

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
AVALANCHE CONDOMINIUMS**

THIS DECLARATION is made by Avalanche Building Limited Liability Company, a Colorado limited liability company ("Declarant").

RECITALS

A. Declarant is the owner of real estate in Summit County, Colorado, which is referred to below as the "Property" and is more particularly described as:

Block 7, an Amended Replat of the Breckenridge Airport Subdivision, at Reception No. 397666, Summit County, Colorado

B. Declarant desires to create a planned community on the Property described above, in which portions of the Property will be designated for separate ownership and the remainder of which will be designated for common use and ownership by the Association.

C. Declarant also desires to protect and maintain the project as a prime mountain project of the highest quality and value to enhance and protect its desirability and attractiveness.

D. Declarant further desires to provide for the operation and maintenance of the Common Elements and Limited Common Elements and other related facilities serving the project.

E. Declarant has deemed it necessary and desirable, for the welfare of the residents of the project and the preservation of the Property, to subject the Property to the covenants, restrictions, easements, charges, assessments and liens set forth below, which shall be burdens and benefits to the Declarant and the other Owners and their respective successors, heirs, executors, administrators, devisees, grantees or assigns.

F. Declarant has created an association named "Avalanche Condominium Owners Association, Inc." and delegates and assigns to the association the power and duties of maintaining and administering the Common Elements, Limited Common Elements, and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges created under this Declaration.

G. Declarant hereby submits the Property to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act"). In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable.

ARTICLE I - DECLARATION

Declarant declares that the Property shall be held, sold, and conveyed subject to the following covenants, restrictions and easements which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Property.

ARTICLE II - NAME, DIVISION INTO UNITS

- 2.1. Name. The name of the project is Avalanche Condominiums.
- 2.2. Association. The name of the association is Avalanche Condominium Owners Association, Inc. Declarant has caused to be incorporated under the laws of the State of Colorado the Association as a nonprofit corporation with the purpose of exercising the functions as set forth in this Declaration and the Articles of Incorporation and Bylaws of the Corporation.
- 2.3. Number of Units. The initial number of commercial Units in the Project is twenty (20) and the number of residential Units in the Project is twelve (12).
- 2.4. Identification of Units. The identification number of each Unit is shown on the Map depicting the Property recorded in the real property records of Summit County, Colorado, and such amended, additional or supplemental Maps as may be filed for the Property.

ARTICLE III - DEFINITIONS

- 3.1. Definitions. The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:
 - a. "Allocated Interests" means the pro rata share of Assessments to be borne by each Unit as provided in Exhibit A.
 - b. "Act" means the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time.
 - c. "Articles" mean the Articles of Incorporation for Avalanche Condominium Owners Association, Inc. on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.
 - d. "Assessments" means the Periodic, Special, and Default Assessments levied pursuant to the Article named Assessments below.
 - e. "Association" refers to Avalanche Condominium Owners Association, Inc. ("Association"), a Colorado nonprofit corporation, and its successors and assigns.
 - f. "Association Documents" means this Declaration, the Articles of Incorporation, and the Bylaws of the Association, and any procedures, rules, regulations, or policies adopted under such documents by the Association.
 - g. "Bylaws" means the Bylaws adopted by the Association, as amended from time to time.
 - h. "Common Elements" means all the Property other than the Units. The Common Elements predominantly include the unimproved land surrounding the Units, structural walls and plumbing facilities which are located within a Unit but serve other Units, water and sewer lines and facilities serving the Project which are not owned by the Town of Breckenridge and the parking areas and driveways depicted on the Map. The term Common Elements shall also include the limited Common Elements, which are exclusively reserved for use by an Owner or as otherwise provided in this Declaration.

- i. "Common Expenses" means (i) all expenses expressly declared to be Common Expenses by the Association Documents; (ii) all expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the Common Elements; (iii) insurance premiums for the insurance carried by the Association under this Declaration; and (iv) all expenses lawfully determined to the Common Expenses by the Executive Board of the Association.
- j. "Declarant" means Avalanche Building Limited Liability Company, a Colorado limited liability company and its successors and assigns.
- k. "Declaration" means and refers to this Declaration of Covenants, Conditions and Restrictions of Avalanche Building Condominiums in Breckenridge, Colorado, including all amendments and supplements to the Declaration.
- l. "Executive Board" means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Property and all improvements on the Property.
- m. "First Mortgage" means any Deed of Trust or Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.
- n. "First Mortgagee" means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.
- o. "Limited Common Elements" means a portion of the Common Elements allocated by the Declaration or Map for the exclusive use of one or more Units but fewer than all the Units.
- p. "Manager" shall mean a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Executive Board may authorize from time to time.
- q. "Map" or "Condominium Map" means that part of the Declaration that depicts all or any portion of the Project in the two or three dimensions, is executed by the Declarant and is recorded in the real estate records of the Routt County Clerk and Recorder. A map, showing three dimensions, and a plat, showing two dimensions, may be combined in one instrument.
- r. "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.
- s. "Mortgagee" means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.
- t. "Owner" means the owner of record, whether one or more persons or entities, of fee simple title to any Unit, and "Owner" also includes the purchaser under a contract for deed covering a Unit, but excludes those having such interest in a Unit merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Unit pursuant to foreclosure or other proceedings.

u. "Project" or "Avalanche Condominiums" shall mean the planned community created by this Declaration, consisting of the Property and any other improvements constructed on the Property and as shown on the Map.

v. "Property" initially refers to Block 7, an Amended Replat of the Breckenridge Airport Subdivision, Summit County, Colorado.

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

x. "Unit" or "Condominium Unit" means the fee simple interest in and to the physical portion of the Property depicted on the Map as the Unit; together with an undivided interest in the Common Elements. The boundaries of the Unit shall be the walls, floors and ceilings as specifically depicted in the Map. Each Unit shall include the heating and hot water apparatus exclusively serving the Unit, whether or not located within the boundaries of the Unit. All of the Commercial Units in building B share a common heating system. The common heating system shall be maintained and operated on such agreement as the owners of the Commercial Units enter into.

ARTICLE IV - MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

4.1. The Association. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

4.2. Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit and then only to the purchaser or Mortgagee of his Unit.

4.3. Class of Membership. The Association will have one (1) class of voting membership. Members shall be all Owners, who except as otherwise provided for in this Declaration, shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised by one person appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Unit which is leased may assign his voting right to the tenant, provided that a proxy appointing the tenant is furnished in accordance with the Bylaws. In no event shall more than one vote be cast with respect to any one Unit. In the event an amended or supplemental Map is filed and the total number of the Units on the Property is increased or decreased, the number of votes in the Association shall change accordingly so that the Owner of each Unit will have one vote.

4.4. Period of Declarant's Control. Declarant has the exclusive power to appoint and remove members of the Executive Board and officers of the Association as provided in the Bylaws. This period of Declarant's control shall terminate no later than sixty (60) days after 75% of the Units that may be created are conveyed to Owners other than Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant's control,

but in that event, the Declarant may require for the duration of the period of Declarant's control, those specified actions of the Association or the Executive Board, as described in a recorded instrument by the Declarant, be approved by the Declarant before they become effective.

4.5. Compliance with Association Documents. Each Owner shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens, and benefits of membership in the Association concern the land and shall be covenants running with the land and of each Unit for the benefit of all other Units.

4.6. Books and Records. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents, and the books, records, and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

4.7. Manager. The Association may employ or contract for the services of a Manager to whom the Executive Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board. The Executive Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Executive Board.

4.8. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents, and every other duty or obligation implied by the express provisions of the Association Documents or necessary to reasonably satisfy any such duty or obligation.

4.9. Association as Attorney-in-Fact. Each Owner, by acceptance of a deed or other conveyance vesting in the Owner an interest in a Unit, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution in the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment. No Owner shall have any rights against the Association or Declarant or any of their officers or directors with respect thereto except in the case of fraud or gross negligence.

4.10. Right to Notice and Hearing. Whenever the Declaration, the Act, or any of the Rules and Regulations adopted by the Association require that an action be taken after "notice and opportunity to be heard", the following procedure should be observed:

a. The party proposing to take the action shall give notice of the proposed action to all Owners whose interest the proposing party reasonably determines would be significantly affected by the proposed action;

b. The notice shall be delivered personally or mailed not less than three (3) days before the proposed action is to be taken; and

c. The notice shall include a general statement of the proposed action and a date, time and place of the hearing.

At the hearing, the affected person shall have the right personally or by a representative, to give testimony orally, 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 which will not bind the decision makers. The affected person shall be notified of the decision in the same manner in which the notice of the hearing was given. Any Owner having a right to notice and to be heard shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall conduct a hearing within forty-five (45) days, giving the same notice and observing the procedures as were required for the original hearing.

ARTICLE V - PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT

5.1. Owner's Easement of Enjoyment. Every Owner has a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Unit, subject to the provisions contained herein.

5.2. Recorded Easements. The Property shall be subject to all easements as shown on any recorded plat affecting the Property, those provided in the Act and to any other easements of record or of use as of the date of recordation of this Declaration, including those set forth in Exhibit B. In addition, the Property is subject to those easements set forth in this Article.

5.3. Limited Common Elements. The Owner of a Unit shall have the exclusive right to use and enjoy any part of the Common Elements designated as Limited Common Elements to said Unit in this Declaration or on the Map.

5.4. Utility Easements. There is hereby created a blanket easement upon, across, over, in, and under the Property for ingress and egress, installation, replacement, repair, and maintenance of all utilities, including, but not limited to, gas, telephone, electrical, and cable communications systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such services to install and maintain necessary equipment, wires, circuits, and conduits under and over the Property. Such utilities may temporarily be installed above ground during construction, if approved by Declarant.

5.5. Declarant's Rights Incident to Construction. Declarant expressly reserves the right to perform any work, repairs and construction work, and to store materials in secure areas, on the Common Elements and the future right to control such work and repairs, and the right to access thereto, until completion of the Project. All work may be performed by Declarant without the consent or approval of any Owner or Mortgagee. Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct drainage facilities, underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Property.

5.6. Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by grant or otherwise, utility and other easements, permits, or licenses over the Common Elements for purposes including, but not limited to, drives, paths, walkways, drainage, parking areas, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interests of all the Owners and the Association, in order to serve the Owners within the Property.

5.7. Easement for Ingress and Egress. Declarant hereby grants as an appurtenance of each Unit a non-exclusive easement of ingress and egress across the Common Elements to each Unit to assure access from a public road, driveway or parking area to each Unit. The specific means of ingress and egress shall be subject to change as the Executive Board from time to time deems necessary so long as a reasonable means of access is always provided, except in the event of an Owner's default as provided in the Article named "Assessments" below.

5.8. General Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Executive Board or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, including the right to enter upon any Unit for purpose of performing maintenance to the Common Elements.

5.9. Emergency Access Easement. A perpetual non-exclusive easement is hereby granted to all police, sheriff, fire protection, ambulance and water and sewer agencies or persons to enter upon the Common Elements in the performance of their duties; provided, however, no person's Fourth Amendment rights are hereby waived.

5.10. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to the members of his family, his tenants, guests, licensees, invitees, but only in accordance with and subject to the limitations of the Association Documents.

5.11. Inseparability. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Unit shall be of the entire Unit, including each easement, license, and all other appurtenant rights created by this Declaration, which shall not be separated.

5.12. Partition or Subdivision. No Owner, group of Owners or the Association shall bring any action for partition or division of the Common Elements or limited Common Elements.

5.13. Conveyances. Every contract to convey, instrument of conveyance of a Unit, mortgages and every other instrument affecting title to a Unit shall describe the Unit or property being conveyed in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required by the circumstances or appropriate to conform to the requirements of any governmental authority, practice or usage or requirement of law with respect thereto:

Condominium Unit _____, Building _____, Avalanche Condominiums, according to the Declaration of Covenants, Conditions and Restrictions for Avalanche Condominiums recorded _____, 1999, under Reception No. _____ and the Condominium Map recorded _____, 1999, under Reception No. _____, in the office of the clerk and Recorder of Summit County, Colorado.

Every instrument affecting the title to a Unit which legally describes a Unit substantially in the manner set forth above shall be construed to describe the Unit, together with the undivided interest in the Common Elements appurtenant to it, and together with all fixtures and improvements contained in it, and to incorporate all the rights incident to ownership of a Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, including the easement of enjoyment to use the Common Elements.

5.14. Separate Tax Assessments. Upon the filing for record of this Declaration and the Map in the Records, each of the Units shall be separately valued and assessed for property tax purposes. The lien for taxes shall be confined to the Unit(s). No forfeiture or sale of any Unit for delinquent taxes, assessments, or any other governmental charge shall divest or in any way affect the title to any other Unit.

ARTICLE VI - MAINTENANCE AND LANDSCAPING

6.1. Maintenance of Units.

a. Except for the maintenance obligations assumed by the Association as provided below, each Owner shall be solely responsible for all interior maintenance and repair of her Unit, including all fixtures, equipment and utility lines within the Unit or located on the Limited Common Elements adjacent to the Unit. Each Owner shall be responsible for the maintenance of the interior non-supporting walls of his Unit, and the surface materials of the interior such as plaster, drywall, paneling, wallpaper, paint, tile and carpeting of the perimeter walls, ceilings and floors within the Unit, including Unit doors, windows and screens. Each Owner is required to maintain the Unit, in a clean condition of good order and free from trash, and garbage in accordance with the provisions of that Article named Protective Covenants below. The Association reserves the right to grant the maintenance responsibility to the Unit Owner of certain Common Elements in or next to each Unit and of other Limited Common Elements, and the Unit Owner is obligated to accept such maintenance responsibility, provided such assignment is done in a uniform and nondiscriminatory manner.

b. No Owner shall construct any structure or improvement, or make or suffer any structural or design change (including windows or a color scheme change), either permanent or temporary and of any type or nature whatsoever to the Common Elements or construct any addition or improvement on his Unit without first obtaining the prior written consent thereto from the Executive Board and in regard to structural changes, the prior written consent of the Town of Breckenridge.

6.2. Common Elements. The Association shall maintain and repair the Common Elements in such manner as the Association shall determine. In the event the Association does not maintain or repair the Common Elements, Declarant shall have the right, but not the obligation, to do so at the expense of the Association until such time as all of Declarant's rights terminate.

6.3. Owner's Failure to Maintain. In the event that a Unit is not properly maintained by an Owner, then the Association, after ten (10) days prior written notice to the Owner and with the approval of the Executive Board, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements thereon to a condition of good order and repair. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with that Article named Assessments below.

ARTICLE VII - INSURANCE

7.1. Insurance on Common Elements. The Association shall maintain insurance in compliance with the terms and conditions set forth in the Act, including but not limited to casualty, general liability and fidelity insurance. Notwithstanding any of the specific insurance requirements specified in this Article or the Act, the Association may also consider, in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any of FNMA, GNMA, FHLMC, HUD, VA, CHFA or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by any of such entities with respect to their insurance, guaranty, or purchase of First Mortgages.

7.2. General Provisions of Insurance Policies. All policies of insurance carried by the Association shall contain a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured. The Association will furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premiums payment and a certificate identifying the interest of the Owner in question, to any party in interest, including First Mortgagees, upon request. Any such Association policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not acting under directions from the Association.

7.3. Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, the Association insurance policy will be the primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any reduction in insurance proceeds paid to the Association caused by such Owner's policies of insurance, and the Association may collect the amount from the Owner in the same manner as any periodic assessment. Any such Owner's policy will also contain waivers of subrogation.

7.4. Insurance to be Maintained by Owners. Each Owner may obtain physical damage and liability insurance for such Owner's benefit, at such Owner's expenses, covering the Owner's Unit and improvements, personal property and personal liability. No Owner shall obtain separate insurance policies on the Common Elements.

ARTICLE VIII - ASSESSMENTS

8.1. Obligation. Each Owner must pay to the Association (1) the Periodic Assessments imposed by the Executive Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements and to perform the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (3) Default Assessments which may be assessed against a Unit for the Owner's failure to perform the obligations under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

8.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owner and occupants of the property and for the improvement and maintenance of the property all as more fully set forth in this Declaration and on the Map.

8.3. Budget. The Executive Board shall adopt a budget with Assessments sufficient to pay all Common Expenses and adequate reserves on an annual basis before the commencement of each fiscal year. Within thirty (30) days after adoption of any proposed budget, the Executive Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

8.4. Reserves. The Association shall require each buyer of a Unit to make a non-refundable payment to the Association in an amount equal to one-fourth of the current cumulative Periodic Assessments for one year for the Unit, which sum shall be held, without interest, by the Association as a reserve fund. The Reserve Fund shall be collected and transferred to the Association at the time of closing of the sale of each Unit, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve an Owner from making payments of Periodic Assessments as the same become due. Upon the transfer of a Unit, an Owner shall not be entitled to a credit from the transferee for any unused portion of the Reserve Fund.

8.5. Periodic Assessments. Periodic Assessments shall be payable monthly in advance and shall be due on the first day of each month, or such other periods as the Executive Board may determine. The omission or failure of the Association to fix the Periodic Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Periodic Assessments in excess of the actual expenses incurred in any fiscal year.

8.6. Apportionment of Periodic Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses which shall be allocated among the Owners as set forth in Exhibit A, subject to the following exceptions. Common Expenses on fewer than all of the Units shall be borne by the Owners of those affected Units only.

a. Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed against the Units to which that Limited Common Element is assigned, pro rata according to the Allocated Interest of such Units.

b. Any Common Expense benefiting fewer than all of the Units will be assessed exclusively against the Units benefited, prorata according to the Allocated Interest of such Units.

c. Any extraordinary insurance costs incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner.

d. Any Common Expense caused by the misconduct of any Owner shall be assessed solely against such Owner's Unit.

8.7. Special Assessments. In addition to the Periodic Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments payable over such a period as the Association may

determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of improvements within the Common Elements or for any other expense incurred or to be incurred as provided in the Association Documents. This Section shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this section. Any amounts assessed pursuant to this Section shall be assessed to Owners as provided in this Article, subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Units shall be borne by the Owners of those affected Units only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing of the amount of such Special Assessment and the time for payment of the Special Assessment shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given.

8.8. Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents including but not limited to attorney's fees shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least 30 days prior to the due date.

8.9. Effect of Nonpayment; Assessment Lien. Any Assessment whether pertaining to any Periodic, Special or Default Assessment, which is not paid within thirty (30) days after its due date shall be delinquent. If an Assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

- a. Assess a late charge for each delinquency in such amount as the Executive Board establishes from time to time;
- b. Assess an interest charge from the date of delinquency at the yearly rate of two points above the prime rate charged by the Association's bank, or such other rate as the Executive Board may establish from time to time, not to exceed twenty-one percent (21%) per annum;
- c. Accelerate all remaining Assessment installments so that the unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;
- d. Disconnect any utility services to the Unit which are paid as a Common Expenses;
- e. Suspend all voting rights of the delinquent Owner;
- f. Suspend the rights of the Owner, his family, tenants, guests, licensees, and invitees to use the Common Elements;
- g. Bring an action at law against anyone personally obligated to pay the delinquent Assessments; and
- h. Proceed with foreclosure as set forth below.

Assessments chargeable to any Unit, including fines, late charges, interest, costs, and attorney's fees shall constitute a perpetual lien on such Unit, including any improvements on the Unit by virtue of recording of the Declaration. The Association may, but is not required to, prepare a written notice of delinquency setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued late charges, interest and costs on the indebtedness, (iv) the name of the Owner of the Unit, and (v) a description of the Unit. The notice shall be signed and acknowledged by an officer of the Association or by the Manager, and the Association shall send the notice to the Owner by mail to the address of the Unit or to such other address as the Association may have in its files for such Owner. The Association may record the same in the office of the Clerk and Recorder of Summit County, Colorado. The Association may institute foreclosure proceedings at any time against the defaulting Owner's Unit in the manner for foreclosing a mortgage on real property under Colorado law. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, and fines, late charges and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of delinquency and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

8.10. Personal Obligation. The amount of any Assessment chargeable against any Unit shall be a personal and individual debt of the Owner of the Unit. No Owner may exempt himself from liability for the Assessment by abandonment of his Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, and fines, late charges, and interest thereon, the cost and expenses of such proceedings, and all reasonable attorney's fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

8.11. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Unit, except as provided in the Section named Subordination of Lien below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, fines, late charges, costs, expenses, and attorney's fees against such Unit without prejudice to such successor's right to recover from any prior Owner any amounts paid by such successor. In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Association as set forth below.

8.12. Subordination of Lien. The lien of the assessments provided for in this Declaration shall be subordinate to those items set forth in the Act. The lien of the Assessments shall be superior to and prior to any homestead exemptions provided now or in the future by the laws of the State of Colorado. The Owner, and all of them hereby waive and release all homestead rights or exemption, if any, provided now or in the future by the laws of the State of Colorado. Transfer of any Unit shall not affect the Associations' lien except that the sale or transfer of any Unit pursuant to foreclosure of any First Mortgage shall only extinguish the Association's lien as provided in the Act. The amount of such extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Executive Board. No sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

8.13. Notice to Mortgagee. The Association may, but shall not be obligated to, report to any Mortgagee any unpaid Assessments remaining unpaid

for longer than sixty (60) days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the Mortgage and a request for notice of unpaid Assessments, together with a handling fee in an amount to be determined by the Executive Board from time to time. Any Mortgagee holding a Mortgage on a Unit may pay any unpaid Assessment payable with respect to such Unit, together with any and all fines, late charges, interest, costs and attorney's fees incurred with respect to the lien and upon such payment that Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as the lien of the Association.

8.14. Statement of Status of Assessment Payment. The Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a statement setting forth the amount of unpaid assessments currently levied against such Owner's Unit within fourteen (14) days after receipt of a written request. If no statement is furnished to the Owner or holder of a security interest of their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, the Association shall have no right to assert a priority lien upon the Unit for unpaid assessments which were due as of the date of the request.

ARTICLE IX - DAMAGE OR DESTRUCTION

9.1. Damage to Common Elements. In the event of damage or destruction to all or a portion of the Common Elements due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair.

If the insurance proceeds with respect to such Common Elements damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Common Elements, the Association shall levy a Special Assessment in the aggregate amount of such insufficiency pursuant to that Article named Assessment and will proceed to make such repairs or reconstruction, unless the Owners who represent at least two-thirds (2/3) of the votes of all of the Owners agree not to repair and reconstruct such damage. No distributions of insurance proceeds will be made unless made jointly payable to the Owners and the First Mortgagees, if any, of their respective Units.

9.2. Repair and Replacement. Any portion of the Project for which insurance is required which is damaged or destroyed shall be repaired or replaced promptly by the Association unless:

- a. The Project is terminated;
- b. Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- c. Two-thirds (2/3) of the Unit Owners and the Owners of one hundred percent (100%) of the Units or assigned Limited Common Elements that will not be rebuilt, vote not to rebuild.

ARTICLE X - CONDEMNATION

10.1. Rights of Owners. Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of a Unit or the Common Elements is conveyed in lieu of a taking under threat of condemnation by any authority having power of condemnation or eminent domain, the provisions of the Act dealing with

condemnation shall apply. Upon receipt of notice of condemnation or threat of condemnation, the Executive Board shall send written notice to all Owners and Mortgagees holding First Mortgages on a Unit.

10.2. Reconstruction. If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Owners who represent at least two-thirds (2/3) of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Executive Board, unless the condemnation award is insufficient to pay for said restoration or replacement. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed per Unit among the Owners, first to the Mortgagees, if any, and then to the Owners, as their interests appear, based upon the percentages set forth in Exhibit A.

10.3. Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, the condemnation award shall be distributed as provided in the Act.

ARTICLE XI - DURATION OF COVENANTS AND AMENDMENT

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

11.2. Amendment. Except as provided in Article XIII, this Declaration, or any provision of it, may be amended at any time by an instrument signed by Owners holding not less than sixty-seven percent (67%) of the votes possible to be cast under this Declaration. Any amendment must be executed by the President of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association.

11.3. When Modifications Permitted. Notwithstanding the provisions of that Section named Amendment above, no termination, extension, modification, or amendment of this Declaration or the Map made prior to the termination of Declarant's control shall be effective unless the prior written approval of Declarant is first obtained.

11.4. Action by Mortgagee. If this Declaration or any Association Documents require the approval of any Agency or Mortgagees then, if any Agency or Mortgagee fails to respond to any written proposal for such approval within thirty (30) days after such Agency or Mortgagee receives proper notice of the proposal (or such longer time as may be set forth in the notice), such Agency or Mortgagee shall be deemed to have approved such proposal provided that the notice was delivered to the Agency or Mortgagee by certified or registered mail, return receipt requested.

ARTICLE XII - PROTECTIVE COVENANTS

12.1. Occupancy. The Project contains commercial Units and residential Units as identified on the Map. The commercial Units shall be occupied and used only for commercial uses permitted by applicable land use and zoning

regulations, and may not be used for residential purposes. The residential Units shall be occupied and used only for residential uses and purposes only, and may not be used for commercial uses. Home occupations may be permitted upon the prior written consent of the Executive Board and subject to the applicable regulations of the town of Breckenridge. A commercial Unit may be rented to another party only for commercial purposes and a residential Unit may be rented to another party only for residential purposes, subject to the terms and provisions set forth above. Except in the event lease restrictions are approved by the Executive Board, a Unit may be used for permanent, long or short term occupancy by its Owner, its family, servants, agents, guests, invitees, and tenants, and such Owner shall be allowed to rent or arrange for the rental of its Unit for any length of time.

12.2. Improvements Prohibited. No used or second-hand structure, no building of any character, no mobile home, house trailer, tent, shack, or outbuilding shall be placed or used on the Common Elements, either temporarily or permanently; except those items which are necessary for construction may be used during the period extending no later than (i) eighteen (18) months after commencement of construction or (ii) the date of substantial completion of said improvement, whichever is earlier. The placement, appearance and maintenance of such temporary structures may be subject to reasonable rules of the Executive Board governing such matters.

12.3. Architectural Style and Colors. The building(s) to be constructed on the Property shall have a similar architectural style and shall be constructed with compatible exterior materials and colors.

12.4. Trash. No trash, ashes or other refuse or debris may be thrown or dumped on the Property. The burning of refuse out-of-doors shall not be permitted. No incinerators or other device for the burning of refuse shall be constructed, installed or used. Waste materials, garbage and trash shall be kept in sanitary containers, enclosed and screened from public view, protected from disturbance, and disposed of with reasonable promptness.

12.5. Noxious or Offensive Activity. No noxious or offensive activity shall be conducted in any Unit, nor shall anything be done or placed on any Unit or the Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No lights shall be emitted from any Unit which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Unit which is unreasonably loud or annoying; and no odor shall be emitted from any Unit which is noxious or unreasonably offensive to other Owners. Notwithstanding the foregoing, the Owners of residential Units understand, acknowledge and agree that the residential Units are located above the commercial Units, and that the Owners of the commercial Units may use such Units for any commercial purposes allowed by law, and that by their nature, some of those uses may emit odors, heat, noise or other emissions, which are allowed.

12.6. Restriction on Timesharing. No Owner of any Unit shall offer, sell or submit any interest in such Unit under a "time share estate", or "interval estate" as those terms are defined in C.R.S. §38-33-110, et seq., or any time share plan or any similar plan without the specific prior written approval of the Association.

12.7. Vehicles and Miscellaneous Equipment. Unless otherwise determined by the Executive Board, no automobile, truck, pickup, camper, motorbike, motorcycle, trail bike, trailer, mobile home, recreation vehicle, tractor, boat, snowmobile, maintenance equipment or any other vehicle of any type (in any case, "vehicles") shall be parked, stored or operated anywhere on the Common Elements except according to rules determined by the Executive Board from time to time.

12.8. Signs. No signs, billboards, poster boards, or advertising structure of any kind, including, but not limited to "For Sale", "For Rent", or similar real estate signs, shall be erected or maintained for any purpose whatsoever except such signs as have been approved by the Executive Board pursuant to its regulations.

12.9. Pets. Owners may keep dogs, cats or customary household birds may be kept on the Property, not to exceed a total of two (2) household pets per Unit without the prior written approval of the Executive Board. Such pets shall not be kept outside the Unit unless the pet is under direct supervision and physical control of the Owner. No pets owned by persons other than Owners, nor any wild animal, reptile, or bird may be trapped, transported, kept or maintained anywhere upon the Property. Breeding of any animals on the Property is specifically prohibited.

12.10. Trade Names. No word, name, symbol or combination thereof shall be used to identify for commercial purposes any structure, business, or service located on, conducted in or in connection with a Unit or the Property, unless the same shall have been first approved in writing by the Executive Board and the Town of Breckenridge.

12.11. No Mining, Drilling or Quarrying. Mining, quarrying, tunneling, or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock and earth, shall not be permitted.

12.12. Barbecue Grills. Only natural gas or propane grills are permitted on any decks adjacent to any Unit.

12.13. Fireplaces. Only natural gas fireplaces shall be permitted in any Unit.

12.14. Rule Making. The Association acting by and through the Executive Board and in accordance with the Bylaws and the Act shall have the right to make and uniformly enforce additional reasonable Rules and Regulations governing the use of the Units and the Common Elements and Limited Common Elements.

ARTICLE XIII - TOWN OF BRECKENRIDGE RESTRICTIVE COVENANTS

In consideration for and as a condition of the Development Permit from the Town of Breckenridge for this Project, the following covenants shall apply.

13.1. Wood Burning Appliances. No Owner shall install a wood burning appliance in any Unit at any time. The term "wood burning appliance" shall mean any appliance, including fireplaces, wood stoves, wood furnaces and similar appliances, which utilize the burning of wood for heating, cooking, or other similar purposes.

13.2. Hot Tubs Prohibited. No Owner shall install a hot tub or spa on any exterior residential deck of any Unit, at any time.

13.3. Landscaping. The Owners, through the Association, shall at all times maintain the landscaping described on the attached Exhibit B, which is incorporated herein by reference.

13.4. Employee Housing. Residential Unit C also known as Unit 3, Building A and residential Units A and C also known as Units 1 and 3, respectively, Building B shall only be used as employee housing and for no other purpose. As used in this Section, the term "employee housing" shall mean that the occupancy of said Units is restricted to a person eighteen (18) years

of age or older who, during the entire period of his or her occupancy of said Unit, earns his or her living by working in Summit County, Colorado an average of at least thirty (30) hours per week on an annual basis, together with such person's spouse and minor children, if any. Notwithstanding the foregoing, it shall not be a violation of this Section if said Unit(s) is occupied by: (i) a person age fifty five (55) years or older who works at paid employment in Summit County, Colorado at least fifteen (15) hours per week on an annual basis during the entire period of his or her occupancy of said Unit, together with such person's spouse and minor children, if any, or (ii) a person otherwise authorized to occupy said Unit pursuant to this Section who becomes disabled after commencing occupancy of said Unit such that he or she cannot work the required number of hour each week required by this Section; provided, however, that such person shall be permitted to occupy said Unit for a maximum period of one (1) year following the commencement of such person's disability unless a longer period of occupancy is authorized by the Town of Breckenridge.

13.5 Outdoor Storage of Vehicles. The outdoor storage of construction vehicles or equipment, and the outdoor storage of any inoperable or currently unlicensed motor vehicle, shall be prohibited anywhere on the Property.

13.6 Enforcement.

13.6.1. Notice of Default and Cure. In the event Town determines that the Owner(s) is in default of any of the provisions of this Article XIII, Town shall notify Owner(s) and any Mortgagee (as hereafter defined) of such default in writing. Within thirty (30) days following receipt of such notice Owner(s) shall correct such default, or, in the event of a default not capable of being corrected within thirty (30) days, Owner(s) shall contact the Town staff and shall develop a timetable agreeable to the staff to correct the default and thereafter correct the default with due diligence. A Mortgagee shall have the right (but shall not be required) to cure any default hereunder within the applicable cure period as provided above. If Owner(s) fails or refuses to correct any default as provided above, and if the default is not cured by a Mortgagee within the applicable cure period, Town may enforce this Covenant as hereafter provided. As used in this paragraph, the term "Mortgagee" shall mean the beneficiary of any recorded Deed of Trust encumbering Owner's Property, and the mortgagee of any record mortgage encumbering an Owner's Property.

13.6.2. Enforcement by Town. This Article XIII is made for the benefit of the Town, which is given the power to enforce it. The Owners agree that in the event of a default hereunder, the Town shall have the right of specific performance of this Article XIII and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent mandatory injunction to obtain such performance.

13.6.3. Attorney's Fees. If any action is brought in a court of law by either party to this Article XIII concerning the enforcement, interpretation, or construction of this Article XIII, the prevailing party, either at trial or upon appeal, such be entitled to reasonable attorney's fees, as well as court costs, including expert witness fees, incurred in the prosecution or defense of such action.

13.6.4. Recordation. This Article XIII shall be placed of record in the real property records of Summit County, Colorado and the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Owners and Owners' successors and assigns, and all subsequent owners, and the Town, for a period of 99 years from the date of this Declaration.

13.6.5. Run With the Land. The Owners hereby agree that any and all requirements of the Laws of the State of Colorado to be satisfied in order for the provisions of this Article XIII to constitute a restrictive covenant running with the Land shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, or, in the alternative, that an equitable servitude has been created to insure that the covenant herein contained shall run with the land. During the term of this Article XIII, each and every contract, deed, or other instrument hereafter executed conveying the Property or any portion thereof shall expressly provide that such conveyance is subject to this Article XIII, provided however, that the covenants herein contained shall survive and be effective as to successors and/or assigns of all or any portion of the Property, regardless of whether such contract, deed, or other instrument hereafter executed conveying the Owner's Unit thereof provides that such conveyance is subject to this Article XIII.

13.6.6. Waiver. Notwithstanding the provisions of Section 11.2 above, the provisions of this Article XIII may be waived, modified, or terminated with the written consent of both the Owners and the Town; and the provisions of Section 11.2 above shall not apply to any such waiver, modification or termination. No such waiver, modification, or termination shall be effective until the proper instrument in writing shall be executed and recorded in the office of the Clerk and Recorder of Summit County, Colorado.

13.6.7. Statute of Limitation. Each Owner hereby waives the benefit of, and agrees not to assert in any action brought by the Town to enforce the terms of any of the Restrictive Covenants contained in this Article XIII, any applicable statute of limitation which might otherwise operate to bar the ability of the Town to enforce such Restrictive Covenant, including, but not limited to, the provisions of §38-41-119, C.R.S. In the event that any statute of limitation may lawfully be asserted by an Owner in connection with an action brought by the Town to enforce the terms of any of the Restrictive Covenants contained in this Article XIII, it is agreed between each Owner and Town that each and every day during which any violation of the terms of such Restrictive Covenant occurs shall be deemed to be a separate breach of such Restrictive Covenant for the purposes of determining the commencement of the applicable statute of limitation period.

ARTICLE XIV - GENERAL PROVISIONS

14.1. Enforcement. Except as otherwise provided in this Declaration, the Executive Board, Declarant, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Executive Board of the Association, Declarant, or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to so thereafter. All reasonable attorney's fees and costs incurred by the Declarant, the Association or an Owner in a suit to enforce the terms hereof shall, if said Declarant, Association or Owner prevails in such action, be recoverable from the losing party.

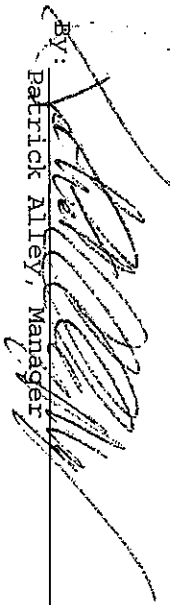
Additionally, any such violation shall give the Declarant or the Executive Board the right, in addition to any other rights set forth therein, (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein in violation of the Declaration or rules adopted by the Executive Board without being deemed guilty in any manner of trespass or any other civil or legal violation; and (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in

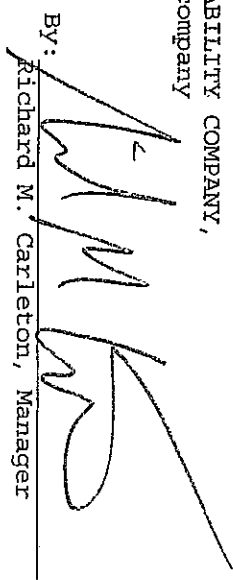
equity, the continuance of any breach, with each owner or other person constructing improvements upon the Property hereby waiving the posting of a bond upon entry of such injunction.

14.2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

14.3. Conflicts Between Documents. In case of conflict between this Declaration and the Articles and Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control. In the event of a conflict between the Act and any of the Association Documents, the Act shall take precedence over those provisions which may not be modified as provided in the Act; and the Association Documents shall take precedence over those provisions which may be modified as provided in the Act.

DECLARANT: AVALANCHE BUILDING LIMITED LIABILITY COMPANY,
a Colorado limited liability company

By: 
Patrick Alley, Manager

By: 
Richard M. Carleton, Manager

STATE OF COLORADO)
COUNTY OF SUMMIT) SS

Subscribed and sworn to before me this 9 day of JUNE,
19 99, by Patrick Alley, Manager, and Richard M. Carleton, Manager, of
Avalanche Building Limited Liability Company, Declarant. Witness my hand and
official seal.

My Commission Expires: 5/19/2000



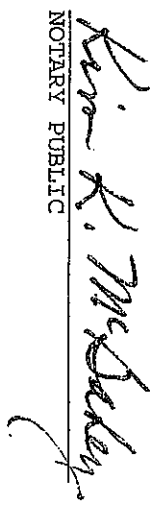

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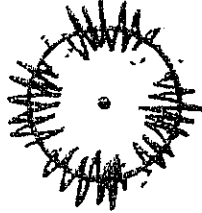




EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
AVALANCHE CONDOMINIUMS

UNIT	BUILDING	TYPE	PERCENT OWNERSHIP OF COMMON ELEMENTS	ASSESSMENT PERCENTAGE	VOTE
1A	A	COMM	2.87	2.87	1
1B	A	COMM	2.87	2.87	1
2A	A	COMM	2.87	2.87	1
2B	A	COMM	2.87	2.87	1
3A	A	COMM	2.87	2.87	1
3B	A	COMM	2.87	2.87	1
4A	A	COMM	2.87	2.87	1
4B	A	COMM	2.87	2.87	1
5A	A	COMM	2.00	2.00	1
5B	A	COMM	2.00	2.00	1
A	A	RESID	3.84	3.84	1
B	A	RESID	3.84	3.84	1
C	A	RESID	3.84	3.84	1
D	A	RESID	3.84	3.84	1
E	A	RESID	3.84	3.84	1
F	A	RESID	3.84	3.84	1
1A	B	COMM	2.08	2.08	1
1B	B	COMM	2.08	2.08	1
2A	B	COMM	3.13	3.13	1
2B	B	COMM	3.13	3.13	1
3A	B	COMM	2.43	2.43	1
3B	B	COMM	2.43	2.43	1
4A	B	COMM	3.75	3.75	1
4B	B	COMM	3.75	3.75	1
5A	B	COMM	2.09	2.09	1
5B	B	COMM	2.09	2.09	1
A	B	RESID	3.84	3.84	1
B	B	RESID	3.84	3.84	1
C	B	RESID	3.84	3.84	1
D	B	RESID	3.84	3.84	1
E	B	RESID	3.84	3.84	1
F	B	RESID	3.84	3.84	1
			100.00	100.00	32

EXHIBIT B

REES TO
RVED

LANDSCAPE LEGEND

<u>SYMBOL</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>
	COTTONWOOD (Narrowleaf) (Populus Augustifolia)	2 1/2" min. caliper	23
	COLORADO BLUE SPRUCE (Picea Pungens)	8-10' tall 10' - 14' tall	4 4
	BUFFALO JUNIPER (Juniperus Sabina Buffalo)	5 gallon	45
	ASPEN (Populus Tremuloides)	2 1/2" min. caliper	21
	EXISTING TREES TO BE PRESERVED		54
	EXISTING TREES TO BE REMOVED		NONE

NOTE:

- 5.) IRRIGATION SYSTEM TO ALL PLANTING AREAS.
- 6.) ALL DISTURBED AREAS TO RECEIVE 2" OF TOPSOIL.
- 7.) REVEGETATE WITH NATIVE GRASSES AND WILDFLOWERS.
- 8.) AREAS AROUND BUILDINGS TO RECEIVE SOD OR GRASS SEED.