a record date for such determination of Owners, in accordance with the laws of the State of Colorado. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at the expense of the Association.

4.05 Informal Action by Owners.

Any action required or permitted to be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Owners.

ARTICLE 5. **DECLARANT CONTROL**

5.01 Declarant Control of the Association.

(a) Subject to the terms and conditions of paragraphs 5.01(b) and 5.02(a) below, but notwithstanding anything else to the contrary contained in these Bylaws or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the earliest to occur of:

(i) the date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under the Declaration;

(ii) the date that is two years after the last conveyance of a Unit by Declarant or a Successor Declarant in the ordinary course of business; or

(iii) the date that is two years after any right under the Declaration to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Directors and Officers prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

5.02 Elections By Owners.

(a) Notwithstanding anything to the contrary contained above in paragraph 5.01(a) above, not later than sixty days after the conveyance of 25 percent of the Units that may be created under the Declaration to Purchasers, one Director appointed by Declarant shall be replaced with a Director elected by Owners other than Declarant.

(b) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

ARTICLE 6. EXECUTIVE BOARD

6.01 Number, Tenure and Qualifications.

The business and affairs of the Association shall be managed by an Executive Board consisting of three Directors, each of whom shall be (a) an individual Owner; (b) a partner, trustee, officer, director, member, member representative, employee or twenty-five percent equity owner of an organizational Owner; or (c) one of the Directors appointed by Declarant. A person other than a Director appointed by Declarant shall automatically cease to be a Director at such time as he ceases to be an individual Owner or a partner, trustee, officer, director or twenty-five percent shareholder of an organizational Owner. Each initial Director shall hold office until the election or appointment of their successors at the 2000 annual meeting. Thereafter, subject to the terms and conditions of Article V and Section 6.03 hereof, each Director will hold office for a term of one year and the Owners shall elect the Directors at the annual meetings. Each Director shall hold office until the election and qualification of his successor or until his earlier death, resignation or removal.

6.02 Resignations; Vacancies.

Any Director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Other than with respect to a Director appointed by the Declarant during the Declarant Control Period, any vacancy occurring on the Executive Board (by reason of resignation or death) may be filled by the affirmative vote of a majority of the Directors then in office though less than a quorum. A vacancy occurring on the Executive Board created by the resignation or death of a Director appointed by the Declarant during the Declarant Control Period shall be filled by the Declarant appointing a new Director. A Director elected to fill a vacancy shall hold office until the next annual meeting of the Owners and until his successor is duly elected and qualified.

6.03 Removal of Directors.

Notwithstanding any provision contained in these Bylaws or any other Association Document to the contrary, the Owners, by a 67 percent vote of all memberships represented and entitled to vote at any meeting at which a quorum is present, may remove any

Director, with or without cause, other than a Director appointed by Declarant during the Declarant Control Period.

6.04 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Director shall be filled by a Director elected by the remaining Directors.

(c) Any Director elected or appointed pursuant to this Section 6.04 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

6.05 Powers.

(a) Except as provided in the Declaration, the Articles and these Bylaws, the Executive Board may act on behalf of the Association in all instances.

(b) The Executive Board may not act on behalf of the Association to (i) amend the Declaration; (ii) terminate the Association, the Declaration or the Condominium; (iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Sections 5.01 and 5.02 above; or (iv) determine the qualifications, powers and duties or terms of office, of Directors.

6.06 Managing Agent.

The Executive Board may employ a manager or managing agent, or both, for the Association at a compensation established by the Executive Board to perform such duties and services as the Executive Board shall authorize. Any such delegation, however, shall not relieve the Executive Board of its responsibility under the Declaration. If, and to the extent that, the Executive Board delegates its powers relating to the collection, deposit, transfer or disbursement of Association funds to a manager or managing agent, or both, such manager or managing agent, or both shall:

(a) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or such higher amount as the Executive Board may require;

(b) maintain all funds and accounts of the Association separate from the funds and accounts of any other associations managed by the manager or managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) have prepared and present to the Association an annual accounting for Association funds and a financial statement, which accounting and financial statement shall be prepared by the managing agent, a public accountant, or a certified public accountant.

6.07 Regular Meetings.

Regular meetings of the Executive Board may be held without call or formal notice at such places within or outside the State of Colorado, and at such times as the Executive Board from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Executive Board for the election of Officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of Owners, or any special meeting of Owners at which an Executive Board is elected.

6.08 Special Meetings.

Special meetings of the Executive Board may be held at any place within the State of Colorado, or by telephone; provided, that each Director can hear each other Director, at any time when called by the president, or by two or more Directors, upon the giving of at least three days' prior notice of the time and place thereof to each Director by leaving such notice with such Director or at such Director's residence or usual place of business, or by mailing or telegraphing it prepaid, and addressed to such Director at such Director's post office address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the Directors shall be required.

6.09 Quorum.

A majority of the number of Directors fixed by these bylaws, as amended from time to time, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the Directors in attendance shall, except where a larger number is required by law, by the Articles or by these Bylaws, decide any question brought before such meeting.

6.10 Waiver of Notice.

Before, at or after any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by such Director except when such Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.11 Informal Action by Directors.

Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE 7.
OFFICERS AND AGENTS

7.01 General.

The Officers of the Association shall be a president (who shall be chosen from among the Directors), one or more vice presidents, a secretary and a treasurer. The Executive Board may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Executive Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any Officer, agent or employee are not prescribed by the Bylaws or by the Executive Board, such Officer, agent or employee shall follow the orders and instructions of the president.

7.02 Removal of Officers.

The Executive Board may remove any Officer, either with or without cause, and elect a successor at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

7.03 Vacancies.

A vacancy in any office, however occurring, shall be filled by the Executive Board for the unexpired portion of the term.

7.04 President.

The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Executive Board. The president shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The president of the Association is designated as the Officer with the power to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

7.05 Vice Presidents.

The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Executive Board. In the absence of the president, the vice president designated by the Executive Board or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made all vice presidents may exercise such powers and perform such duties.

7.06 Secretary.

The secretary shall:

- (a) keep the minutes of the proceedings of the Owners and the Executive Board;
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;
- (c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Executive Board;
- (d) keep at the Association's principal offices a record containing the names and registered addresses of all Owners, the designation of the Unit owned by each Owner, and, if such Unit is mortgaged, the name and address of each Mortgagee; and
- (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Executive Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7.07 Treasurer.

The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Executive Board. The treasurer shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Executive Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Executive Board, conditioned upon the faithful performance of his duties and

for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Executive Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE 8.
EVIDENCE OF OWNERSHIP, REGISTRATION OF
MAILING ADDRESS AND LIEN HOLDERS

8.01 Proof of Ownership.

Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest in the Unit. Such copy shall remain in the files of the Association. An Owner shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of Owners unless this requirement is first satisfied.

8.02 Registration of Mailing Address.

If a Unit is owned by two or more Owners, such Owners shall designate one address as the registered address required by the Declaration. The registered address of an Owner or Owners shall be furnished to the secretary of the Association within ten days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed the registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit.

8.03 Liens.

Any Owner who mortgages or grants a deed of trust covering his Unit shall give the Association written notice of the name and address of the Mortgagee and shall file true, correct and complete copies of the note and security instrument with the Association.

8.04 Address of the Association.

The address of the Association shall be c/o 0574 County Road #5, P.O. Box 8876, Keystone, Colorado 80435. Such address may be changed from time to time upon written notice to all Owners and all listed Mortgagees.

ARTICLE 9.
SECURITY INTEREST IN MEMBERSHIP

Owners shall have the right irrevocably to constitute and appoint a Mortgagee their true and lawful attorney-in-fact to vote their Membership in the Association at any and all meetings of the Association and to vest in the Mortgagee any and all rights, privileges and powers that they have as Owners under the Articles and these Bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the Mortgagee with the secretary of the Association at such time or times as the Mortgagee shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Executive Board or the Owners to carry out their duties as set forth in the Declaration. A release of the Mortgage covering the subject Unit shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the Mortgagee the duties and obligations of an Owner.

ARTICLE 10.
AMENDMENTS

10.01 By Directors.

Except as limited by law, the Articles, the Declaration or these Bylaws, the Executive Board shall have power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Executive Board or at any special meeting called for that purpose at which a quorum is represented. If, however, the Owners shall make, amend or repeal any Bylaw the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

10.02 Owners.

Subject to any rights conferred upon First Mortgagees in the Declaration, the Owners may, by the vote of the holders of at least 67 percent of the votes of the Owners, unless a greater percentage is expressly required by law, the Articles, the Declaration or these Bylaws, make, alter, amend or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

10.03 Limitation.

Notwithstanding the foregoing, amendment of these Bylaws is specifically subject to the requirements of Section 38-33.3-306 of Colorado Revised Statutes, as amended.

ARTICLE 11.
MISCELLANEOUS

11.01 Seal.

The corporate seal of the Association shall be circular in form and shall contain the name of the Association, the year of its organization and the words, "Seal, Colorado."

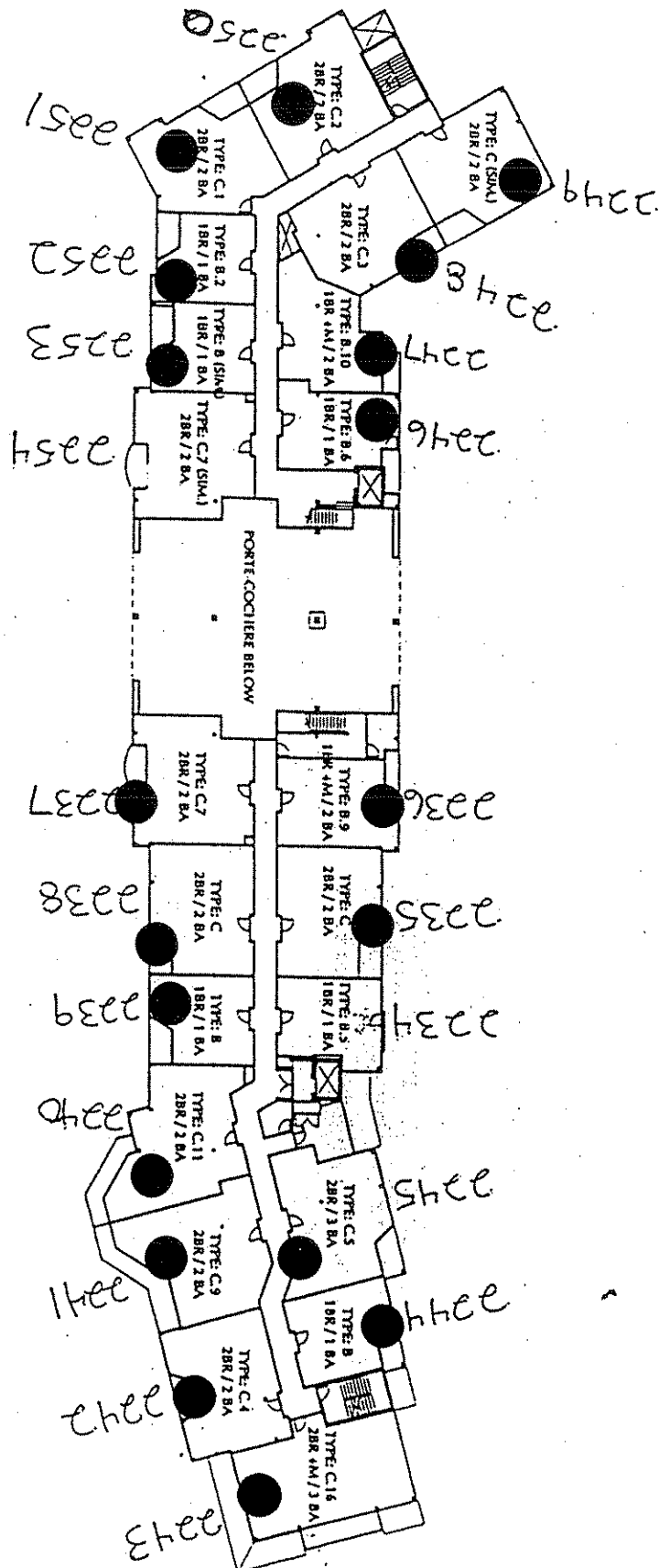
11.02 Fiscal Year.

The fiscal year of the Association shall be such as may from time to time be established by the Executive Board.

(End)

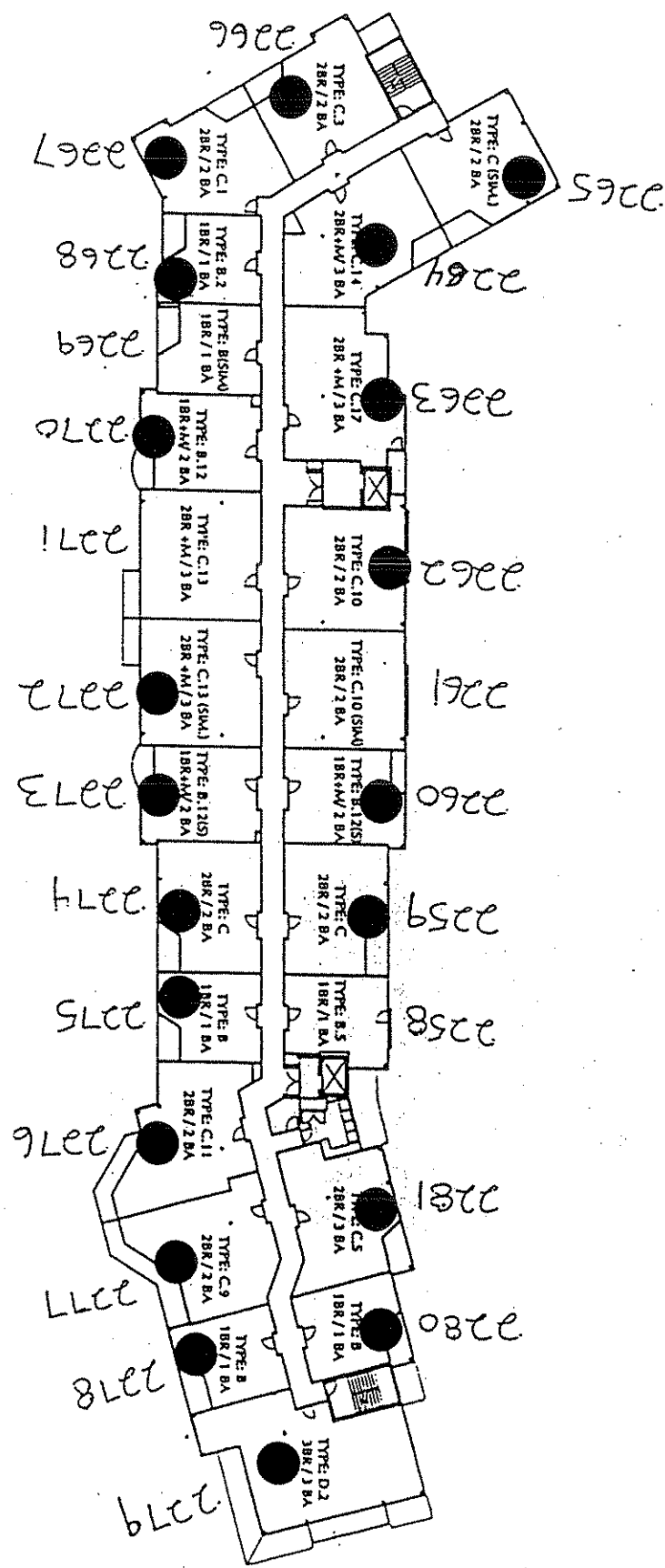
DRAFT

↑ SECOND FLOOR PLAN



DRAFT

↑ THIRD FLOOR PLAN



Hand-drawn floor plan of a building with rooms labeled with types and counts. The plan is oriented vertically with a central corridor. Rooms are labeled as follows:

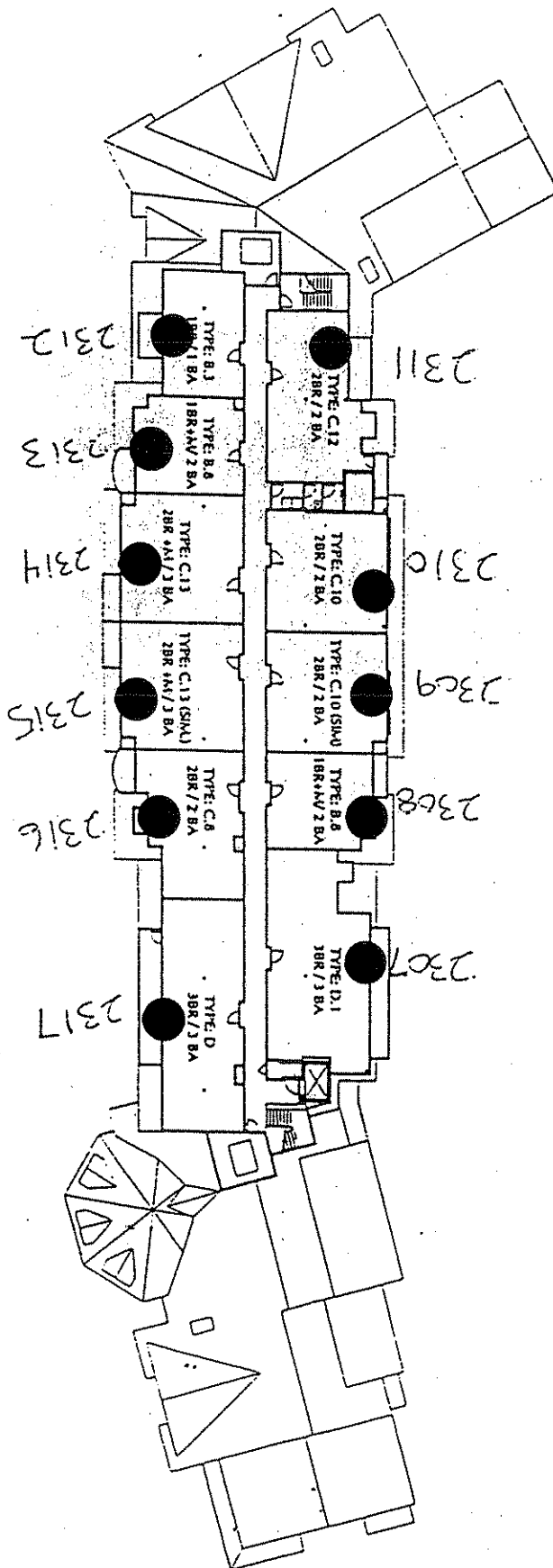
- Top left: TYPE: B.14 1BR+M/2 BA
- Top right: TYPE: C.18 2BR+M/3 BA
- Below top left: TYPE: C.6 2BR/2 BA
- Below top right: TYPE: C.17 2BR+M/3 BA
- Second row left: TYPE: B.13 1BR+M/2 BA
- Second row right: TYPE: C.10 2BR/2 BA
- Third row left: TYPE: B.12 1BR+M/2 BA
- Third row right: TYPE: C.10 (SU) 2BR/2 BA
- Fourth row left: TYPE: C.13 2BR+M/3 BA
- Fourth row right: TYPE: B.12 (S) 1BR+M/2 BA
- Fifth row left: TYPE: C.13 (SU) 2BR+M/3 BA
- Fifth row right: TYPE: C 2BR/2 BA
- Sixth row left: TYPE: B.12 (S) 1BR+M/2 BA
- Sixth row right: TYPE: E.5 1BR/1 BA
- Seventh row left: TYPE: C 2BR/2 BA
- Seventh row right: TYPE: B 1BR/1 BA
- Eighth row left: TYPE: D.3 3BR/3 BA
- Eighth row right: TYPE: C 2BR/2 BA
- Ninth row left: TYPE: C.19 2BR+M/3 BA
- Ninth row right: TYPE: C 1BR/1 BA

Handwritten numbers along the perimeter (from top to bottom):

- 1600
- 2292
- 2293
- 2294
- 2295
- 2296
- 2297
- 2298
- 2299
- 2300
- 2301
- 2302
- 2303
- 2304
- 2305
- 2306
- 2307
- 2308
- 2309
- 2310

← FOURTH FLOOR PLAN





FIFTH FLOOR PLAN

DEVELOPMENT

RED HAWK LODGE

KeyStone
Real Estate

RYER RUN VILLAGE
KEYSTONE, COLORADO

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A3.5

Sheet	11.1.1
Project	2000-1
Client	KeyStone
Scale	1/4" = 1'-0"
Date	11/11/00

KeyStone
Real Estate

ARTICLES OF INCORPORATION
OF
RED HAWK LODGE
CONDOMINIUM ASSOCIATION, INC.

The undersigned adult natural person, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following articles of incorporation:

FILED - CUSTOMER COPY
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

ARTICLE I
NAME

The name of the corporation is Red Hawk Lodge Condominium Association, Inc.

ARTICLE II
DURATION

The corporation shall have perpetual existence.

ARTICLE III
REGISTERED OFFICE AND AGENT

20001107383 C
\$ 65.00
SECRETARY OF STATE
05-30-2000 13:09:23

3.01 Registered Agent. The address of the initial registered office of the corporation is c/o Keystone/Intrawest L.L.C., P.O. Box 8876, 0574 County Road #5, Keystone, Colorado 80435. The name of its initial registered agent at such address is Peter Benson. The written consent of the initial registered agent to the appointment as such is stated below.

3.02 Principal Office. The address of the Corporation's initial principal office is P.O. Box 8876, 0574 County Road #5, Keystone, Colorado 80435.

ARTICLE IV
DEFINITIONS

4.01 Basic Definitions.

As used in these Articles, the following terms have the following meanings:

(a) "Act" means the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

(b) "Area" of a Unit means the total number of square feet of the floor surface thereof as shown on the Map, or if the square footage is not shown on the Map, then "Area" means the total number of square feet of such Unit as determined by the Executive Board.

(c) "Articles" means these Articles of Incorporation of the Association, as the same may be amended from time to time.

(d) "Association" means Red Hawk Lodge Condominium Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(e) "Association Documents" means the Declaration, these Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

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

(g) "Common Elements" means the General Common Elements and the Limited Common Elements.

(h) "Condominium" means Red Hawk Lodge Condominium, the common interest community created on the Property by the Declaration, consisting of the Units and the Common Elements.

(i) "Declarant" means Keystone/Intrawest L.L.C., a Delaware limited liability company, and its successors and assigns.

(j) "Declarant Control Period" has the meaning given to that term in Section 7.02 below.

(k) "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Red Hawk Lodge Condominium, as the same may be amended from time to time.

(l) "Director" means a duly elected or appointed member of the Executive Board.

(m) "Executive Board" means the Association's board of directors.

(n) "General Common Elements" means all of the Condominium, other than the Units and the Limited Common Elements. Without limiting the generality of the preceding sentence, the General Common Elements include, without limitation:

(i) all Improvements, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, storage areas, roofs, chimneys, drainage facilities, patios, balconies, decks, porches, courtyards, stoops, exits and entrances, except for those Improvements that are designated by the Act, by the Declaration or by the Map as Units or Limited Common Elements; and

(ii) any parcels of real property and improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to the Declaration or a lease license, easement or other agreement, and (B) that are used or possessed by the Association for the benefit of all Owners.

(o) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(p) "Improvement" means any building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Property and within which one or more Units or Common Elements are located.

(q) "Interest in General Common Elements" means the undivided interest in the General Common Elements appurtenant to each Unit which shall be expressed as a percentage and calculated in accordance with the following formula:

$$\begin{array}{lcl} \text{Interest in General} & & \\ \text{Common Elements} & = & \left(\frac{\text{Area of the Unit}}{\text{Total Condominium Area}} \right) \times 100 \end{array}$$

(r) "Limited Common Elements" means those portions of the Common Elements allocated by the Declaration or by operation of the Act for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, "Limited Common Elements" include, without limitation:

(i) the Lodge Spa and any shutters, awnings, window boxes, windows and doors located at the boundaries of Units, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, patios, balconies, decks, pools, hot tubs, spas, porches, courtyards, recreational facilities, elevators, waiting areas, libraries, laundry facilities, storage spaces, ski lockers, restrooms, entrances, exits and walkways and other areas and Improvements that are designed to serve fewer than all of the Units;

(ii) the underground parking spaces within the Condominium which may be used by the Owners of the Residential Units and their Guests, but not by the Owner of the Office Unit or its lessees or other Guests, except as set forth in Section 2.01(z)(ii) to the Declaration;

(iii) any parcels of real property and improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease,

license, easement or other agreement, and (B) that are used or possessed by the Association for the benefit of Owners of fewer than all of the Units; and

(iv) any physical portion of the Condominium that is labeled on the Map as "Limited Common Element," "LCE," "LCER" or LCEO."

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. Nonstructural walls located wholly within a Unit are Limited Common Elements appurtenant to the Unit in which they are located.

(s) "Lodge Spa" means the swimming pool, hot tub, steam room and shower room facilities identified as the Lodge Spa on the Map.

(t) "Map" means the condominium map for Red Hawk Lodge Condominium attached as Exhibit B to the Declaration, as the same may be amended or supplemented from time to time.

(u) "Membership" means a membership in the Association and the rights granted to Owners pursuant to the Association Documents to participate in the Association.

(v) "Neighbourhood Company" means The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation.

(w) "Office Unit" means the Unit designated as the Office Unit on the Map.

(x) "Officer" means a duly elected or appointed officer of the Association.

(y) "Owner" means the record holder of legal title to the fee simple interest in any Unit or portion thereof. If there is more than one record holder of legal title to a Unit, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Unit.

(z) "Person" means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Colorado.

(aa) "Property" means the real property located in Summit County, Colorado, that is more particularly described on Exhibit A attached to the Declaration, and any real property that

is later made subject to the Declaration in accordance with the terms and conditions contained in the Declaration.

(bb) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Unit or portion thereof.

(cc) "Residential Unit" means any Unit, other than the Office Unit.

(dd) "Rules and Regulations" means any instruments adopted by the Association for the regulation and management of the Condominium, as the same may be amended from time to time.

(ee) "Special Declarant Rights" means all "special declarant rights" (as such term is defined in the Act) that Declarant reserves for itself in the Declaration.

(ff) "Successor Declarant" means any Person who succeeds to any Special Declarant Right.

(gg) "Summit County Records" means the records of the Office of the Clerk and Recorder for Summit County, Colorado.

(hh) "Total Condominium Area" means the Area of all Units in the Condominium, as determined in accordance with paragraph 4.01(b) above.

(ii) "Unit" means a physical portion of the Condominium that (i) is created by the Declaration, (ii) is designated for separate ownership, and (iii) has boundaries that are described in the Declaration or shown on the Map; together with (iv) the Interest in General Common Elements appurtenant to that Unit; (v) the right to the exclusive or nonexclusive use of the Limited Common Elements appurtenant to that Unit, if any; and (vi) the Membership in the Association appurtenant to that Unit.

If walls, floors or ceilings are designated as boundaries of a Unit, all paneling, tiles, wallpaper, painting, finished flooring, and any other materials constituting any portion of the finished surfaces thereof are part of the Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements.

4.02 Other Definitions.

Any capitalized terms used in these Articles that are not defined in Section 4.01 above shall have the meanings given to them in the Declaration.

ARTICLE V
MEMBERSHIP AND VOTING

5.01 Membership.

(a) There shall be one Membership appurtenant to each Unit. The Membership appurtenant to a Unit shall be held by the Owners of that Unit and may not be separated from the Unit to which it is appurtenant. A Membership may be transferred or encumbered only in connection with the conveyance or encumbrance of a fee simple interest in the Unit to which such Membership is appurtenant. Any transfer or encumbrance of a Membership other than as permitted in this Section 5.01 shall be void and have no force or effect.

(b) Notwithstanding anything to the contrary contained in paragraph 5.01(a) above, an Owner may assign its voting rights to any Person by a duly executed proxy timely delivered to the Association.

5.02 Voting.

(a) The total number of votes allocated to Memberships appurtenant to the initial 101 Units shall be 101. Each Membership appurtenant to each of the initial 101 Units shall be entitled to one vote. If any Units are added to or withdrawn from the Condominium, the total number of votes allocated to all Memberships and the allocation thereof after such addition, withdrawal, increase or decrease shall be recalculated so that each Membership appurtenant to a Unit has one vote.

(b) Each Membership shall be entitled to one vote, regardless of the number of Owners of the Unit to which the Membership is appurtenant. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a Membership appurtenant to a particular Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) The Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

ARTICLE VI
PURPOSES AND POWERS

6.01 Purposes.

The Association's purposes are:

- (a) to manage, operate, insure, improve, repair, replace, alter and maintain the Common Elements;
- (b) to provide certain facilities, services and other benefits to the Owners;
- (c) to administer and enforce the covenants, conditions, restrictions, reservations and easements created by the Declaration;
- (d) to levy, collect and enforce the assessments, charges and liens imposed pursuant to the Declaration;
- (e) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with one or more condominium associations or the Neighbourhood Company which contemplate the sharing of expenses among the Association and the other condominium associations or the Neighbourhood Company for facilities and services that serve the Association and the other condominium associations or the Neighbourhood Company;
- (f) to take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners; and
- (g) to regulate and manage the Condominium.

6.02 Powers.

(a) Unless expressly prohibited by law or any of the Association Documents, the Association may (i) take any and all actions that it deems necessary or advisable to fulfill its purposes; (ii) exercise any powers conferred on it by the Act or any Association Document; and (iii) exercise all powers that may be exercised in Colorado by nonprofit corporations.

(b) Without in any way limiting the generality of paragraph 6.02(a) above, the Association may, but is not obligated to:

- (i) provide certain facilities and services to the Owners, such as (A) recreational facilities and services; (B) water, sewer, gas, electric, cable television, and other utility services; (C) parking facilities; (D) trash collection facilities and services; and (E) snow removal facilities and services;

- (ii) acquire, sell, lease and grant easements over, across and through Common Elements;
- (iii) borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefor;
- (iv) make capital improvements, repairs and replacements to the Common Elements; and
- (v) hire and terminate managing agents and other employees, agents and independent contractors.

6.03 Restrictions on Purposes and Powers.

The purposes and powers of the Association described in Sections 6.01 and 6.02 above are subject to the following limitations:

(a) The Association shall be organized and operated exclusively for nonprofit purposes as set forth in Section 528 of the Internal Revenue Code of 1986, as amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

(b) No part of the net earnings of the Association shall inure to the benefit of any Owner, except as expressly permitted in paragraph 6.03(c) below with respect to the dissolution of the Association.

(c) The Association shall not pay any dividends. No distribution of the Association's assets to Owners shall be made until all of the Association's debts are paid, and then only upon the final dissolution of the Association as permitted in the Declaration. Upon payment of all of the Association's debts and final dissolution, any remaining assets of the Association shall be distributed among the Owners in accordance with the terms and conditions of the Act.

ARTICLE VII EXECUTIVE BOARD

7.01 Executive Board.

(a) The business and affairs of the Association shall be controlled, conducted and managed by the Executive Board, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act, the Declaration, these Articles or the Bylaws.

(b) Except as provided by law or in the Declaration, these Articles or the Bylaws, the Executive Board may act on behalf of the Association in all instances. The Executive Board may

not however, act on behalf of the Association to (i) amend the Declaration; (ii) terminate the Association, the Declaration or the Condominium; (iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Section 7.02 below; or (iv) determine the qualifications, powers and duties, or terms of office, of Directors.

(c) The Executive Board shall consist of three Directors. The names and addresses of the initial Directors are as follows:

<u>Name</u>	<u>Address</u>
Peter Benson	P.O. Box 8876 Keystone, Colorado 80435
Jon Simisky	P.O. Box 8876 Keystone, Colorado 80435
Jim Hall	P.O. Box 8876 Keystone, Colorado 80435

(d) Cumulative voting shall not be allowed in the election of Directors to the Executive Board, or for any other purpose.

7.02 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 7.02(b) and (c) below, but notwithstanding anything else to the contrary contained in these Articles or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date hereof and ending on the earliest to occur of:

(i) the date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under the Declaration;

(ii) the date that is two years after the last conveyance of a Unit by Declarant or a Successor Declarant in the ordinary course of business; or

(iii) the date that is two years after any right to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Directors and Officers prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association

or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in paragraph 7.02(a) above, not later than sixty days after the conveyance of 25 percent of the Units that may be created under the Declaration to Purchasers, one Director appointed by Declarant shall be replaced with a Director elected by Owners other than Declarant.

(d) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

ARTICLE VIII LIABILITY AND INDEMNIFICATION

8.01 Limits on Directors' Liability.

To the fullest extent permitted by the Act and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, a Director shall not be liable to the Association or the Owners for monetary damages for breach of fiduciary duty. Any repeal or modification of this Section 8.01 shall be prospective only and shall not adversely affect any right or protection of a Director existing at the time of such repeal or modification.

8.02 Indemnification.

To the fullest extent permitted by the Act and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, the Association shall indemnify each Director and each officer, employee, fiduciary and agent of the Association.

ARTICLE IX BYLAWS

The initial Bylaws of the Association shall be adopted by the Executive Board. The Executive Board shall have the power to alter, amend or repeal the Bylaws from time to time and to adopt new Bylaws. The Bylaws of the Association may contain any provisions for the regulation or management of the affairs of the Association that are not inconsistent with law, the Declaration or these Articles.

ARTICLE X
AMENDMENT

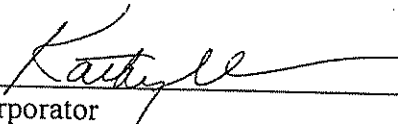
The Association may amend, alter, change or repeal any provision contained in these Articles by, unless a higher voting requirement is set forth herein with respect to any particular provisions, the vote of the holders of at least 67 percent of the votes allocated to all Memberships at any regular or special meeting called for that purpose at which a quorum is represented. The Association's right to amend, alter, change or repeal these Articles is subject to the limitations thereon set forth in the Declaration.

ARTICLE XI
INCORPORATOR

The name and address of the incorporator is:

Kathy G. Drobnak
1050 17th Street, Suite 1500
Denver, Colorado 80265

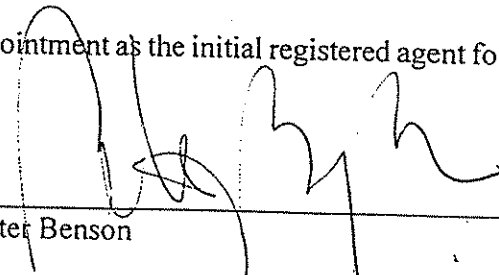
Dated: 5/29/00



Incorporator

REGISTERED AGENT'S ACCEPTANCE OF APPOINTMENT

Peter Benson hereby consents to the appointment as the initial registered agent for Red Hawk Lodge Condominium Association, Inc.



Peter Benson

The address to which the Secretary of State may send a copy upon completion of the filing is Kathy G. Drobnak, Jacobs Chase Frick Kleinkopf & Kelley, LLC 1050 - 17th Street, Suite 1500, Denver, Colorado 80265.