

Section 13.3 Conveyance of Condominium Units. All Condominium Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, as the same may be amended from time to time.

Section 13.4 Use of Common Elements. There shall be no obstruction of, nor shall anything be kept or stored by any Owner or other party on any part of the Common Elements without the prior written approval of the Executive Board. Nothing shall be altered on, constructed in, or removed by any Owner or other party from the Common Elements without the prior written approval of the Executive Board.

Section 13.5 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Project or, taking into account the particular use involved, in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to or waste of the Common Elements shall be committed by any Owner, or by any member of the Owner's family, or by any guest, invitee, or contract purchaser of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him, the members of his family, or his guests, invitees, or contract purchasers. Failure to so indemnify shall be a default by such Owner under this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Condominium Unit. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper), the Association shall enforce the foregoing indemnity as a default Assessment as provided in Sections 8.10, 8.11 and 8.12 above.

Section 13.6 Restriction on Signs. Except as otherwise provided in Section 13.7, no signs or advertising devices of any nature shall be erected or maintained on any Unit or the Common Elements or of the Project in such a manner as to be visible from any other Unit or the Common Elements except signs approved by the Executive Board, political signs, signs required by applicable law or legal proceedings, signs which are required by law to be allowed, identification signs for work under construction (as approved by the Executive Board), temporary signs to caution or warn of danger or the Association signs necessary or desirable to give directions or advise of rules or regulations. Permitted signs shall be subject to reasonable regulation by the Executive Board.

Section 13.7 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent (i) the exercise by Declarant of any special declarant rights (as that term is defined in the Act); or (ii) the erection or maintenance by Declarant or its duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of property within Eagle Ranch; provided, however, that Declarant shall comply with all applicable laws in the exercise of the rights in this Section.

Section 13.8 Nuisances. No nuisance or any use or practice which interferes with the peaceful possession and proper use of the Project by the Owners shall be allowed upon the Common Elements or within a Unit. All parts of the Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist.

ARTICLE 14 EASEMENTS

Section 14.1 Easement of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of the General Common Elements, which shall be appurtenant to and shall pass with the title to every Condominium Unit, subject to the easements set forth in this Article 14.

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

Section 14.3 Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat affecting the Property, as shown on the recorded Condominium Map and as created by the Master Declaration. The recording data for recorded easements, licenses and other matters appurtenant to or included in the Property or to which any parts of the Property may become subject is set forth on the attached Exhibit D. These recorded easements include a public right-of-way on the sidewalk along the north side of the Project.

Section 14.4 Easements for Encroachments. The Project, and all portions of it, are subject to easements hereby created for encroachments between Condominium Units and the Common Elements as follows:

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

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

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

Encroachments referred to in this Section 14.4 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Buildings or any Condominium Unit constructed on the Property, by error in the Condominium Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project.

Section 14.5 Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, a cable communication system and a fire protection system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone, and other communication services to erect and maintain the necessary equipment on the Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without disturbing the uses of the Owners, the Association, and Declarant; shall prosecute its installation and maintenance activities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Provided, however, the Association may be responsible for the repair or replacement of landscaping due to damage caused by utility easement holders pursuant to the authorized use under such easements. Should any utility company furnishing a service

covered by the general easement request a specific easement by separate recordable document, Declarant or the Executive Board shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property. By virtue of this easement, it shall also be expressly permissible for Declarant to affix, erect and/or maintain so-called Fire Department Connection lines and other equipment, wires, plumbing, circuits and conduits within the Common Elements and any Unit and facilities and appurtenances within any "sprinkler room" of a Building related to a common fire sprinkler system servicing all Units in the Building, and an easement for the installation, operation, maintenance, replacement and repair of such system is hereby granted to Declarant and the Association.

Section 14.6 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves for itself and its successors and specific assigns and hereby grants to the Association the concurrent right to establish from time to time by declaration or otherwise, utility and other easements within the Common Elements for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues and conduit installation areas, consistent with the condominium ownership of the Project for the best interest of all of the Owners and the Association, in order to serve all the Owners within the Project.

Section 14.7 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 14.8 Maintenance Easement. An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees, and assigns upon, across, over, in, and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 14.9 Drainage Easement. An easement is hereby reserved to Declarant and its successors and specific assigns and granted to the Association and its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Project for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

Section 14.10 Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Elements are or may be located within the Individual Air Space Units or may be conveniently accessible only through the Individual Air Space Units. The Owners of other Individual Air Space Units and the Association shall have the irrevocable right, to be exercised by the Association, as the Owners' agent, to have access to each Individual Air Space Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal, or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Individual Air Space Unit. In addition, an easement is hereby created for such Common Elements as they currently exist within the Individual Air Space Units. Subject to the provisions of Section 7.3 above, damage to the interior of any part of an Individual Air Space Unit resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Elements or as a result of emergency repair within another Individual Air Space Unit at the instance of the Association or Owners shall be a Common Expense.

Section 14.11 Declarant's Rights Incident to Construction and Marketing. Declarant, for itself and its successors and specific assigns, hereby retains a right and easement of ingress and egress over, in,

upon, under, and across the Property and the right to store materials on the Property and to make such other use of the Property as may be reasonably necessary or incident to the complete construction and sale of the Project, including, but not limited to, construction trailers, temporary construction offices, sales offices, and directional and marketing signs; provided, however, that no such rights shall be exercised in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, or family members, guests, tenants, or invitees of an Owner. Declarant, for itself and its successors and specific assigns, hereby retains a right to maintain any Condominium Unit or Units as sales offices, management offices or model residences so long as Declarant, or any successor to the rights of Declarant under this Declaration, continues to be an Owner of a Condominium Unit. The use by Declarant of any Unit as a model residence, office or other use shall not affect the Unit's designation on the Map as a separate Unit. Declarant further reserves exclusive easement rights over and across the Property for the purpose of marketing, sales and rental of Units or of other projects developed or marketed by Declarant or its affiliates from time to time, including, without limitation, the right to show the Property and to display signs and other promotional devices. Declarant also reserves the right to lease unsold Units. Lessees of Declarant-owned Units shall have, for the length of the term of their leases, the same easement rights over and across the Property and use rights to the facilities of the Project as are reserved for Owners of Units.

Section 14.12 Governmental Requirements. Declarant hereby reserves the right to grant such easements and rights-of-way, from time to time, as may be required by any government agency. Such easements and rights-of-way shall specifically include, but not be limited to, any public rights-of-way and any environmental easements required by federal, state or local environmental agencies, for so long as the Declarant holds an interest in any Unit subject to this Declaration.

Section 14.13 Declarant Easements. Declarant reserves unto itself, its successors, specific assigns, lessees, guests, licensees and invitees, for so long as it holds any interest in any Unit, the same easement rights granted to Owners under this Declaration and specific easement rights over and across the Project as it may deem necessary for its use from time to time.

Section 14.14 Right of Declarant and Association to Own Units and to Use Common Elements. An easement is hereby reserved by Declarant for itself and its successors and specific assigns and granted to the Association and its officers, agents, employees, successors and assigns to maintain offices, storage areas, conference areas and recreational areas for use by the Association within the Common Elements, subject to all rules and regulations established under this Declaration or the Master Declaration. The Association shall also have the right (but not the obligation) to purchase and own any Condominium Unit for the purpose of maintaining an office for the Association or for any other use which the Association determines is consistent with the operation of the Project. The costs and carrying charges incurred by the Association in purchasing and owning any such Condominium Unit shall be part of the Common Expenses.

Section 14.15 Remodeling Easement. Declarant, for itself and its successors and specific assigns, including Owners, retains a right and easement in and about the Buildings for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in the Common Elements in connection with the improvement or alteration of any Condominium Unit, including the right of access to such areas of the Common Elements as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section, the decision of the Executive Board shall be final.

Section 14.16 Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easements or to this Article appears in the instrument for such conveyance.

Section 14.17 Reservation for Expansion. Declarant hereby reserves to itself and the Association and/or for Owners in all future phases of the Project an easement and right-of-way over, upon and across the Property for construction, utilities, drainage, and ingress to and egress from the Expansion Property (whether or not such Expansion Property is submitted to this Declaration pursuant to a Supplemental Declaration and, if necessary, a Supplemental Map), and other properties abutting and contiguous to the Property and the Expansion Property, and for use of the Common Elements as may be reasonably necessary or incident to the construction of improvements on the Property or the Expansion Property; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to the Project by the Owners. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in the Office of the Clerk and Recorder of Eagle County, Colorado.

ARTICLE 15 ASSOCIATION AS ATTORNEY-IN-FACT

Section 15.1 Appointment. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Project upon its damage, destruction, condemnation, or obsolescence as provided below in Articles 16, 17 and 18. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article 10 above, including: the collection and appropriate disposition of the proceeds of such insurance; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointments of the attorneys-in-fact as provided above.

Section 15.2 General Authority. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 16 DAMAGE OR DESTRUCTION

Section 16.1 The Role of the Executive Board. Except as provided in Section 16.6, in the event of damage to or destruction of all or part of the Common Elements, or other Property covered by insurance written in the name of the Association under Article 10, the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Project, including, without limitation, the floor coverings, fixtures, and appliances initially installed therein by Declarant, and replacements thereof installed by the Owners up to the value of those initially installed by Declarant, but not including any additional fixtures and equipment, furniture, furnishings or other personal property supplied or installed by the Owners in the Condominium Units unless covered by insurance obtained by the Association. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his Unit.

Section 16.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Project, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs

of repair and reconstruction of that part of the Project damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Individual Air Space Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

Section 16.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the Project damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary in connection with that action.

Section 16.4 Funds for Repair and Reconstruction. Subject to the provisions of Section 16.6 below, the proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction.

Section 16.5 Insurance Proceeds Sufficient to Repair. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association as attorney-in-fact to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair and restoration of the improvements. Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 16.6 Insurance Proceeds Insufficient to Repair; Special Assessment; Remedies for Failure to Pay Special Assessment. If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is not more than seventy percent (70%) of the total replacement cost of all of the Condominium Units in the Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and, if permitted under the Act, the proceeds of a special Assessment to be made against all of the Owners and their Condominium Units. Any such special Assessment shall be a Common Expense in accordance with Article 8 above and shall be due and payable within thirty (30) days after written notice as provided in Article 8 above. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair, replacement, or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the Assessment.

Any Assessment provided for in this Section 16.6 shall be a debt of each Owner and a lien on the Owner's Condominium Unit and may be enforced and collected as provided in Article 8 above. In addition, the Association as attorney-in-fact shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency Assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association as attorney-in-fact pursuant to the provisions of this Section 16.6. The Assessments for the Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notice, interest at the Maximum Rate on the amount of the Assessment, and all reasonable attorneys' fees. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association as attorney-in-fact in the following order:

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

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

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

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

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

If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is more than seventy percent (70%) of the total replacement cost of all of the Condominium Units in the Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and, if permitted under the Act, the proceeds of a special Assessment made against all of the Owners and their Condominium Units, provided, however, that Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more may elect to terminate the Project, and in such event the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary or assistant secretary, the entire Project shall be sold pursuant to the provisions of this Section by the Association as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, and the articles of incorporation, and bylaws of the Association. Assessments for Common Expenses shall not be abated during the period prior to sale.

In such event, the insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's interest in the Common Elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner and designated as an agency account. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of each of such accounts, without contributions from one account to another, toward the partial or full payment of the lien of any First Mortgage encumbering the Condominium Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire Property. Such apportionment shall be based upon each Condominium Unit Owner's interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association as attorney-in-fact for the same purposes and in the same order as is provided in Sections 16.6.1 through 16.6.5 above.

In the event that the Owners do not elect to terminate the Project as provided above, Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association (other than Declarant), and all directly adversely affected Owners, may alternatively agree in writing not to repair and reconstruct improvements within the Common Elements and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 16.7 Repairs. All repairs and reconstruction contemplated by this Article shall be performed substantially in accordance with this Declaration, the Map, and the original plans and

specifications for the Project, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Association Documents.

Section 16.8 Notice of Damage or Destruction. In the event that any portion of the Project encompassing more than one Individual Air Space Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE 17 OBSOLESCENCE

Section 17.1 Adoption of Plan; Rights of Owners. The Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction thereof. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the Office of the Clerk and Recorder of Eagle County, Colorado, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses.

Section 17.2 Sale of Obsolete Units. The Owners representing an aggregate ownership interest in the Common Elements of sixty seven percent (67%) or more may agree that the Condominium Units are obsolete and that the Project should be sold. In such instance, the Association shall immediately record in the Office of the Clerk and Recorder of Eagle County, Colorado, a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Condominium Map, and the articles of incorporation and bylaws of the Association. Unless otherwise agreed in writing by all the Owners, the sale proceeds (and any insurance proceeds under Section 16.5 above) shall be apportioned among the Owners in proportion to each Owner's undivided interest in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner and designated as an agency account. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in Sections 16.6.1 through 16.6.5 above.

ARTICLE 18 CONDEMNATION

Section 18.1 Consequences of Condemnation. If, at any time or times during the continuance of the Project pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages, or other proceeds of condemnation, the sum of which is referred to as the "condemnation award" below, shall be payable to the Association, and the provisions of this Article shall apply.

Section 18.2 Complete Taking. In the event that the entire Project is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership pursuant to this Declaration shall terminate, subject to the provisions of Section 18.7 below. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. Such award shall be apportioned among the Owners and the Mortgagees on the basis of the undivided interests in the Common Elements appurtenant to the Unit in

which such Owners and Mortgagees have an interest; provided, however, that if a standard different from the value of the Project as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, then in determining such apportionment the same standard shall be employed. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled, and such shares shall be paid into separate accounts and disbursed as soon as practical for the same purposes and in the same order as is provided in Sections 16.6.1 through 16.6.5 above.

Section 18.3 Partial Taking. In the event that less than the entire Project is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership under this Declaration shall not terminate. Each Owner (and Mortgagee holding an interest in such Owner's Unit) shall be entitled to a share of the condemnation award to be determined under the following provisions. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. As soon as practical, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners, unless otherwise required under the Act, as follows:

18.3.1 The total amount allocated to a taking of or injury to the Common Elements shall be apportioned among Owners and their Mortgagees on the basis of each Owner's undivided interest in the General Common Elements and any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which the Limited Common Element was allocated at the time of acquisition;

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

18.3.3 The respective amounts allocated to the taking of or injury to a particular Condominium Unit or to improvements an Owner has made within the Owner's own Condominium Unit (including compensation to the Owner for the Unit and its allocated interest in the Common Elements whether or not the Common Elements are acquired) shall be apportioned to the Owner and Mortgagees of that particular Condominium Unit involved; and

18.3.4 The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances.

If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award, the Association shall employ such allocation. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 18.4 Reorganization. In the event a partial taking results in the taking of an Individual Air Space Unit, the Owners thereof shall automatically cease to be members of the Association, and their ownership interests in the Common Elements shall terminate and vest in the Owners of the remaining Condominium Units. Thereafter, subject to the provisions of Section 18.7 below, the Association shall reallocate the ownership, voting rights, and Assessment ratios determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of the remaining Individual Air Space Units for the amendment of this Declaration.

Section 18.5 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article 16 above.

Section 18.6 Notice of Condemnation. In the event that any portion of the Project shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner.

Section 18.7 Limitations on Actions of Association. Except as provided by statute, in case of condemnation, unless Owners representing an aggregate ownership interest in the Common Elements of sixty-seven percent (67%) or more have given their prior written approval, the Association may not take any of the actions specified in Sections 18.1 through 18.6 above.

ARTICLE 19 OTHER ASSOCIATION MATTERS

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

Section 19.2 Enforcement of Master Association.

19.2.1 The Association shall have the power, subject to the primary power of the Board of Directors of the Master Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to Sylvan Square Condominiums, and to collect regular, special, and default assessments on behalf of the Master Association.

19.2.2 This Declaration is intended to supplement the Master Declaration as it applies to the Property. In addition to all of the obligations which are conferred or imposed upon the Association pursuant to this Declaration and the articles and bylaws of the Association, the Association shall be subject to all of the obligations imposed upon it pursuant to the Master Declaration. The Association and all committees thereof also shall be subject to all superior rights and powers which have been conferred upon the Master Association pursuant to the Master Declaration. The Association shall take no action in derogation of the rights of, or contrary to the interests of, the Master Association.

Section 19.3 Architectural Control.

19.3.1 No exterior or structural addition to or change or alteration to the Common Elements (including the construction of any additional skylight, window, awning or door) shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing by the Executive Board as to harmony of external design and location in relation to surrounding structures and topography and until the architectural control provisions of the Master Declaration shall have been properly satisfied.

It is hereby acknowledged that there may be designated on the Map exterior walls or surfaces adjacent to certain Units which are deemed to be Limited Common Elements (but only to the extent such walls or surfaces are not structural in nature). No exterior or structural addition to or change or alteration

to a Unit or to the Limited Common Elements (including the construction of any additional skylight, window, awning or door) shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Executive Board.

The alterations and changes described in this section shall also be in compliance with and have received all approvals required by the Master Declaration and any applicable zoning and other laws, rules and regulations, including the rules and regulations promulgated by the Association.

19.3.2 After receiving the approval of the Executive Board, the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by the Master Declaration or any governmental or quasi-governmental body having jurisdiction over the Property.

Section 19.4 No Use of Trademark. The term "Sylvan Square Condominiums" is a service mark and trademark of Declarant and the term "Eagle Ranch" is a service mark and trademark of West Eagle Ranch, LLC, a Delaware limited liability company, which is the declarant under the Master Declaration. Each Owner, by accepting a deed to a Unit, covenants and agrees that such Owner shall not use the terms "Sylvan Square Condominiums" or "Eagle Ranch" without the prior written permission of Declarant or West Eagle Ranch, LLC, respectively.

Section 19.5 Limit on Timesharing.

19.5.1 No Unit, whether leased or owned, shall be used for:

19.5.1.1 the operation of a timesharing, fraction-sharing, interval ownership or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years; or

19.5.1.2 the operation of a reservation or time-use system among co-Owners of a Unit, regardless of whether or not any co-Owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating, if one or more of the following conditions exist:

19.5.1.2.1 the ownership interest in such Unit is publicly marketed for sale subject to such system, or

19.5.1.2.2 the co-Owners are or were required as a condition of purchase of the ownership interest in such Unit to subject the interest to a pre-determined reservation or time-use system among co-Owners; or

19.5.1.3 in the marketing, offering or selling of any club membership interest, limited liability company interest, limited partnership interest, program interest or other interest whereby the interest-holder acquires a right to participate in a reservation or time-use system among the interest-holders, or among the interest-holders and others, involving the Unit, or involving the Unit and other alternate or substitute properties, regardless of whether such interest is equity or non-equity, regardless of whether or not any interest-holder may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating (such interest referred to herein as an "Interest"), if one or more of the following conditions exist:

19.5.1.3.1 the Interest is publicly marketed for sale, or

19.5.1.3.2 the Interest-holders are or were required as a condition of purchase of the Interest to be subject to a pre-determined reservation or time-use system among Interest-holders, or among Interest-holders and others;

(all of the foregoing uses, systems or programs are hereinafter called a "Timeshare Program").

19.5.2 Mere co-ownership of a Unit, ownership of a Unit by an entity, trust, partnership or the like or short-term leasing of a Unit shall not create a Timeshare Program unless it meets any of the conditions described above in this Section. The definition of Timeshare Program expressly excludes the voluntary inclusion of a Unit in a rental pool program.

Section 19.6 Access. Roads within Eagle Ranch are subject to ordinances, rules and regulations of the Town of Eagle, Colorado.

Section 19.7 Construction Activities. Each Owner is hereby advised that substantial construction-related activities relating to the development of the Project, adjacent projects or other development near the Project may cause considerable noise, dust and other inconveniences to the Owners.

Section 19.8 Acknowledgements. Each Owner is hereby advised of the following matters affecting the Project and Eagle Ranch and the Owner's use and enjoyment thereof:

19.8.1.1 Incomplete Development. Substantial construction-related activities relating to the development of Sylvan Square Condominiums or other development within or near the Eagle Ranch Subdivision may cause considerable noise, dust and other inconveniences to the Owners.

19.8.1.2 Amenities. No interest in or right to use any amenity located near Sylvan Square Condominiums (except for amenities specifically included as General Common Elements of the Project), such as swimming pools, spas, golf facilities or the like, shall be conveyed to an Owner pursuant to this Declaration. The owners of those facilities shall have the right, in their sole discretion, to remove, relocate, discontinue operation, restrict access to, charge fees for the use of, sell interests in or otherwise deal with such assets in their sole discretion without regard to any prior use of or benefit to any residents of Sylvan Square Condominiums.

19.8.1.3 Further Development of Eagle Ranch. Properties located within Eagle Ranch may be developed pursuant to the land uses and restrictions set forth in the PUD Plan (as that term is defined in the Master Declaration) with no representation being made herein concerning the planned uses of such other properties. The zoning for Eagle Ranch is established and governed by the PUD Plan. Any amendment of the PUD Plan requires approval by the Town of Eagle, Colorado. Each Owner acknowledges and agrees that such Owner has not relied upon any statements or representations regarding Eagle Ranch or any other properties except for the statements and representations expressly set forth in this Declaration and the PUD Plan. Each Owner further acknowledges and agrees that such Owner will not take any action to impair or delay any development of real property governed by the PUD Plan so long as such development complies with the PUD Plan.

19.8.1.4 Mountain Conditions. Ownership of real property in mountain areas involves certain inherent inconveniences. These include, but are not limited to, (a) dripping water onto decks and porches from snow melt, (b) snow and ice build-up on roofs, decks and porches during winter months, (c) the need to open windows to cool a Unit, in that due to the temperate climate no air conditioning is provided to the Units, and (d) other inconveniences arising from the sometimes severe winter conditions in the Rocky Mountains.

19.8.1.5 Affordable Housing Restrictions. In order to further the goal of the Master Association to assist in providing housing for permanent residents of the area, the Affordable Units may be restricted in one or more manners, including, without limitation, the following: (a) the sales prices of such Affordable Units, whether applicable to the initial sale from Declarant or other third party or any subsequent sale, may be restricted to an amount which is less than fair market value, (b) the amounts of rent chargeable for the rental of the Affordable Units may be restricted to amounts that may be less than fair market value, (c) the amount of income of the owners and the tenants of the Affordable Units may be restricted to amounts which are less than the amounts made by other owners and tenants, and (d) the Affordable Units may be restricted in occupancy as primary residences by Owners or their tenants who satisfy certain requirements. The terms of the restrictions imposed on the Affordable Units shall be set forth either in the deed transferring the Affordable Unit to an owner or in a separate instrument recorded in the real property records of Eagle County, Colorado. Such terms may include monitoring or other requirements which may be administered by the Housing Corporation as defined in the Master Declaration, the Association or another governmental or non-governmental entity. The Housing Corporation, Association or other entity may be granted a right of first refusal to purchase the Affordable Units as they are sold, as well as certain rights upon the default of an Owner on a loan made for the purchase of an Affordable Unit by such Owner.

19.8.1.6 Parking. All parking serving the Project is located adjacent to Freestone Road and shall be managed by the Association pursuant to applicable rules and regulations adopted by the Association to regulate such parking.

19.8.1.7 Cost Sharing Agreement. The Cost Sharing Agreement requires the Association to contribute to the cost of maintaining the Shared Facilities, which maintenance is the responsibility of the Commercial Center Association. Such costs shall be a Common Expense of the Association. Future projects may be developed that also will be served by the Shared Facilities. In the event that such future projects are developed, those projects shall become subject to the Cost Sharing Agreement and those projects will be required to contribute to the costs of maintaining the Shared Facilities. Provided, however, Declarant, any other private entity, or any public entity has no obligation to develop such projects or contribute to the maintenance costs of the Shared Facilities if such future projects are not developed.

19.8.2 Rules and Regulations. All Owners are given notice that use of their Units and the Common Area is limited by the rules and regulations as modified from time to time. By acceptance of a deed, each Owner acknowledges and agrees that the use and enjoyment and marketability of the Owner's Unit can be affected by this provision and that the rules and regulations may change from time to time.

19.8.3 Signs, Advertising Posters, Political Placards, Banners, Flags, Stickers, Billboards, Speakers or Lighting. Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Declarant related to the development and sale of Units and except for signs and flags prohibited from regulation as set forth in the Act, no signs, advertising posters, flyers, political placards, banners, flags, stickers, billboards, speakers or lighting of any kind shall be erected, placed, or permitted to remain on the Project without the prior written consent of the Executive Board or its designee. The Executive Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

**ARTICLE 20
DECLARANT'S RIGHTS REGARDING TRANSFER**

Any right or any interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, association, or other entity, only by written instrument executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and Recorder of Eagle County, Colorado. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided by such instrument.

**ARTICLE 21
INTENTIONALLY OMITTED**

**ARTICLE 22
ALTERNATIVE DISPUTE RESOLUTION**

Section 22.1 Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors and committee members, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Project, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described herein ("Claims") shall be resolved using the procedures set forth below in lieu of filing suit in any court.

Section 22.2 Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Association Documents, or the rights, obligations and duties of any Bound Party under the Association Documents or relating to the design or construction of improvements on the Project shall be subject to the provisions of this Section.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of this Section:

22.2.1 Any suit by the Association against any Bound Party to enforce the provisions of Article 8 (Assessments);

22.2.2 Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the architectural standards and use restrictions and rules;

22.2.3 Any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Association Documents;

22.2.4 Any suit in which any indispensable party is not a Bound Party; and

22.2.5 Any suit as to which any applicable statute of limitations would expire within 180 days of giving the notice required below.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth below.

Section 22.3 Mandatory Procedures.

22.3.1 Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

22.3.1.1 The nature of the Claim, including the Persons involved and Respondent's role in the Claim;

22.3.1.2 The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

22.3.1.3 Claimant's proposed remedy; and

22.3.1.4 That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

22.3.2 Negotiation and Mediation.

22.3.2.1 The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Executive Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

22.3.2.2 If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of a reputable and knowledgeable mediation group providing such services in Eagle County, or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the Eagle County, Colorado, area.

22.3.2.3 If Claimant does not submit a claim to mediation within thirty (30) days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

22.3.2.4 Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that the mediation was to be mediated.

22.3.2.5 Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement

Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

22.3.3 Final and Binding Arbitration.

22.3.3.1 If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with the rules of arbitration as may be required by the agency providing the arbitrator. The arbitrator shall be a single arbitrator to be appointed by the Parties. If the Parties are unable to agree upon an arbitrator within thirty (30) days of the Claim being submitted to arbitration, the presiding judge of Eagle County, Colorado shall appoint a qualified arbitrator upon application of a Party. No person shall serve as the arbitrator where that person has any financial or personal interest in the result of the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator within fourteen (14) days after receipt of that Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner in which that arbitrator was selected. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons other than Claimant.

22.3.3.2 This subsection is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

22.3.4 Allocation of Costs of Resolving Claims.

22.3.4.1 Subject to Section 22.3.4.2 below, each Party shall bear its own costs, including any attorneys' fees incurred, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

22.3.4.2 Any Award, which is equal to or more favorable to Claimant than Claimant's Settlement Demand, shall add Claimant's Post Mediation costs to the Award, such costs to be borne equally by all Respondents. Any Award, which is equal to or less favorable to Claimant than any Respondent's Settlement Offer, shall award to such Respondent its Post Mediation Costs.

22.3.5 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award including, without limitation, attorneys' fees and court costs.

Section 22.4 Claim for Damages. Damages alleged or awarded in connection with a Claim shall be limited to actual damages. No punitive, incidental, consequential or other damages shall be claimed or awarded.

Notwithstanding anything contained herein to the contrary, any claims, grievances or disputes against Declarant arising out of or relating to the design or construction of improvements on the Project shall require notification to Declarant in writing and provide for a reasonable amount of time for Declarant to correct the defect before any Claim may be made.

ARTICLE 23 EXPANSION AND WITHDRAWAL

Section 23.1 Reservation of Expansion and Withdrawal Rights.

23.1.1 Declarant reserves the right for itself and any Successor Declarant to subject all or any part of the Expansion Property to the Project and subject such Expansion Property to the provisions of this Declaration and thereby expand the Property to include up to a maximum of sixty-five (65) Condominium Units and to expand the Common Elements. Any improvements made in connection with such expansion shall be consistent with the original improvements in structure type and quality of construction and shall be substantially completed prior to being subjected to this Declaration.

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

23.1.3 Declarant reserves the right for itself and any Successor Declarant at any time and from time to time, subject to the provisions of the Act, to withdraw from the Project and from the provisions of this Declaration all or any portion of the real property subjected to this Declaration by a duly recorded Supplemental Declaration and Supplemental Map prior to the time of a sale of a Condominium Unit within that portion of the real property described in said Supplemental Declaration and Supplemental Map. No consent of the Owners or the Board to such supplements and withdrawal shall be required.

Section 23.2 Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the Office of the Clerk and Recorder of Eagle County, Colorado, of one or more Supplemental Declarations and, if the real property being subject to this Declaration by such Supplemental Declaration has not been previously mapped in a map recorded in the Office of the Clerk and Recorder for Eagle County, Colorado, of a Supplemental Map depicting such Expansion Property recorded concurrently with the applicable Supplemental Declaration. The Supplemental Declaration shall set forth the Building(s) and real property, if any, to be included in the expansion, together with any covenants, conditions, restrictions and easements particular to such property. The expansion, which shall permit no more than sixty-five (65) Condominium Units within the Project, may be accomplished in stages by successive supplements or in one supplemental expansion. Declarant may exercise such rights for expansion on all or any portion of the Expansion Property in whatever order of development Declarant in its sole discretion, determines. Declarant shall not be obligated to expand the Project beyond the number of Condominium Units initially submitted to this Declaration.

Section 23.3 Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Property subject to this Declaration as so expanded. For example, "Condominium Unit" shall mean the Condominium Units as shown on the Map plus any additional Condominium Units added by a Supplemental Declaration or Declarations and Supplemental Map or Maps, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Condominium Units shall be effective to transfer rights in the Property as expanded.

Section 23.4 Declaration Operative on New Condominium Units.

23.4.1 The new Condominium Units shall be subject to all of the terms and conditions of this Declaration and of any Supplemental Declaration, upon placing the Supplemental Map(s) depicting the Expansion Property and the Supplemental Declaration(s) of public record in the Office of the Clerk and Recorder of Eagle County, Colorado.

23.4.2 It is contemplated that additional Condominium Units on the Property will be committed to this Declaration, but Declarant and any Successor Declarant shall have no affirmative obligation to construct any additional Condominium Units. In the event that a portion of the Expansion Property is submitted to the provisions of this Declaration, Declarant shall retain the right to, but shall not be obligated to, submit any additional portion of the Expansion Property to the provisions of this Declaration. The rights of Declarant and any Successor Declarant, as described herein, shall apply to all Condominium Units which are added to this Declaration in accordance with these provisions relating to enlargement thereof.

23.4.3 No rights of any character of any owner in units in the Expansion Property shall attach until a Supplemental Declaration and a Supplemental Map are filed of record annexing the units constructed in such area to the Project. Upon the recording of such Supplemental Declaration and Supplemental Map, the units constructed in the area shall be deemed to be governed in all respects by the provisions of this Declaration.

Section 23.5 Effect of Expansion.

23.5.1 Upon the construction of additional Condominium Units and their inclusion under this Declaration and the filing of the Supplemental Declaration(s) and Supplemental Map(s) thereof, the apportionment of Assessments for each Condominium Unit shall automatically be adjusted to reflect the then current respective undivided interest in the Common Elements appurtenant to each Condominium Unit. Such adjustment shall be reflected and set forth in the Supplemental Declaration. The formula used to establish the allocation of undivided interests in the Common Elements is an equal allocation among all Condominium Units.

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

Section 23.6 Termination of Expansion and Development Rights. The rights reserved to the Declarant for itself, its successors and assigns for the expansion and development of the Expansion Property ("Expansion and Development Rights") shall expire twenty (20) years from the date of recording this Declaration, unless terminated earlier pursuant to the terms and provisions of the Act, or unless the Expansion and Development Rights are (i) extended as allowed by law, or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the Expansion and Development Rights by Declarant.

**ARTICLE 24
MISCELLANEOUS**

Section 24.1 Restriction on Declarant Powers. Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.

Section 24.2 Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 24.3 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, from time to time, upon approval of Owners representing sixty-seven percent (67%) or more of the total voting interest in the Association at a meeting of the Owners called for that purpose or by written consent. In addition, (a) a majority of the voting Directors of the Executive Board may make, without the approval of the Owners, changes to any Association Documents to the extent necessary to correct a factual error, and (b) any proposed amendment to this Declaration which affects any right of Declarant shall require the prior written approval of Declarant, in addition to the approval requirements otherwise set forth herein. In addition, the Executive Board has the right to amend this Declaration pursuant to the provisions of the Colorado Revised Statutes Subsection 38-33.3-217(7).

Section 24.4 Unilateral Amendment Rights Reserved by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration to the fullest extent permitted under the Act including, without limitation, to correct clerical, typographical or technical errors, or 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 Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Federal National Mortgage Association.

Section 24.5 Recording of Amendments. Any amendment to this Declaration made in accordance with this Article shall be immediately effective upon recording in the Office of the Clerk and Recorder of Eagle County, Colorado, a copy of the amendment, executed and acknowledged by the appropriate number of Owners, accompanied by a certificate of a licensed title insurance company as to ownership, or upon the recording of a copy of the amendment, together with a duly authenticated certificate of the secretary of the Association stating that the required number of consents of Owners and a certificate of a licensed title company as to title to the Condominium Units were obtained and are on file in the office of the Association.

Section 24.6 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other Association Documents shall be through any proceedings at law or in equity brought by any aggrieved Owner, the Association, or Declarant against the Association or any Owner. Such actions may seek remedy by injunction or restraint of a violation or attempted violation, or an action for damages, or any of them, without the necessity of making an election. The Association and any aggrieved Owner shall have the right to institute, maintain and/or prosecute any such proceedings, and the Association shall further have the right (after notice and an opportunity to be heard) to levy and collect fines for the violation of any provision of the aforesaid documents. In any action instituted or maintained under this Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure by the Association or any Owner

to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 24.7 Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 24.8 Conflict of Provisions. In case of any conflict between this Declaration and the Master Declaration, the Master Declaration shall control. In case of any conflict between this Declaration and the articles or the bylaws of the Association, this Declaration shall control. In case of any conflict between the articles and the bylaws, the articles shall control. The foregoing to the contrary notwithstanding, in the event of any inconsistency between this Declaration or the articles or the bylaws, on the one hand, or any applicable law, including the Act or the Federal Fair Housing Administration Act, on the other, then in all events the applicable law shall control.

Section 24.9 Nonwaiver. Failure by Declarant, the Association, or any Owner to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 24.10 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 24.11 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 24.12 Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Executed as of the day first written above.

Sylvan Square, LLC, a Delaware limited liability company


By: Eagle Ranch Village, LLC, a Delaware limited liability company, its Manager

By: Matura Corp., a Delaware corporation, its Manager

By: W. Wright
Name: Willis J. Wright
Title: President

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 24th day of July, 2008, by Willis J. Wright as President of Matura Corp, a Delaware corporation, Manager of Eagle Ranch Village, LLC, a Delaware limited liability company, Manager of Sylvan Square LLC, a Delaware limited liability company.

Witness my hand and official seal.
My commission expires 2/10/12
[SEAL] 

Carol Glasson
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lot 1, Eagle Ranch Filing No. 26, according to the Final Plat thereof as filed for record as Reception No. 200722921 in the Office of the Clerk and Recorder of Eagle County, Colorado.

EXHIBIT B

OWNERS' INTERESTS IN COMMON ELEMENTS

| Unit No. | Interest in Common Elements |
|-----------------|--|
| A101 | 6.25% |
| A102 | 6.25% |
| A201 | 6.25% |
| A202 | 6.25% |
| B101 | 6.25% |
| B102 | 6.25% |
| B201 | 6.25% |
| B202 | 6.25% |
| C101 | 6.25% |
| C102 | 6.25% |
| C201 | 6.25% |
| C202 | 6.25% |
| D101 | 6.25% |
| D102 | 6.25% |
| D201 | 6.25% |
| D202 | 6.25% |
| TOTALS | 100.00% |

EXHIBIT C

LEGAL DESCRIPTION OF EXPANSION PROPERTY

Lots 2, 3 and 4, Eagle Ranch Filing No. 26, according to the Final Plat thereof as filed for record as Reception No. 200722921 in the Office of the Clerk and Recorder of Eagle County, Colorado.

EXHIBIT D

EASEMENTS, LICENSES AND OTHER TITLE MATTERS

1. Right of proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises as reserved in United States Patent recorded in Book 48 at Page 461 and in Patent recorded August 18, 1994, in Book 648 at Page 118 and Patent recorded August 18, 1994 in Book 648 at Page 113 and Patent recorded August 18, 1994 in Book 648 at Page 125.
2. Right of way for ditches or canals constructed by the authority of the United States as reserved in United States Patent recorded in Book 48 at Page 461 and Patent recorded August 18, 1994, in Book 648 at Page 118, and Patent recorded August 18, 1994 in Book 648 at Page 113 and Patent recorded August 18, 1994 in Book 648 at Page 125.
3. Terms, conditions and provisions of Annexation Agreement recorded April 12, 1999 at Reception No. 692227.
4. Terms, conditions and provisions of the Eagle Ranch Planned Unit Development Guide recorded May 18, 2004 under Reception No. 877629.
5. Restrictive covenants, which do not contain a forfeiture or reverter clause, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law as contained in instrument recorded June 23, 1999, under Reception No. 700815 and amendment thereto recorded September 7, 2007 at Reception No. 200723826.
6. Easements, conditions, covenants, restrictions, reservations and notes on the plat of Eagle Ranch Filing No. 3 recorded December 16, 1999 under Reception No. 718009.
7. Terms, conditions and provisions of Subdivision Improvements Agreement recorded December 16, 1999 at Reception No. 718011.
8. Terms, conditions and provisions of Ordinance No. 2000-14 recorded September 27, 2000 at Reception No. 740276.
9. Terms, conditions and provisions of electric easement recorded February 10, 2004 at Reception No. 867493.
10. Terms, conditions and provisions of easement agreement recorded June 01, 2005 at Reception No. 917739.
11. Easements, conditions, covenants, restrictions, reservations and notes on the plat of Eagle Ranch, Filing No. 26 recorded August 28, 2007 at Reception No. 200722921.
12. Terms, conditions and provisions of Development Improvements Agreement recorded September 13, 2007 at Reception No. 200724379.

13. Terms, conditions and provisions of Trench, Conduit and Vault Agreement recorded October 10, 2007 at Reception No. 200727131.
14. Right of Way Easement as granted to Holy Cross Electric Association, Inc. in instrument recorded October 10, 2007, under Reception No. 200727132.