

PAID: \$25.00
281225

281225 11/30/1992 03:33P B: 502 P: 207
Gay Cappis, County Clerk, San Miguel County, CO

EASEMENT DECLARATION

November THIS EASEMENT DECLARATION (this "Declaration") is made effective September 20th, 1992, by and between The Telluride Company, a Colorado corporation, with principal offices located in the Telluride Mountain Village, San Miguel County, Colorado, as Grantor, and Telluride Associates, a Washington, DC general partnership, whose address is 1711 Connecticut Avenue NW, Washington, DC 20009, as Grantee.

WHEREAS, the Grantor owns the following real property situate in San Miguel County, Colorado:

That Property described in Exhibit ED-A, attached hereto and by this reference incorporated herein (the "Property"); and

WHEREAS, Grantor, by agreement captioned First Amendment to the Developer Purchase and Sale Agreement (Lot 42A), dated September 27, 1991 (the "Agreement"), with Grantee stipulated to delivery of an easement for construction, operation and maintenance of the subsurface garage condominium to Grantee, to wit:

5.4 Subsurface Easement. Seller [Grantor] agrees to convey to Purchaser [Grantee] a sufficient subsurface easement to enable purchaser to encumber the subsurface easement area with a construction loan and to construct, operate and maintain the Parking Structure and, additionally, convey merchantable title to the Parking Spaces located within the Parking Structure.

and

WHEREAS, Grantor desires to grant to Grantee an exclusive subsurface easement under the pedestrian level surface of the Property, to enable Grantee to construct, operate and maintain the subsurface Parking Structure, and to convey title to the Parking Spaces located within the Parking Structure, and to encumber the easement.

NOW, THEREFORE, in consideration of the payment of money, and other good and valuable consideration in hand paid by the Grantee simultaneously with the execution and delivery of this document, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Grantor does hereby grant unto Grantee, subject to the reservations and conditions set forth in this declaration, an exclusive subsurface easement, under the pedestrian level subsurface of the following described real property:

That Property described in Exhibit ED-A, attached hereto and by this reference incorporated herein;

and such access and appurtenant area necessary for the construction

of the subsurface Parking Structure (the "Easement").

2. The Easement allows the Grantee, to construct, operate and maintain a subsurface Parking Structure, to form and subject the Easement to a condominium regime, and to convey title to the condominium parking spaces located within the Parking Structure, and all appurtenant services required for such construction and maintenance, including, without limitation, utility access, drainage pipes, and construction space on, above and adjacent to the Property, for the purpose of constructing and maintaining the Parking Structure, and to provide utility service and surface and subsurface drainage to the Easement. The Easement contemplates the grant to Grantee of that space necessary to preserve, maintain, repair or replace the Parking Structure, and the construction of the Parking Structure, and/or to upgrade any utility system or the structure as mutually agreed by Grantee and Grantor.

3. The Easement and the right to use the Easement by the Grantee as set forth herein shall be exclusive, subject to the terms and conditions of the Agreement concerning the delivery by Grantee to Grantor of certain of the parking spaces located within the Parking Structure. Grantee shall have the right to grant to other parties and property owners rights to the Easement, or any part thereof, as set forth in the Agreement between the Grantee and Grantor. Grantee reserves and shall have the right to install, connect and maintain, from time to time, within the Easement area, sewer, gas, water and electric lines and pipes, telephone lines and conduits, poles and wires, and all utility lines and mains, and to use the Easement area for other purposes, provided such uses for other purposes shall be to the benefit of, and shall not unreasonably interfere with, use of the easement area as a Parking Structure.

4. Grantor agrees that it shall not place or construct any obstruction within or upon the Easement area which shall unreasonably interfere with the use of the Easement area for use as a Parking Structure. It is specifically recognized and agreed that Grantor shall take those reasonable steps requested by Grantee in order to permit and facilitate Grantee's construction of the Parking Structure.

5. It is agreed and understood that the Easement granted herein shall run with the land and shall be appurtenant thereto.

6. The provisions of this Easement Declaration shall be binding upon and shall inure to the benefit of the parties hereto, their respective legal representatives, successors, assigns, and all present and future owners of the above described real property.

7. It is specifically understood and agreed to by the parties that the Easement may be encumbered, and used as collateral or security for a loan or loans necessary or advisable for the construction of the Parking Structure, in the sole discretion of Grantee.

8. Nothing herein to the contrary withstanding, Grantor shall have the exclusive right to construct, operate and maintain any structures or improvements above the Easement which will not cause damage to the structure and improvements constructed by Grantee on the Easement. Additionally, Grantor may cause modifications to the structure and improvements constructed by Grantee that are deemed necessary by Grantor, in its sole discretion, to facilitate the construction of improvements above the Easement; SUBJECT, however, to the limitation that any modifications made by Grantor shall not materially impair the use of the Easement as a parking structure. Within the Easement area Grantor shall have the right to construct, operate and maintain any utility deemed necessary by Grantor for the efficient operation of the Telluride Mountain Village; the construction, operation and maintenance of the utilities shall be done in a manner that does not materially impair the use of the structure as a parking area.

IN WITNESS WHEREOF, the Grantor has executed this Agreement the day and year first above written.

THE TELLURIDE COMPANY

by: Ronald D. Allred
 Ronald D. Allred, President

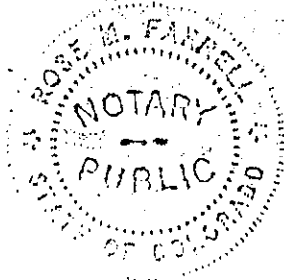
[Seal]

STATE OF COLORADO)
) ss.
 COUNTY OF SAN MIGUEL)

Subscribed and sworn to before me this 20th day of September, 1992, by Ronald D. Allred, President, The Telluride Company.

My commission expires: 12-01-92

Rose M. Farrell
 Notary Public





281225
B: 502 P: 210

EXHIBIT A

LOT 42-B

LOT 42-A

OPEN STAIR

UNDERGROUND
PARKING GARAGE
EASEMENT

1

2

3

4

5

6

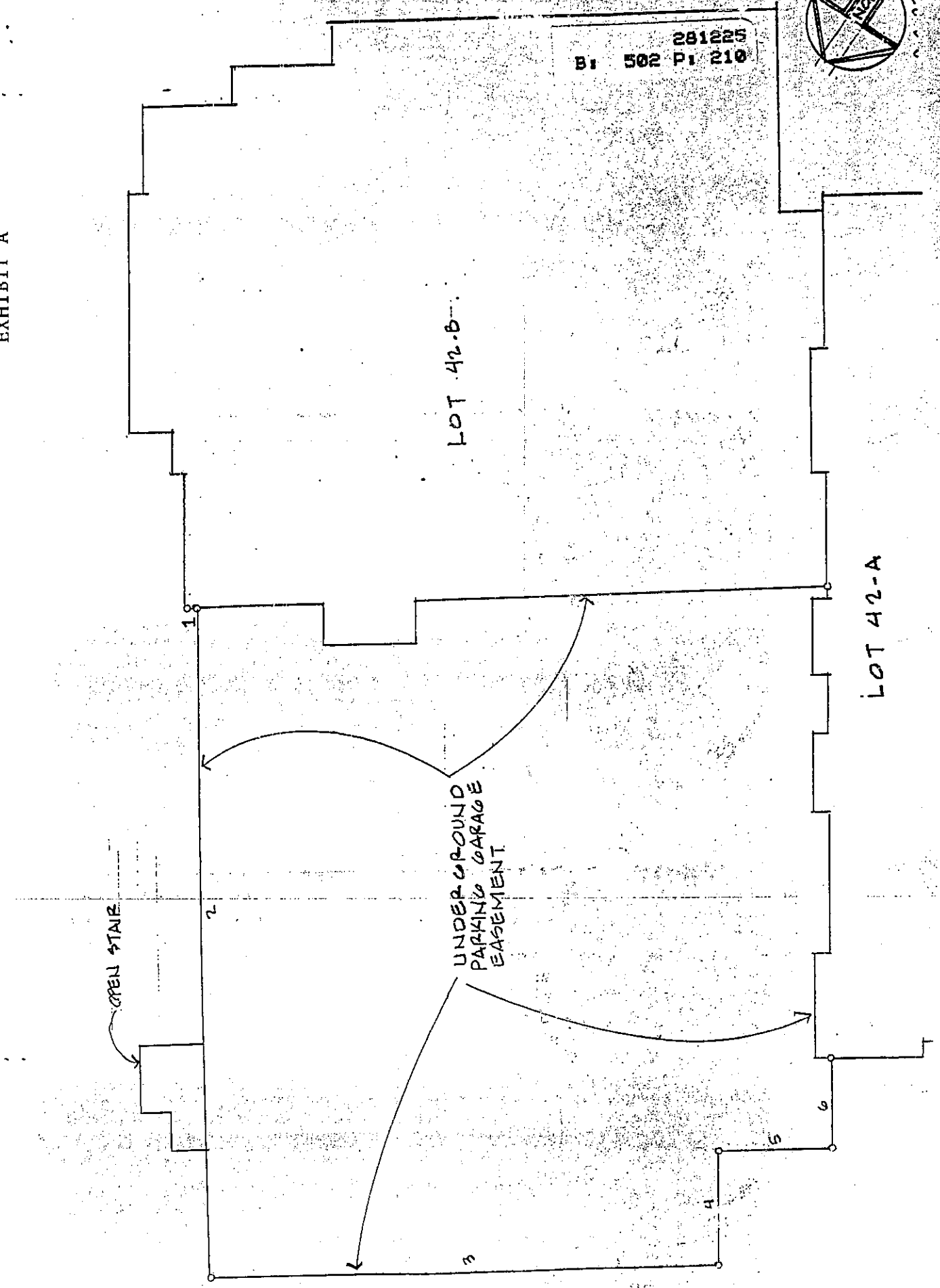


EXHIBIT A

Description of the Underground Parking Garage Easement:

Starting at the northern corner of Lot 42-B as described in the third replat dated June, 1990 and running thus:

- 1) S 54-15-00 W .33'
- 2) N 35-45-00 W 103.50'
- 3) S 54-15-00 W 79.33'
- 4) S 35-45-00 E 18.17'
- 5) S 54-15-00 W 18.00'

6) S 35-45-00 E To an intersection with Lot 42-A and running along the northeast boundary of Lot 42-A to an intersection with Lot 42-B and running along the northwest boundary of Lot 42-B to the beginning point.

**EASEMENT DECLARATION
(CORRECTION)**

THIS EASEMENT DECLARATION is given and is being re-recorded to correct the legal description used in the former Easement Declaration dated November 20, 1992, and recorded on the 30th day of November, 1992, in Book 502, at Page 237, of the records in the Office of the Clerk and Recorder of San Miguel County, State of Colorado.

THIS EASEMENT DECLARATION (this "Declaration") is made effective November 20, 1992, by and between The Telluride Company, a Colorado corporation, with principal offices located in the Telluride Mountain Village, San Miguel County, Colorado, as Grantor, and Telluride Associates, a Washington, DC general partnership, whose address is 1711 Connecticut Avenue NW, Washington, DC 20009, as Grantee.

WHEREAS, the Grantor owns the following real property situate in San Miguel County, Colorado:

That Property described in Exhibit ED-A, attached hereto and by this reference incorporated herein (the "Property"); and

WHEREAS, Grantor, by agreement captioned First Amendment to the Developer Purchase and Sale Agreement (Lot 42A), dated September 27, 1991 (the "Agreement") with Grantee stipulated to delivery of an easement for construction, operation and maintenance of the subsurface garage condominium to Grantee, to wit:

5.4 Subsurface Easement. Seller [Grantor] agrees to convey to Purchaser [Grantee] a sufficient subsurface easement to enable purchaser to encumber the subsurface easement area with a construction loan and to construct, operate and maintain the Parking Structure and, additionally, convey merchantable title to the Parking Spaces located within the Parking Structure.

and

WHEREAS, Grantor desires to grant to Grantee an exclusive subsurface easement under the pedestrian level surface of the Property, to enable Grantee to construct, operate and maintain the subsurface Parking Structure, and to convey title to the Parking Spaces located within the Parking Structure, and to encumber the easement.

NOW, THEREFORE, in consideration of the payment of money, and other good and valuable consideration in hand paid by the Grantee simultaneously with the execution and delivery of this document, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Grantor does hereby grant unto Grantee, subject to the reservations and conditions set forth in this declaration, an exclusive subsurface easement, under the pedestrian level subsurface of the following described real property:

That Property described in Exhibit ED-A, attached hereto and by this reference incorporated herein;

and such access and appurtenant area necessary for the construction of the subsurface Parking Structure (the "Easement").

2. The Easement allows the grantee, to construct, operate and maintain a subsurface Parking Structure, to form and subject the Easement to a condominium regime, and to convey title to the condominium parking spaces located within the Parking Structure, and all appurtenant services required for such construction and maintenance, including, without limitation, utility access, drainage pipes, and construction space on, above and adjacent to the Property, for the purpose of constructing and maintaining the Parking Structure, and to provide utility service and surface and subsurface drainage to the Easement. The Easement contemplates the grant to Grantee of that space necessary to preserve, maintain, repair or replace the Parking Structure, and the construction of the Parking Structure, and/or to upgrade any utility system or the structure as mutually agreed by Grantee and Grantor.

3. The Easement and the right to use the Easement by the Grantee as set forth herein shall be exclusive, subject to the terms and conditions of the Agreement concerning the delivery by Grantee to Grantor of certain of the parking spaces located within the Parking Structure. Grantee shall have the right to grant to other parties and property owners rights to the Easement, or any part thereof, as set forth in the Agreement between the Grantee and Grantor. Grantee reserves and shall have the right to install, connect and maintain, from time to time, within the Easement area, sewer, gas, water and electric lines and pipes, telephone lines and conduits, poles and wires, and all utility lines and mains, and to use the Easement area for other purposes, provided such uses for other purposes shall be to the benefit of, and shall not unreasonably interfere with, use of the easement area as a Parking Structure.

4. Grantor agrees that it shall not place or construct any obstruction within or upon the Easement area which shall unreasonably interfere with the use of the Easement area for use as a Parking Structure. It is specifically recognized and agreed that Grantor shall take those reasonable steps requested by Grantee in order to permit and facilitate Grantee's construction of the Parking Structure.

5. It is agreed and understood that the Easement granted herein shall run with the land and shall be appurtenant thereto.

6. The provisions of this Easement Declaration shall be binding upon and shall inure to the benefit of the parties hereto, their

82.00'

OS-3

TELLURIDE MNT.
VILLAGE FILING 1
BOOK 1, 476-486

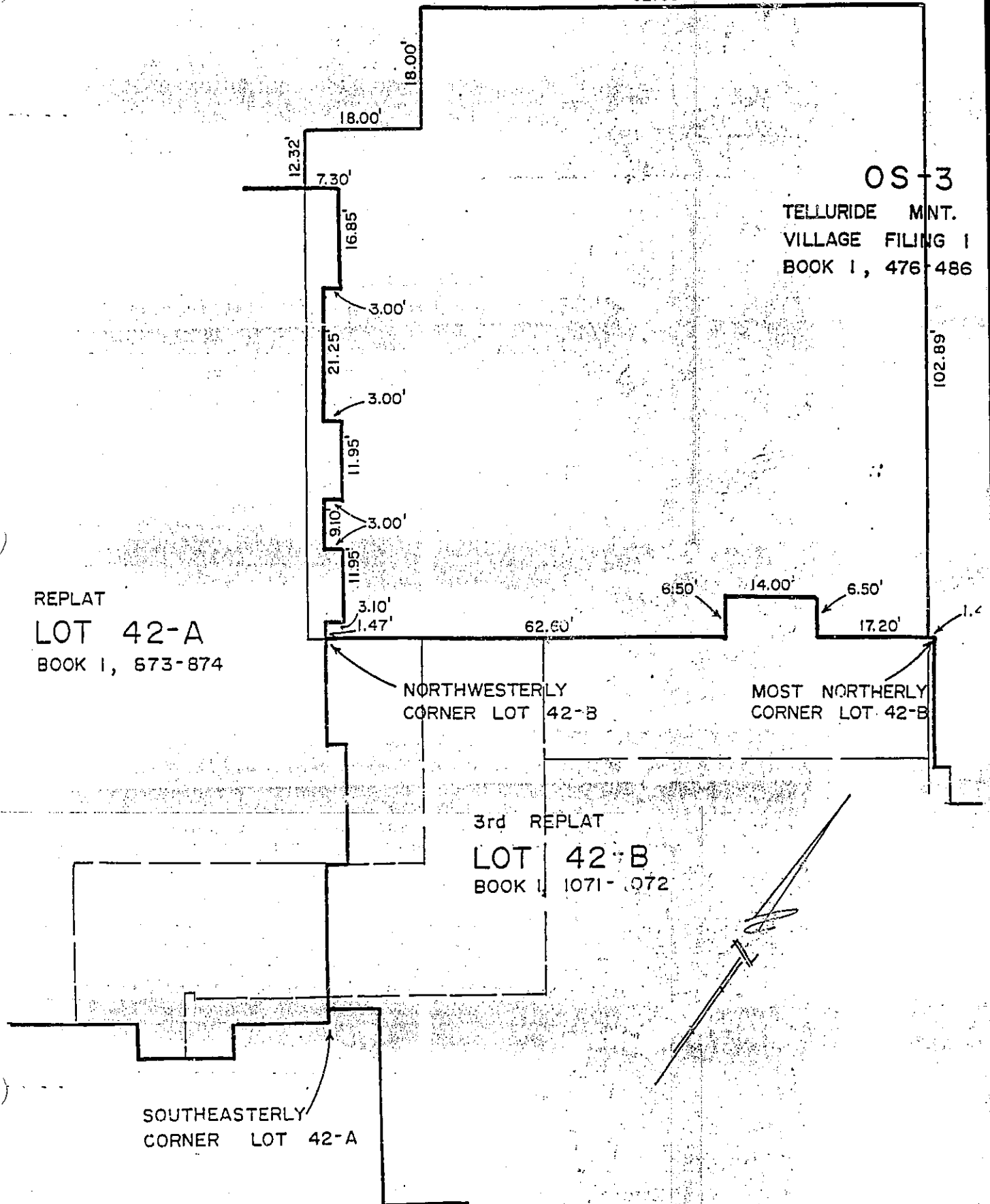
REPLAT
LOT 42-A
BOOK 1, 873-874

NORTHWESTERLY
CORNER LOT 42-B

MOST NORTHERLY
CORNER LOT 42-B

3rd REPLAT
LOT 42-B
BOOK 1, 1071-1072

SOUTHEASTERLY
CORNER LOT 42-A



A portion of open space Lot 3, Telluride Mountain Village, Filing 1, as recorded in Book 1 of Plats, pages 476-486, Records of San Miguel County, Colorado described as follows:

Commencing at the most northerly corner of Lot 42-B third replat of Lots 42-A and 42-B, Telluride Mountain Village Filing One, Book 1, pages 1071-1072. Thence S $54^{\circ}15'00''$ W along the northwesterly line of said Lot 42-B, 1.47 feet to the True Point Of Beginning; Thence N $35^{\circ}45'00''$ W, 102.89 feet; Thence S $54^{\circ}15'00''$ W, 82.00 feet; Thence S $35^{\circ}45'00''$ E, 18.00 feet; Thence S $54^{\circ}15'00''$ W, 18.00 feet, Thence S $35^{\circ}45'00''$ E, 12.32 feet to a point in the northwesterly line of Lot 42-A, Replat, Map Book 1, pages 873-874; Thence N $54^{\circ}15'00''$ E along the northwesterly line of said Lot 42-A 7.30 feet to an angle point therein; Thence southeasterly along the northeasterly line of said Lot 42-A to its intersection with the northwesterly corner of said Lot 42-B; Thence northeasterly along the northwesterly line of said Lot 42-B to the True Point Of Beginning.

314533 09/19/1997 02:36P 9: 587 P: 135
Gay Cappis, County Clerk, San Miguel County, CO

PAID: \$156.00
314533

**OPERATING AGREEMENT
FOR
MAINTENANCE, REPAIR AND REPLACEMENT
OF
SUBSURFACE EASEMENTS AND SHARED AREAS**

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**OPERATING AGREEMENT
FOR
MAINTENANCE, REPAIR AND REPLACEMENT
OF
SUBSURFACE EASEMENTS AND SHARED AREAS**

THIS OPERATING AGREEMENT ("Agreement"), effective upon execution by the undersigned, is made by the Blue Mesa Condominium Association ("BMCA" as defined herein), Gondola Plaza Parking Condominium Association, Inc. ("GPPCA" as defined herein), and Lost Creek Associates LLC, a New York Limited Liability Company ("LC" as defined herein). This Agreement is also approved by those who have executed approval or consents to this Agreement, which approvals or consents are attached hereto and incorporated herein by reference.

RECITALS:

A. BMCA is the owner association responsible for the operation and management of the condominium community presently known as the Blue Mesa Condominium Community (as defined herein) and is responsible for the maintenance, repair and replacement of the common elements of the Blue Mesa Condominium Community.

B. GPPCA is the owner association responsible for the operation and management of the condominium community presently known as the Gondola Plaza Parking Condominium Community (as defined herein) and is responsible for the maintenance, repair and replacement of the common elements of the Gondola Plaza Parking Condominium Community.

C. LC is presently responsible for the operation of the property and improvements to be constructed as the Inn at Lost Creek Community (as defined herein) and for the maintenance, repair and replacement of those properties, and if and when submitted to a condominium community, shall be responsible for the maintenance, repair and replacement of the Common Elements and other portions of the Inn at Lost Creek Community.

D. Access to parking for the Blue Mesa Condominium Community, access to and parking at the garage condominium units of the Gondola Plaza Parking Condominium Community, and access to parking at the improvements (presently under construction at the Inn at Lost Creek Community is presently obtained through a garage ramp and garage access door, across common elements of the Blue Mesa Condominium Community and across common elements of the Gondola Plaza Parking Condominium Community. The foregoing access is pursuant to the terms of the Declaration of Subsurface Easement (as defined herein).



E. The properties benefited and/or burdened by the Subsurface Easements are the Blue Mesa Condominium Community, the Blue Mesa Lodge Condominium Community (as defined herein and as may be created), the Gondola Plaza Condominium Community and the Inn at Lost Creek Community.

F. The Parties (as defined herein, for themselves, for their owners or members and for their successors and assigns) and those others approving this Agreement (for themselves and for their successors and assigns) desire that the Subsurface Easements be: (i) confirmed and ratified, (ii) administered and maintained as set forth in this Agreement, and (iii) that the Subsurface Easements not be extended to more area or to benefit additional properties except as provided in this Agreement.

G. BMCA, GPPCA and LC each individually represent and warrant to the other that they have the power and authority to enter into this Agreement; that this Agreement has been approved by the members of their applicable owner's association (if in existence as of the date of their execution hereof) and that upon execution by the undersigned, this Agreement will be binding upon the Parties.

NOW, THEREFORE, the undersigned do hereby enter into this Agreement.

ARTICLE 1 SUBMISSION/DEFINED TERMS

Section 1.1 Submission of Subsurface Easements and Shared Areas. BMCA, GPPCA and LC submit the Subsurface Easements and the Shared Areas to the provisions of this Agreement, to burden, benefit and bind the Communities, the Subsurface Easements and the Shared Areas. BMCA, GPPCA and LC hereby agree and declare that the Subsurface Easements and the Shared Areas shall be used, held and subject to the restrictions, covenants, and conditions in this Agreement. BMCA, GPPCA and LC further agree and declare that this Agreement is made for the purposes of protecting the value and desirability of the Subsurface Easements and the Shared Areas and to confirm and ratify the rights established and defined herein as the Subsurface Easements, to subject the Subsurface Easements to the terms and provisions of this Agreement and to establish and clarify certain rights, duties and obligations with regard to the Subsurface Easements. The undersigned represent and warrant to each other that the rights of each of them in and to the Shared Areas are as set forth solely in the Declaration of Subsurface Easement, as provided by the terms and conditions of this Agreement. BMCA, GPPCA and LC further agree and declare that this Agreement shall run with the Subsurface Easements and the Shared Areas and shall be binding on the undersigned, the Parties and all of those having any right, title or interest thereto, their heirs, legal representatives, successors, and assigns.

Section 1.2 Defined Terms. Each capitalized term in this Agreement shall have the meaning specified in this Agreement or as set forth below, unless the context requires otherwise, or unless otherwise defined in this Agreement:

(a) Assessment shall include all common expense or operating assessments, all special assessments and any other assessment, charge or expense levied pursuant to this Agreement.

(b) Blue Mesa Condominium Community shall mean and refer to the condominium community as established by the Condominium Declaration recorded December 22, 1989, at Reception No. 262839, the map recorded December 22, 1989, at Reception No. 262838, and the amendments or supplements thereto, including the Supplement to the Condominium Declaration recorded September 15, 1994, at Reception No. 294504 and the map recorded September 15, 1994, at Reception No. 294503, all as the same may be further amended or supplemented. In the event that Blue Mesa Condominium Community is split into two communities as described herein (i.e., the Blue Mesa Condominium Community, amended, and the Blue Mesa Lodge Condominium Community), Blue Mesa Condominium Community shall mean only that successor or subsequent condominium community as may hereafter be created for or on the property solely described in the map recorded December 22, 1989, at Reception No. 262838, exclusive of the separate condominium community as may hereafter be created for or on the property described in the map recorded September 15, 1994 at Reception No. 294503, all in the records of the Clerk and Recorder of San Miguel County, Colorado.

(c) Blue Mesa Lodge Condominium Community shall mean and refer to that condominium community as may be established upon the division of the Blue Mesa Condominium Community into two separate condominium communities (as that possibility and right is available to the Blue Mesa Condominium Community and is also reserved to the Blue Mesa Condominium Community in this Agreement) on the property currently and solely subject to and described in the map recorded September 15, 1994, at Reception No. 294503. If so created, the condominium community created on the property currently and solely subject to and described in the map recorded September 15, 1994, at Reception No. 294503 shall be known as the Blue Mesa Lodge Condominium Community for the purposes of this Agreement. Accordingly, Blue Mesa Lodge Condominium Community, as used herein, shall mean and refer to that condominium community, all as the same may be further amended or supplemented as established or set forth in the records of the Clerk and Recorder of San Miguel County, Colorado.

(d) BMCA shall mean and refer to the Blue Mesa Condominium Association, a Colorado nonprofit corporation, and its successors and assigns, the owners' association for the current Blue Mesa Condominium Community and as the owners' association remaining for the Blue Mesa Condominium Community after the creation of the Blue Mesa Lodge Condominium Community.

(c) BMCA shall mean and refer to the owner's association for the Blue Mesa Lodge Condominium Community, if created, which owner's association may be a Colorado nonprofit corporation, and its successors and assigns.

(f) Community or Communities shall mean, depending on the context, all, one or some of any of the following communities: the Blue Mesa Condominium Community, the Blue Mesa Lodge Condominium Community (if created), Gondola Plaza Parking Condominium Community and/or the Inn at Lost Creek Community and/or any of their successors or assigns.

(g) Declaration of Subsurface Easement means the Declaration of Subsurface Easements recorded February 2, 1994 in Book 524, at Page 556 of the records of the Clerk and Recorder of San Miguel County, State of Colorado.

(h) Executive Board, Board or Board of Directors means the executive board, board or board of directors of BMCA, both in its present capacity and after creation of the Blue Mesa Lodge Condominium Community.

(i) Gondola Plaza Parking Condominium Community shall mean and refer to the condominium community as established by the Condominium Declaration recorded March 9, 1993, at Reception No. 283173, and by the map recorded March 9, 1993, at Reception No. 283174, Plat Book 1, at Page 1451, as the foregoing may be amended and supplemented.

(j) GPPCA shall mean the Gondola Plaza Parking Condominium Association, a Colorado nonprofit corporation, the owners' association for Gondola Plaza Parking Condominium Community, and its successors and assigns.

(k) Inn at Lost Creek Community shall mean and refer to the property presently described as Lot 43R, Telluride Mountain Village, and all easements, rights and appurtenances thereto, according to the plats and replats thereof filed of record with the Clerk and Recorder of San Miguel County, Colorado, which property may be subsequently subject to a declaration and established as a common interest community (as defined in the Colorado Community Interest Ownership Act) and if so, subjected and established as a common interest community, Inn at Lost Creek Community shall refer to that common interest community or such successor or subsequent Community as may hereafter be created at the Community currently known as the Inn at Lost Creek Community, all as established or set forth all in the records of the Clerk and Recorder of San Miguel County, Colorado. Such community shall include, without limitation, hotel/inr. fractional ownership, restaurant, short and/or long-term residential, retail/commercial, office, parking (self or valet) and other uses, for owners, members, tenants, licensees, invitees and guests

(l) LC shall mean Lost Creek Associates LLC, a New York limited liability corporation, and its successors and assigns, specifically, including and anticipating an owners' association as may be established for the Inn at Lost Creek Community and that owner association's successors and assigns. LC shall have the absolute right to assign all of its rights and obligations under this Agreement to an owners' association created for the Inn at Lost Creek Community; provided that in the event of such assignment by LC, it shall assign all such rights and obligations under this Agreement to such owner's association.

(m) Shared Areas means that part of the real property designated and labeled as "A" and "B" in Exhibit 1 of the Declaration of Subsurface Easement as that instrument may be amended, from time to time, with the unanimous written approval of the Parties; or in the event that the Blue Mesa Condominium Community divides into two or more separate condominium communities, then in that event, the "Shared Areas" shall mean that part of the real property designated and labeled as "A" in Exhibit 1 of the Declaration of Subsurface Easement. In all events, unless unanimously agreed, Shared Areas also includes certain common utilities, pipes, conduit and related areas, as provided in this Agreement, and all directly appurtenant areas above and underneath the Shared Areas, up to the existing or improved ceiling of the garage composed of the common elements of the Blue Mesa Condominium Community. Nothing contained in this definition of "Shared Areas" or anywhere else in this Agreement shall be deemed or construed to in any way limit or diminish any of LC's rights of access in, on, over and/or through all of the real property labeled "A", "B" and "C" in Exhibit "1" of the Declaration of Subsurface Easements, or any other rights contained in this grant of easements.

(n) Parties or Party shall mean the undersigned, including BMCA, BMLCA (if created), GPPCA and LC, and depending on the context, their successors and assigns. Additionally, every owner association included within the Communities shall be a Party to this Agreement and/or shall be bound by this Agreement.

(o) Subsurface Easements means the easements, rights, duties, benefits, burdens and obligations as established in the Declaration of Subsurface Easement.

ARTICLE 2 ACCESS, UTILITY, MAP AND PLAT EASEMENTS

Section 2.1 Emergency Easements. A nonexclusive easement for ingress and egress, in, over and through the Shared Areas is hereby confirmed, ratified and granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Communities, the Subsurface Easements or the Shared Areas, to enter upon any part of the Shared Areas in the reasonable and necessary performance of their duties.

Section 2.2 Easements of Enjoyment. Every unit owner or other owner or member within BMCA, BMLCA (if created), GPPCA and LC, including members of their family, their tenants, lessees, licensees, invitees and guests shall have a right and access easement in and to the Subsurface Easements and the Shared Areas, and such easements shall be appurtenant to and shall pass with the title to every unit or property within the separate Communities, subject to the following provisions: (a) any rules and regulations adopted pursuant to this Agreement; (b) any additional easement, right of way, license, lease, dedication, transfer or conveyance or grant of

any similar interest affecting the Shared Areas (subject to the unanimous written consent of the Parties); (c) the right of BMCA to limit the use of the Shared Areas as reasonably necessary, while maintaining, repairing and making replacements (in which event BMCA shall reasonably re-route access in, on, over and through the garages of the respective communities); (d) the reasonable right of BMCA to temporarily re-route or close the Shared Areas, in the case of an emergency or as required for maintenance, repair or replacements (in which event BMCA shall reasonably re-route access in, on, over and through the garages of the respective communities); and/or (e) the rights or benefits under this Agreement must be administered by BMCA without discrimination to any one or class of the Parties.

Section 2.3 Rules and Regulations. Any of the Parties shall have the right to propose reasonable rules and regulations (through their owners association or if none, then through the owner of their Community), which rules may be adopted, at a meeting of those Parties or by written proxy, upon a vote of a majority in interests of those Parties, provided that such rules and regulations shall not: (i) contradict any of the terms of this Agreement; (ii) unreasonably limit or restrict any of the Parties rights under the Subsurface Easements or this Agreement; (iii) impair, limit or compromise the Parties and their owners, members, tenants, guests or invitees rights of access to the Subsurface Easements or Shared Areas; or (iv) disproportionately burden or benefit less than all of the Parties, their owners, members, tenants, guests or invitees.

Section 2.4 No Additional Easement Rights or Interests in the Subsurface Easements or the Shared Areas. The undersigned and the Parties agree that no additional rights or easements may be granted or created in the Subsurface Easements or the Shared Areas without the unanimous consent of the Parties (acting through their owners association or if none, then through the owner of their Community). In this regard, the Parties represent and warrant to each other that the only persons with rights to the Subsurface Easements are the undersigned and the Parties as defined in this Agreement. The undersigned and the Parties expressly declare that the Shared Areas are not dedicated to any public or governmental body or a part of any public access. Specifically, and not by way of limitation, no additional easements, licenses, leases or other possessory, use or ownership rights relating to the Subsurface Easements and/or Shared Areas shall be granted to any Party, to an owner, licensee, lessee or user of any property not included in the Communities or to any adjoining properties or lots, and no real property adjoining such property or lots shall be permitted to obtain any such rights.

ARTICLE 3 ADMINISTRATION AND MANAGEMENT

Section 3.1 Purposes, Powers and Authority. BMCA, through the Executive Board of BMCA, shall perform functions, administer and manage the Subsurface Easements and the Shared Areas as provided in this Agreement so as to protect the value and desirability of the Subsurface Easements and the Shared Areas, and to further the interests of the owners, members, residents, occupants, tenants and guests of the Communities. BMCA shall have all power necessary or desirable to effectuate such purposes. BMCA shall have the powers, authority and duties as necessary and proper to manage the Subsurface Easements, the Shared Areas and the business and affairs related thereto. BMCA, BMLCA (if created), GPPCA and LC shall be governed by this Agreement and any rules and regulations as allowed for and adopted pursuant to the terms

of this Agreement. The Executive Board may, by written resolution, and at its sole expense, delegate authority to a manager or managing agent.

Section 3.2 Expense Liability and Allocated Votes. Common expense liability and votes allocated are based on the number of parking spaces in the Blue Mesa Condominium Community, the Gondola Plaza Parking Community, the Inn at Lost Creek Community and if created, the Blue Mesa Lodge Condominium Community, all compared to the total number of parking spaces of all of the Communities, all as presently set forth in Exhibit A, attached hereto and made a part hereof. Upon division of the Blue Mesa Condominium Community into two separate condominium communities, those Communities, and the owner association for those Communities, shall have the reallocated expense liability and votes, based on the number of parking spaces in those separate Communities. In no event, however shall (a) the total parking spaces of the two (2) condominium communities' created by division of the Blue Mesa Condominium Community be less than the current total number of spaces for the Blue Mesa Condominium Community as shown in Exhibit A; or (b) the percentage share of expenses and votes, as set forth in Exhibit A, be increased for either the Gondola Plaza Parking Condominium Community or the Inn at Lost Creek Community as a result of the creation of the Blue Mesa Lodge Condominium Community.

LC shall not be obligated to pay common expense liability or reimburse BMCA or pay for upgrades, improvements or replacements to the Shared Areas (except for the upgrades and capital improvements recently made or to be made to the ramp and snow melt system for access to the garage), until December 31, 1997, or until any occupant, owner, member, tenant, licensee, invitee or guest of the Inn at Lost Creek Community (other than Lost Creek Associates, LLC or any person involved in the construction and improvement of the Inn at Lost Creek Community) has commenced use of the Subsurface Easements, whichever occurs first. Until that time, common expense liability shall be shared by BMCA, GPPCA and if created, by BMLCA, on the basis of the parking spaces included within each of those Communities.

Improvement expense liability for upgrades and capital improvements recently made or to be made to the ramp and snow melt system for access to the Shared Areas, up to a total cost of Ten Thousand Dollars (\$10,000.00), which expenses would otherwise be included within common expense liability, are allocated as set forth in Exhibit A, attached hereto and made a part hereof. Obligations to reimburse BMCA for these improvements begins upon execution of this Agreement and invoice of BMCA as follows: BMCA - up to \$3,540; GPPCA - up to \$3,330; and LC - up to \$3,130, up to a total or collective cost of not to exceed Ten Thousand Dollars (\$10,000.00). BMLCA, if created, shall have no liability for the above-referenced, recently made, upgrades and capital improvements.

All subsequent repair, maintenance, upgrades, improvements and replacements not provided for in the budget, shall be limited to not more than Five Thousand Dollars (\$5,000.00) per fiscal year, without the approval of a majority in interests of the Parties (acting through their owners association or if none, then through the owner of their Community), except in the event of an emergency.

Section 3.3 Budget and Approval of the Budget. BMCA's Subsurface Easements and Shared Areas budget is to be prepared and approved as follows: The Executive Board is to prepare a proposed budget at least annually. Then, within thirty (30) days after the Executive Board's adoption of the proposed budget, the Executive Board must mail or deliver a summary of the budget to all Parties (through their owners association or if none, then through the owner of their Community), and set a date for a special meeting of those Parties for their consideration to ratify or reject the proposed budget. At the meeting, unless a majority in interests of the Parties (as reflected in Exhibit A, as Exhibit A may be amended) reject the proposed budget, the proposed budget is ratified. The presence of the Parties at that meeting shall not be required, and the Parties may vote by proxy or in writing. In the event the proposed budget is rejected by a majority in interests of the parties, the budget last ratified is continued until such time as the Parties ratify a subsequent budget proposed by the Executive Board. For the initial or current fiscal year, the parties have unanimously approved the budget attached as Exhibit C.

Section 3.4 Maintenance, Repair, Replacement and Improvement/Management. The Subsurface Easements are to be administered by BMCA, without liability for maintenance, repair, replacement or improvement except for the Shared Areas. The Shared Areas are to be administered, maintained, repaired, replaced and improved by BMCA, with heating and other common utilities in the garage of the Blue Mesa Condominium Community and in the garage of the Gondola Plaza Parking Condominium Community operated, maintained, repaired, replaced and improved by BMCA as a part or component of the Shared Areas. BMCA shall have no authority under this Agreement to maintain, make repairs, cause replacements or make improvements, except within the areas defined herein as the Shared Areas. The Executive Board of BMCA shall determine the specifications, scope, extent, nature and parameters of these responsibilities within the terms and conditions of this Agreement. BMCA is to be reimbursed an annual management and overhead fee for these services from the other Parties (through their owners association or if none, then through the owner of their Community), in a reasonable amount of not more than \$2,500.00 for 1997, which amount may be increased by BMCA on an annual basis, at the rate of the increase in a) the Consumer Price Index, All Urban Consumers U.S. City Average, All Items, with 1967 = 100 as the base year, or b) at the rate of five percent (5%) per year, whichever is greater. The foregoing fee shall be allocated among those Parties based on the number of parking spaces in each of their Communities as set forth in Exhibit A.

Section 3.5 No Obstruction. There shall be no obstruction of the Subsurface Easements or Shared Areas, nor shall anything be kept or stored on any part of the Shared Areas without the prior written approval of BMCA. Except for ordinary maintenance, repair and replacement and except for construction of an access garage door in the Blue Mesa and Gondola Plaza Parking Condominium Communities by LC as the point of access to parking in the Inn at Lost Creek Community (which garage door is to be administered, maintained, repaired and replaced by LC), nothing shall be altered on, constructed in, or removed from the Shared Areas without the prior written approval of BMCA.

Section 3.6 Construction of Improvements at The Inn at Lost Creek Community. LC is to be responsible for any and all damages to the Blue Mesa Condominium Community or to the Gondola Plaza Parking Condominium Community directly resulting from construction, maintenance, repair or replacement of improvements on or about the Inn at Lost Creek Community. LC is also responsible for any deterioration or collapse of any structures or portions of the Blue Mesa Condominium Community or the Gondola Plaza Parking Condominium Community as a result of LC's construction, additions, penetrations, maintenance, repair or replacement of The Inn at Lost Creek Community.

Any repairs or replacement required to the common elements of the Blue Mesa Community Condominium, in the garage of the Blue Mesa Condominium and/or in the Gondola Plaza Parking Condominium Community, or to the Shared Areas as a direct result of LC's or GPPCA's construction or development (or any deterioration resulting from construction) shall be the direct and sole cost responsibility of LC or GPPCA, as the case may be.

LC represents that (a) its engineers have reviewed and will continue to review (during the initial construction of The Inn at Lost Creek Community) the effect of its construction on current structures supporting portions of the Shared Areas abutting the Inn at Lost Creek Community or as may be adversely effected by its construction, and (b) LC's engineers have made and will continue to make careful and comprehensive provisions for ensuring that no structural, leaking or other problems will result to BMCA or GPPCA from the penetration of the current garage wall of the Gondola Plaza Condominium Community or from the construction of improvements on or at the Inn at Lost Creek Community.

LC represents and agrees that there will be no construction staging, storage or parking in the existing common element garage area of the Blue Mesa Community Condominium, other than automobile parking, in spaces assigned to or leased by LC. LC further agrees that no current spaces parking spaces or common elements of the garage of the Blue Mesa and Gondola Plaza Condominium Communities will be materially impacted by LC's construction on or at the Inn at Lost Creek Community.

Section 3.7 Individual Community Maintenance. BMCA, GPPCA and LC are each individually responsible for the maintenance, repair and replacement of the improvements and properties located within the boundaries of their separate Communities'; except for the Shared Areas, which Shared Areas are specifically the collective obligation of the Communities to maintain, repair, replace and improve, as administered by the BMCA, pursuant to this Agreement.

Section 3.8 Duties of BMCA and of the Executive Board. BMCA and its Executive Board, with the Executive Board as administrator of the Shared Areas, shall owe the Parties (through their owners association or if none, then through the owner of their Community), the same duties of loyalty, good faith and fair dealing as owed by them to the owners of condominium units in the Blue Mesa Condominium Community, in their performance and fulfillment of the duties and responsibilities set forth in this Agreement.

Section 3.9 Funds, Accounting and Records. The BMCA shall maintain separate financial records for its obligations and functions under this Agreement. BMCA shall be required to maintain all funds and accounts for the ~~Subsurface~~ Easements and the Shared Areas separate from the other funds and accounts of BMCA. BMCA shall be required to maintain all reserve accounts funds and accounts for the Subsurface Easements and the Shared Areas separate from the other reserve funds and accounts of BMCA. BMCA shall be required to provide to the Parties (through their owners association or if none, then through the owner of their Community), an annual accounting and a financial statement, prepared and presented by a managing agent, a public accountant, or a certified public accountant. The cost of any compilation, review or audit shall be a common expense allocated to the Parties. All records maintained by BMCA or its managing agent shall be available for examination and copying by any Party, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice. BMCA or its manager or managing agent, if any, shall keep the following records: (a) an account for each Party (through their owners association or if none, then through the owner of their Community), which shall designate the name and address of such Party, the amount of each assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due; (b) an account for each Party showing any other fees payable to BMCA; (c) a record of the expenditures made and a record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated for a specific project; (d) the most recent regularly prepared balance sheet and income and expense statement, if any, of BMCA as it relates to the Subsurface Easement and the Shared Areas; and (e) the current operating budget.

Section 3.10 Indemnification. To the full extent permitted by law, and as of the date of execution hereof by the undersigned for events subsequent to their execution, each officer and director of BMCA shall be and are hereby indemnified by BMCA, GPPCA, LC, and each Party bound by this Agreement. The foregoing indemnification shall be against all expenses and liabilities, including reasonable attorney fees, reasonably incurred by or imposed upon an officer or director of BMCA in any proceeding to which they may be a party or become involved, or settlement thereof, directly resulting from the duties and obligations contained in this Agreement, reasonably relating to their fulfilling of their duties and obligations under this Agreement, and as to which they were included by reason of being or having been an officer or director of BMCA, whether or not they are an officer or director of BMCA at the time such expenses are incurred. The foregoing indemnification shall not apply when such officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties.

ARTICLE 4 COVENANT FOR ASSESSMENTS

Section 4.1 Personal Obligation to Pay Assessments. BMCA (for and from funds collected from its unit owners); GPPCA (for and from funds collected from its unit owners); LC, for itself, and if created, for or from the association of its unit owners or members in the Inn at

Lost Creek Community (for and from funds collected from those unit owners); and BMLCA, for itself, if created (for and from funds collected from its unit owners); covenant and agree to pay to BMCA annual assessments, and such other assessments as imposed by BMCA pursuant to this Agreement. Such assessments, including fees, charges, late charges, reasonable attorney fees, costs, fines and interest shall be a personal obligation at the time when the assessment or other charges became or fell due. The personal obligation to pay any past due sums due BMCA shall pass to a successor in title. No Party (through their owners association or if none, then through the owner of their Community) or their successor or assign may become exempt from liability for payment of the assessments by waiver of the use or enjoyment of the Subsurface Easements or the Shared Areas or by abandonment of the Subsurface Easements or the Shared Areas. All assessments shall be payable in the amounts specified in the levy and assessment thereof.

Section 4.2 Obligation to Pay Special Assessments. BMCA (for or from funds collected from its unit owners), GPPCA, (for and from its unit owners), and LC, for itself, if created, for or from its unit owners or members in the Inn at Lost Creek Community, and BMLCA for itself, if created, covenant and agree to pay to BMCA special assessments, if, as and when imposed by BMCA pursuant to this Agreement. Special assessments (including fees, charges, late charges, reasonable attorney fees, costs, fines and interest) may be imposed by BMCA (subject to the limitation on non-budgeted expenses in Section 3.3, except that limitation shall not apply in the event of an emergency) for any necessary or required expense associated with the maintenance, repair, or replacement of a portion of the Shared Area which benefits (as reasonably determined by the Executive Board) or is at the request of one or more Communities. Special assessment shall be assessed against those Communities, equally, or in any proportion to the benefit to those Communities (as reasonably determined by the Executive Board) and shall be a personal obligation at the time when the special assessment fell due. All special assessments shall be payable in the amounts specified in the levy and assessment thereof.

Section 4.3 Apportionment. Assessments shall be assessed in accordance with the applicable formula for liability as set forth in this Agreement, or as otherwise provided in this Agreement.

Section 4.4 Purpose of Assessments. The assessments levied by BMCA pursuant to this Agreement and through its Executive Board shall be used exclusively for the purposes of administering the Subsurface Easements and for maintaining, repairing, replacing or improving the Shared Areas, as provided in this Agreement, including promoting the health, safety, and welfare of the owners, members, residents, occupants, tenants and guests of the Communities with respect to their use of the Subsurface Easements or the Shared Areas.

Section 4.5 Annual Assessment/Commencement of Assessments. Assessments may be made on an annual basis and shall be based upon BMCA's Subsurface Easements and Shared Areas budget (as ratified pursuant to the terms of this Agreement) of the cash requirements needed to provide for the administration and performance of duties provided in this Agreement during such assessment year. Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other reasonable manner, as determined by the Executive Board.

Assessments may begin on or after the date and execution of this Agreement. The omission or failure of the Executive Board to levy the assessment for any period shall not be deemed a waiver, modification or a release from the obligation to pay.

Section 4.6 Effect of Non-Payment of Assessments. Any assessment, charge or fee provided for in this Agreement, or any installment thereof, which is not fully paid within thirty (30) days after the due date thereof, as established by the Executive Board, shall bear interest at the rate of two percent over the prime commercial lending rate ("Prime Rate") as announced from time to time in the Wall Street Journal or such other similar financial newspaper or magazine, on a per annum basis from the due date. In addition, BMCA may assess a reasonable late charge thereon [not to exceed five percent (5%)] as determined by its Executive Board. Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Executive Board. Further, BMCA may bring an action against any Party personally obligated to pay such overdue assessments, charges or fees, or other installments thereof. An action by BMCA to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, cannot include a claim to foreclose under any theory of law. Should BMCA fail to pay or transfer funds for its portion of the expense and assessment liabilities established under this Agreement, any Party may then seek a court order requiring such payment or transfer, or may seek the appointment of a court appointed receiver to administer the Subsurface Easements and the Shared Areas.

Section 4.7 Negligence or Misconduct. In the event that the need for maintenance, repair, or replacement of the Shared Area, or any portion thereof, is caused through or by the negligent, gross negligent or willful act or omission or misconduct of any Party or their agents, employees, owners, members, guests, customers, or invitees, then the expenses, costs, and fees incurred for such maintenance, repair, or replacement shall be a personal obligation of the owners association, if any, or owner of the applicable Community, and if not repaid to BMCA (or in the case of BMCA, if not paid or transferred by BMCA) within thirty (30) days after notice shall have given to that Party of such expenses, costs, and fees, then that failure shall be a default under the provisions of this Agreement, such expenses, costs, and fees shall automatically become a default assessment determined and levied, and that Party may proceed in accordance with the applicable provisions of this Agreement.

ARTICLE 5 INSURANCE/CONDEMNATION

Section 5.1 Insurance Carried. BMCA shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth below, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. Commencing not later than the time of the

first assessment, BMCA shall maintain, to the extent reasonably available, policies with the following terms or provisions:

(a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Party and shall provide that such policies may not be canceled or modified without at least thirty (30) days' prior written notice to the Parties (through their owners association or if none, then through the owner of their Community).

(b) Liability insurance shall be carried in blanket form naming BMCA, BMLCA (if created), GPPCA, LC, the Executive Board and officers of BMCA, the manager or managing agent, if any, their successors and assigns, as insureds.

(c) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Executive Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Shared Areas, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.

(d) Parties may carry and are advised to carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by BMCA shall not be affected or diminished by reason of any such additional insurance, and provided, further, that the policies of insurance carried by BMCA pursuant to this Agreement shall be primary.

Section 5.2 Hazard Insurance on the Shared Areas. BMCA shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty of the Shared Areas. All policies shall contain a standard non-contributory mortgage or similar clause in favor of each Party (through their owners association or if none, then through the owner of their Community), and their successors and assigns, which shall provide that the loss, if any thereunder, shall be payable to BMCA for the use and benefit of such Parties and their successors and assigns, as their interests are established in this Agreement. If obtainable, BMCA shall also obtain the following and any additional endorsements deemed advisable by the Executive Board: (a) an Inflation guard endorsement, (b) a construction code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, (e) an increased cost of construction endorsement, and/or (f) any special PUD endorsements.

Section 5.3 Liability Insurance. BMCA shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering the Subsurface Easements and the Shared Areas in such limits as the Executive Board may from time to time determine, but not in any amount less than Three Million Dollars (\$3,000,000.00) per injury, per person, and per

occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries.

Section 5.4 Fidelity Insurance. BMCA shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling funds. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of BMCA, its officers, directors, trustees and employees pursuant to this Agreement.

Section 5.5 Worker's Compensation and Employer's Liability Insurance. BMCA may obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 5.6 Officers' and Directors' Personal Liability Insurance. BMCA shall obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Parties.

Section 5.7 Other Insurance. BMCA may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the responsibilities and duties established in this Agreement.

Section 5.8 Insurance Premium. Insurance premiums for the above provided insurance shall be a common expense to be included as a part of the annual assessments levied by BMCA.

Section 5.9 Managing Agent Insurance. The manager or managing agent, if any, shall be adequately insured for the benefit of BMCA and the Parties, for the performance of its duties as contemplated under this Agreement and shall maintain and submit evidence of such coverage to BMCA.

Section 5.10 Insurance Review. The Executive Board shall review the insurance carried by and on behalf of BMCA at least periodically, or at the reasonable request of a Party (through their owners association or if none, then through the owner of their Community), for the purpose of determining the amount of insurance required.

Section 5.11 Adjustments by BMCA. Any loss covered by an insurance policy described above shall be adjusted by BMCA, and the insurance proceeds for that loss shall be payable to BMCA. BMCA shall hold any insurance proceeds in trust for the Parties as their interests may appear. In the case of damage to the Shared Areas, the proceeds must be distributed first for the repair or restoration of the damaged property, and the Parties are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 5.12 Duty to Repair. Any portion of the Shared Areas for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced with diligence by BMCA, with the insurance proceeds and such supplemental assessments as may be required or imposed pursuant to this Agreement.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Enforcement. BMCA, GPPCA, LC and BMLCA (if created), or any of their successors or assignees may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Agreement by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorney fees incurred in enforcing these covenants, or to restrain such violation or attempted violation. Should BMCA fail to pay or transfer funds for its portion of the expense and assessment liabilities established under this Agreement, or should BMCA fail to perform any of the duties or responsibilities under the terms of this Agreement, any one of the parties may then seek a court order to require such payment, transfer of funds or performance, or alternatively, may seek the appointment of a court appointed receiver to administer the Subsurface Easements and the Shared Area. For each claim (including but not limited to counterclaims, cross-claims and third-party claims) in any legal proceeding to enforce the provisions of this Agreement, or to enforce any rules and regulations as allowed for and adopted pursuant to the terms and provisions of this Agreement, the court shall award to the party prevailing on such claim the prevailing party's reasonable costs and attorney fees incurred in asserting or defending the claim. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In no event shall any violation of this Agreement constitute a forfeiture, diminution or waiver of any rights or obligations under the Declaration of Subsurface Easements.

Section 6.2 Severability. Each of the provisions of this Agreement shall be deemed independent and severable. Specifically, all covenants, terms, restrictions and provisions in this Agreement shall be independent from each other and separately enforceable. If any provision of this Agreement or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications.

Section 6.3 Term of Agreement. The covenants, rights and restrictions of this Agreement shall run with, benefit and bind the Communities, the Subsurface Easements and the Shared Areas in perpetuity.

Section 6.4 Amendment of this Agreement or of the Subsurface Easements. Except as otherwise provided in this Agreement, any provision, covenant, condition, restriction or equitable servitude contained in this Agreement or relating to the Subsurface Easements or to the Shared Areas may only be amended or repealed, at any time, and from time to time, upon unanimous

written approval of all Parties through their owners association or if none, then through the owner of their Community.

Further, the Parties acknowledge that the Blue Mesa Condominium Community may be split into two (2) separate condominium communities, and if that split occurs, the Parties hereto consent and agree to a reallocation of the percentages set forth in Exhibit A, and the annual fee to be charged under this Agreement. With regard to this possible split of the Blue Mesa Condominium Community into two (2) separate condominium communities, BMCA and/or BMLCA shall have the reserved right to amend this Agreement and the other Parties shall have the affirmative obligation to join in that amendment, to reflect the changes in allocation of expense liability and votes under this Agreement, based on the formula identified in this Agreement, based on the total number of parking spaces not being changed, and all as provided for in this Agreement.

Any amendment or repeal of this Agreement or any change relating to the Subsurface Easements or Shared Areas shall be effective upon the recordation in the office of the Clerk and Recorder of the City and County of San Miguel, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above.

Section 6.5 Amendment Required by Mortgage Agencies. Any provision, covenant, condition, restriction or equitable servitude contained in this Agreement which a holder of a first lien Security Interest, or FHA, VA, FHLMC, GNMA, FNMA or any similar entity authorized to insure, guarantee, make or purchase mortgage loans requires to be amended or repealed may be amended or repealed by BMCA if the amendment or repeal is without adverse effect on the Subsurface Easements, the Shared Areas, and/or LC and GPPCA's rights. Any such amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of the City and County of San Miguel, State of Colorado, of a certificate, setting forth the amendment or repeal in full.

Section 6.6 Interpretation. The provisions of this Agreement shall be liberally construed to effectuate their purposes of creating a uniform plan for the administration and operation of the Subsurface Easements, the Shared Areas and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Agreement. This Agreement shall be construed and governed under the laws of the State of Colorado.

Section 6.7 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 6.8 Captions. All captions and titles used in this Agreement are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 6.9 Miscellaneous. The principles of law and equity, including, but not limited to, the law of nonprofit corporations and unincorporated associations, the law of real property, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of this Agreement, except to the extent inconsistent with this Agreement. Every duty governed by this Agreement imposes an obligation of good faith and fair dealing in its performance or enforcement. The remedies provided by this Agreement shall be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed; provided, however, that special or punitive damages may not be awarded except as specifically provided in this Agreement, if at all, or except as provided by other rule of law.

Section 6.10 Expense of this Agreement/Reimbursement LC agrees to reimburse BMCA \$1,500.00 for attorney fees incurred by BMCA in preparing this Agreement, which sum is payable to BMCA upon LC's execution of this Agreement. LC further agrees to pay to BMCA, in consideration of the terms and provisions of this Agreement, the total sum of \$10,000.00, of which sum \$5,000.00 is payable to BMCA upon LC's execution of this Agreement and of which sum \$5,000.00 is payable to BMCA on December 1, 1997.

GPPCA agrees to reimburse BMCA \$1,500.00 for attorney fees incurred by BMCA in preparing this Agreement, which sum is payable to BMCA upon GPPCA's execution of this Agreement.

All of the foregoing sums shall be the sole and separate property of BMCA, and shall not be a part of or included in BMCA's Subsurface Easements and Shared Areas budget or the financial's or records to be kept by BMCA pursuant to the terms of this Agreement. If not paid according to the above terms, any or all of the foregoing sums may be collected as an extraordinary assessment hereunder against the delinquent Party and BMCA shall have the assessment collection remedies as provided in this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by its duly authorized agents.

BMCA:

BLUE MESA CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

By: 
Jack Donenfeld, Vice President

STATE OF Ohio)
) ss.
COUNTY OF HAMILTON)

The foregoing Agreement was acknowledged before me by Jack Donenfeld, as Vice President of Blue Mesa Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: no expiration

Leona Durbin
Notary Public



LEONA L. DURBIN, Notary Public
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires: no expiration
date: Section 24703 B.R.C.

ATTEST:

BLUE MESA CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

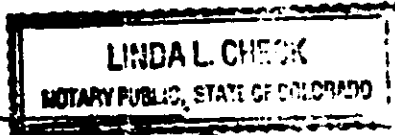
By: *Kathy Mahoney*
Kathy Mahoney, Secretary/Treasurer

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing Agreement was acknowledged before me by Kathy Mahoney, as Secretary/Treasurer of Blue Mesa Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal. 8-22-97

My commission expires: 03-15-99



Linda L. Check
Notary Public

ATTEST:

BLUE MESA CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

By: Jack Brady
Jack Brady, Board member

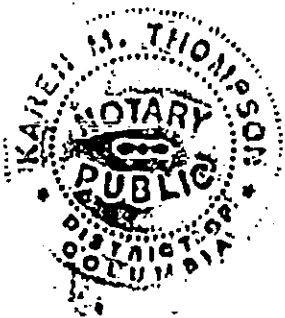
STATE OF DISTRICT OF COLUMBIA) ss.
COUNTY OF _____)

The foregoing Agreement was acknowledged before me by Jack Brady, as a member of the Board of Directors of Blue Mesa Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires July 31, 2002.

Karen M. Thompson
Notary Public



ATTEST:

BLUE MESA CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

By: Sam Dunn
Sam Dunn, Board member

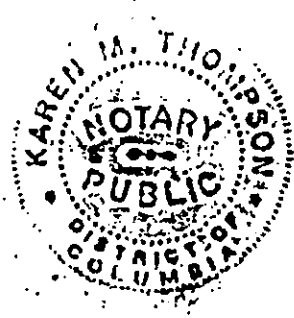
~~EXHIBIT~~ _____)
DISTRICT OF COLUMBIA) ss.
COUNTY OF _____)

The foregoing Agreement was acknowledged before me by Sam Dunn, as a member of the Board of Directors of Blue Mesa Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: July 31, 2002.

Karen M. Thompson
Notary Public



ATTEST:

BLUE MESA CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

By: Leonard Conway
Leonard Conway, Board member

STATE OF New York)
COUNTY OF Suffolk) ss.

The foregoing Agreement was acknowledged before me by Leonard Conway, as a member of the Board of Directors of Blue Mesa Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal. CHARLES E. JOHNSON
NOTARY PUBLIC, State of New York
N.J. 52 709 P.20, Suffolk County
Term Expires July 21, 1998

My commission expires: _____

Charles E. Johnson
Notary Public

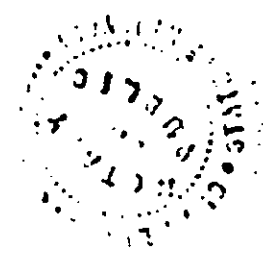


EXHIBIT A

EXPENSE LIABILITY AND ALLOCATED VOTES

COMMUNITY	PARKING SPACES	PERCENTAGE SHARE OF EXPENSES AND VOTES
Blue Mesa Condominium Community	35	0.354
Gondola Plaza Parking Condominium Community	33	0.333
Inn at Lost Creek Community	31	0.313
TOTALS:	99	1.00

CONSENT

The foregoing Agreement is approved and consented to this 26th day of August,
19 97.

TELLURIDE ASSOCIATES,
a D.C. General Partnership

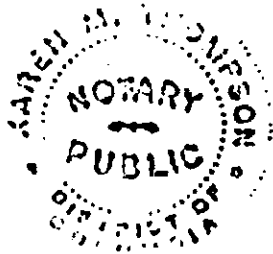
By: Jack Brady
Authorized Agent and General Partner

STATE OF _____)
DISTRICT OF COLUMBIA) ss.
COUNTY OF _____)

The foregoing Agreement was acknowledged before me by Jack Brady,
as Authorized Agent and General Partner, a D.C. General Partnership.

Witness my hand and official seal.

My commission expires July 31, 2002
Karen M. Thompson
Notary Public



DECLARATION OF ACCESS EASEMENT**TELLURIDE ASSOCIATES (LOT 42B)**
FOR BENEFIT OF GONDOLA PLAZA PARKING STRUCTURE

THIS EASEMENT DECLARATION (this "Declaration") is made this 5th day of March, 1993, by Telluride Associates, a Washington, DC general partnership ("Telluride Associates"), (referred to as "Grantor").

RECITALS

WHEREAS, Telluride Associates own the following real property situated in the Telluride Mountain Village, San Miguel County, Colorado:

Lot 42B, Telluride Mountain Village according to the plat thereof, including, without limitation, the replat of Lot 42, Telluride Mountain Village, Filing 1, according to the third replat, Lot 42B, recorded in the office of Clerk and Recorder in Plat Book 1 at Page 1071 and 1072, County of San Miguel, State of Colorado, ("Lot 42B").

WHEREAS, Telluride Associates has acquired by Easement Declaration, dated November 20, 1992, an exclusive subsurface easement under the pedestrian level surface of that property located in the Telluride Mountain Village, San Miguel County, Colorado, commonly known as the Gondola Plaza Parking Structure, a subsurface parking structure, shown on Exhibit "A", which is attached hereto and by this reference incorporated herein;

WHEREAS, the Gondola Plaza Parking Structure and adjoining Lot 42B, Telluride Mountain Village, each contain subsurface parking, which will be accessed by a common driveway ramp, and a portion of the subsurface parking area presently existing in the Blue Mesa Condominium, Lot 42A, Telluride Mountain Village; and,

WHEREAS, Telluride Associates wish to declare a non-exclusive pedestrian and vehicular driveway, utility and fire escape easement, over, across and through a portion of the Lot 42B subsurface parking area to enable the owner of the Gondola Plaza Parking Structure to construct, access, egress, operate and maintain parking structures within and upon its real property known as the Gondola Plaza Parking Structure, and to enable the owners thereof to convey merchantable title to the parking spaces located within its respective subsurface parking structures.

DECLARATION OF ACCESS EASEMENT

NOW, THEREFORE, in consideration of the payment of monies, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Telluride Associates hereby declare, convey and set over for the benefit of the owners and occupants from time to time of the subsurface parking structure, or parts thereof, located within the Gondola Plaza Parking Structure, and any subsequent expansion or enlargement thereof, subject to the reservations and conditions set forth in this Easement Declaration, a perpetual non-exclusive subsurface access easement through that subsurface portion of Lot 42B, as specifically described and shown crosshatched on Exhibit "A", which is attached hereto and by this reference incorporated herein, to permit vehicular access and egress. In addition, and without limitation, this grant of access easement shall include a non-exclusive grant of easement for pedestrian access and egress to the parking structure, and for any utilities necessary for the parking structure, through a portion of the subsurface parking area of Lot 42B to the subsurface parking of the Gondola Plaza Parking Structure and any subsequent expansion or enlargement thereof.

2. It is the intent of Telluride Associates, as the owner of Lot 42B and easement declarant, that this access easement shall permit the owners of the Gondola Plaza Parking Structure, its agents, assigns, representatives and successors, to operate and maintain a subsurface parking structure to be known as the Gondola Plaza Parking Condominium.

3. The owners of the Gondola Plaza Parking Structure shall have the right to grant and convey to other parties and property owners' rights to this non-exclusive Easement, or any part or parts thereof, and shall have the right to install, connect and maintain, from time to time, within the easement area, sewer, gas, water and electric lines and pipes, telephone lines, cable lines, ventilation systems, and any other utility authorized within the Mountain Village Metropolitan District, or any successor to the Mountain Village Metropolitan District, including an incorporated town, provided that any such uses shall not unreasonably interfere with the operation of the Lot 42B parking garage, or the Lot 42A (Blue Mesa Condominiums) parking garage. At no time shall access be blocked and the owners of the Gondola Plaza Parking Structure shall provide written notice ten (10) days prior to any construction activity within the easement area.

4. It is agreed and understood that the easement granted herein shall run with the land and shall be appurtenant thereto. The easement granted herein shall be a benefit to the real property known as the Gondola Plaza Parking Structure.

5. Maintenance of the Access Easement granted herein shall be shared by the owner(s) of the Blue Mesa Condominium Parking Garage, Lot 42A, and the owners of the Gondola Plaza Parking Structure, pro-rata, based upon the number of parking spaces in each garage and as set forth by written agreement to be signed by all parties. If no agreement is reached among the parties in connection with the sharing of such Easement maintenance and operation cost, then the matter of allocation of the cost of maintenance and use shall be submitted to an arbitrator, who then shall determine the cost allocation among the parties. If such arbitrator is not agreed upon by the parties, then each of the parties shall elect a representative, and those representatives shall choose the mediator who will then determine the allocation of costs of maintenance.

6. The owners of the Gondola Plaza Parking Structure, their heirs, successors, assigns and subsequent grantees, hereby covenant and agree to indemnify and hold harmless Telluride Associates, their principals, agents and employees and their lender, Colorado Federal Savings Bank, its successors and assigns, from any liability relating to or arising out of their occupancy or use of the Access Easement. Such indemnity to include reasonable attorney's fees incurred in the defense of any claim in connection with or arising out of this Easement, or the enforcement of this Easement.

7. In the event that any party is required to initiate legal action to enforce the terms and conditions of this Declaration of Access Easement, the prevailing party shall be awarded, in addition to any equitable relief, any and all costs and fees incurred, including reasonable attorney's fees.

8. It is the expressed intention of Telluride Associates, as the Declarant and Grantor of this Subsurface Easement, that the Easement created and declared herein shall not be extinguished or terminated under the Doctrine of Merger due to the fact that Telluride Associates may own the dominant tenement and servient tenement at the time of creating and declaring this Subsurface Easement.

9. The area of the Access Easement created hereby is more specifically set forth in the crosshatched area on the map attached hereto as Exhibit "A", and by this reference incorporated herein.

WHEREFORE, the parties to this Agreement set their hands and seals

the day and year first above written.

TELLURIDE ASSOCIATES, a Washington,
DC general partnership

by: *Neil A. M...*
Title: Partner

STATE OF Colorado)
COUNTY OF San Miguel) ss.

Subscribed and sworn to before me this 5th day of March, 1993, by
Reid A. Dunn, as Partner of
Telluride Associates, a Washington DC general partnership.

My Commission expires: 8-10-96

Julie Arzuffetti
Notary Public

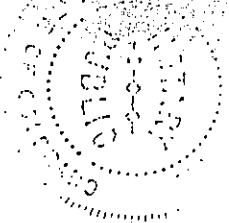


EXHIBIT "A"

OS-3

TELLURIDE MNT.
VILLAGE FILING I
BOOK I, 476-486

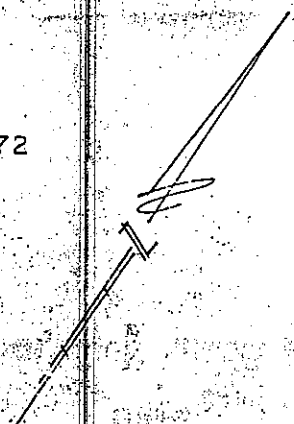
GONDOLA PLAZA PARKING STRUCTURE

REPLAT
LOT 42-A
BOOK I, 673-874

18.00'
NORTHWESTERLY
CORNER LOT 42-B

36.18'
15.80'
19.93'
3.42'
33.80'
56.11'
3rd REPLAT
LOT 42-B
BOOK I, 1071-1072

SOUTHEASTERLY
CORNER LOT 42-A



TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot 42-B, Third Replat of Lots 42-A and 42-B, as recorded in Book 1 of Plats, Pages 1071 and 1072, records of San Miguel County, Colorado, described as follows:

Commencing at the southeasterly corner of said Lot 42-A; Thence N 35° 45' 00" W 3.42 feet along the northeasterly line of said Lot 42-A to the True Point of Beginning; Thence continuing along said line N 35° 45' 00" W, 19.93 feet to an angle point therein; Thence N 54° 15' 00" E, 15.80 feet; Thence N 35° 45' 00" W, 36.18 feet to a Point in the northwesterly line of said Lot 42-B; said point bears N 54° 15' 00" E, 15.80 feet from the northwesterly corner of said Lot 42-B; Thence N 54° 15' 00" E along said line, 18.00 feet; Thence S 35° 45' 00" E, 56.11 feet; Thence S 54° 15' 00" W, 33.80 feet to the True Point of Beginning.

DECLARATION OF SUBSURFACE EASEMENT

TELLURIDE ASSOCIATES (LOT 42B) FOR BENEFIT OF GONDOLA PLAZA PARKING STRUCTURE

THIS EASEMENT DECLARATION (this "Declaration") is made this 5th day of March, 1993, by Telluride Associates, a Washington, DC general partnership ("Telluride Associates") as the owner of Lot 42B, Telluride Mountain Village.

RECITALS

WHEREAS, Telluride Associates is the owner of the following real property situated in the Telluride Mountain Village, San Miguel County, Colorado:

Lot 42B, according to the plat thereof, including, without limitation, the replat of Lot 42B, Telluride Mountain Village, Filing 1, according to the third replat of Lot 42B recorded in the office of Clerk and Recorder in Plat Book 1 at Pages 1071-1072, County of San Miguel, State of Colorado, also known as the Blue Mesa Condominium, according to the condominium map thereof filed for record in the office of the Clerk and Recorder, San Miguel County, Colorado ("Lot 42B").

WHEREAS, Telluride Associates has acquired by Easement Declaration, dated November 20, 1992, an exclusive subsurface easement under the pedestrian level surface of that property located in the Telluride Mountain Village, San Miguel County, Colorado, commonly known as the Gondola Plaza Parking Garage, a subsurface parking structure, shown on Exhibit "A", which is attached hereto and by this reference incorporated herein. Said Easement Declaration, dated November 20, 1992, enabled Telluride Associates to construct, operate and maintain a subsurface parking structure;

WHEREAS, Telluride Associates, as the owner of the adjoining Gondola Plaza Parking Structure, wish to declare an exclusive easement of a portion of Lot 42B, Telluride Mountain Village, subsurface area to enable Telluride Associates to construct, operate and maintain parking structures and appurtenant parking within and upon a portion of its subsurface real property, under the style and name of Gondola Plaza Parking Condominium.

DECLARATION OF EASEMENT

NOW, THEREFORE, in consideration of good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Telluride Associates hereby covenant and declare as follows:

1. Telluride Associates hereby declare, convey and set over for the benefit of the owners of the subsurface parking structure known as Gondola Plaza Parking Structure and for the benefit of the individual owners and occupants from time to time of the subsurface parking structure, or parts thereof, located upon the subsurface property known as the Gondola Plaza Parking Condominium, subject to the reservations and conditions set forth in this Easement Declaration, a perpetual exclusive subsurface easement under that portion of Lot 42B, Telluride Mountain Village, specifically described and shown crosshatched on Exhibit "A", which is attached hereto and by this reference incorporated herein.

2. It is the intent of Telluride Associates, as easement declarant, that this perpetual exclusive subsurface Easement shall permit Telluride Associates, their agents, assigns, representatives and successors, to construct, operate and maintain a subsurface parking structure within and upon a portion of Lot 42B, Telluride Mountain Village, to be known as the Gondola Plaza Parking Condominium, as duly recorded in the office of the San Miguel County, Colorado Clerk and Recorder, by Map and Declaration, and to enable the owners of the Gondola Plaza Parking Structure, to convey merchantable title to individual condominium parking spaces located within the parking structure. This Easement specifically contemplates the grant from Telluride Associates of that subsurface area of the Gondola Plaza Parking Structure which encroaches upon Lot 42B, as more specifically set forth in Exhibit "A", attached hereto and by this reference incorporated herein.

3. Telluride Associates, as the owner of the Gondola Plaza Parking Structure, shall have the right to convey to other parties and property owners' rights to this exclusive Easement, or any part or parts thereof, and Telluride Associates, as the owner of Lot 42B, Telluride Mountain Village, reserves and shall have the right to install, connect and maintain, from time to time, within the easement area, sewer, gas, water and electric lines and utility pipes, telephone lines, cable lines, ventilation systems, and any other utility authorized within the Mountain Village Metropolitan District, or any successor to the Mountain Village Metropolitan District, including an incorporated town, provided that any such uses shall not unreasonably interfere with the operation of the parking structure on the remainder of Lot 42B, Telluride Mountain Village, San Miguel County, Colorado. Telluride Associates, or their successors, shall provide the owners of Lot 42B, Telluride Mountain Village, written notice ten (10) days prior to any construction activity within the easement area.

4. It is agreed and understood that the easement granted herein shall run with the land and shall be appurtenant thereto. The easement granted herein shall be a benefit to the real property described above and commonly referred to as the Gondola Plaza Parking Structure.

5. Construction, repair and maintenance of the exclusive subsurface easement granted herein shall be the sole responsibility, cost and expense of the owners of the Gondola Plaza Parking Structure, their heirs, successors, assigns and subsequent grantees.

6. The owners of the exclusive subsurface easement hereby covenant and agree to indemnify and hold harmless Telluride Associates, as easement declarant, their officers, agents and employees and their lender, Colorado Federal Savings Bank, its successors and assigns, from any liability relating to or arising out of occupancy or use of the Easement. Such indemnity to include reasonable attorney's fees incurred in the defense of any claim in connection with or arising out of this Easement, or the enforcement of this Easement.

7. In the event that any party is required to initiate legal action to enforce the terms and conditions of this Declaration of Subsurface Easement, the prevailing party shall be awarded, in addition to any equitable relief, any and all costs and fees incurred, including reasonable attorney's fees.

8. It is the expressed intention of Telluride Associates, as the Declarant and Grantor of this Subsurface Easement, that the Easement created and declared herein shall not be extinguished or terminated under the Doctrine of Merger due to the fact that Telluride Associates may own the dominant tenement and servient tenement at the time of creating and declaring this Subsurface Easement.

9. The Easement created hereby is more specifically set forth, and specifically restricted to that subsurface area crosshatched in that map attached hereto as Exhibit "A", and by this reference incorporated herein.

WHEREFORE, the parties to this Agreement set their hands and seals the day and year first above written.

TELLURIDE ASSOCIATES, a Washington, DC
general partnership

by:



Title: Partner

EXHIBIT "A"

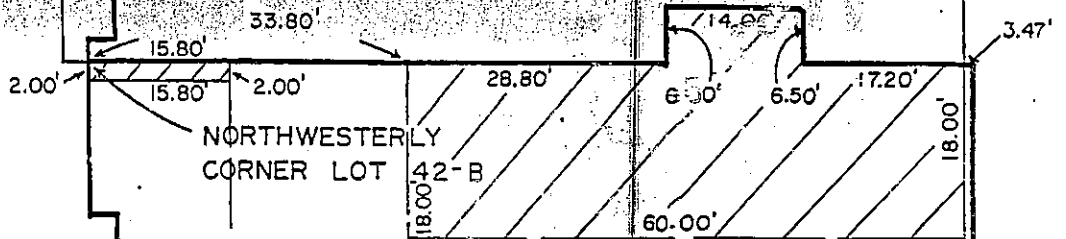
283170
B: 507 P: 39

OS-3

TELLURIDE MINT.
VILLAGE FILING 1
BOOK 1, 476-486

GONDOLA PLAZA PARKING STRUCTURE

REPLAT
LOT 42-A
BOOK 1, 673-874



NORTHWESTERLY
CORNER LOT 42-B

3rd REPLAT
LOT 42-B
BOOK 1, 1071-1072

SOUTHEASTERLY
CORNER LOT 42-A

STATE OF *Colorado*)
COUNTY OF *San Miguel*) ss.

Subscribed and sworn to before me this *5th* day of March, 1993, by
Reid A. Dunn, as *Partner*
of
Telluride Associates, a Washington, DC general partnership.

My Commission expires: *8-10-96*

Julie Amoretti
Notary Public



TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot 42-B, Third Replat of Lots 42-A and 42-B, as recorded in Book 1 of Plats, Pages 1071 and 1072, records of San Miguel County, Colorado, described as follows:

Commencing at the northwesterly corner of said Lot 42-B; Thence N 54° 15' 00" E along the northwesterly line of said Lot 42-B, 33.80 feet to the True Point of Beginning; Thence continuing N 54° 15' 00" E along said line 28.80 feet to an angle Point therein; Thence N 35° 45' 00" W, 6.50 feet; Thence N 54° 15' 00" E, 14.00 feet; Thence S 35° 45' 00" E, 6.50 feet; Thence N 54° 15' 00" E, 17.20 feet to a Point which bears S 54° 15' 00" W, 3.47 feet from the most northerly corner of said Lot 42-B; Thence S 35° 45' 00" E, 18.00 feet; Thence S 54° 15' 00" W, 60.00 feet; Thence N 35° 45' 00" W, 18.00 feet to the True Point of Beginning.

TOGETHER WITH:

A portion of Lot 42-B, Third Replat, as recorded in Book 1 of Maps Pages 1071 and 1072, records of San Miguel County, Colorado described as follows:

Beginning at the northwesterly corner of said Lot 42-B; Thence N 54° 15' 00" E along the northwesterly line of said Lot 42-B, 15.80 feet; Thence S 35° 45' 00" E, 2.00 feet; Thence S 54° 15' 00" W, 15.80 feet to the southwesterly line of said Lot 42-B; Thence N 35° 45' 00" W, 2.00 feet to the Point of Beginning.

PAID: \$30.00
283171

283171 03/09/1993 01:00P B:
Gay Cappis, County Clerk, San Miguel C

DECLARATION OF ACCESS EASEMENT

BLUE MESA CONDOMINIUMS (LOT 42A) TO TELLURIDE ASSOCIATES, FOR BENEFIT OF LOT 42B, AND THE GONDOLA PLAZA PARKING STRUCTURE

THIS EASEMENT DECLARATION (this "Declaration") is made this ___ day of February, 1993, by and between Blue Mesa Condominiums, through the Blue Mesa Condominium Homeowner's Association (referred to as "Grantor"), and Telluride Associates, a Washington, DC general partnership, as the owner of Lot 42B, Telluride Mountain Village and the Gondola Plaza Parking Structure.

RECITALS

WHEREAS, Grantor is the owner of the following real property situated in the Telluride Mountain Village, San Miguel County, Colorado:

Lot 42A, Telluride Mountain Village, according to the plat thereof, including, without limitation, the replat of Lot 42, Telluride Mountain Village, Filing 1, according to the replat recorded in the office of Clerk and Recorder in Plat Book 1 at Page 873 and 874, County of San Miguel, State of Colorado, also known as the Blue Mesa Condominium, according to the condominium map thereof filed for record in the office of the Clerk and Recorder, San Miguel County, Colorado, and subject to the condominium declaration for Blue Mesa Condominium, filed for record on December 22, 1989, in Book 461 at Pages 226-81, San Miguel County, Colorado records ("Blue Mesa Condominium").

WHEREAS, Telluride Associates owns that property known as Lot 42B, Filing 1, Telluride Mountain Village, according to the plat thereof, including, without limitation, any replat, filed of record in the office of the Clerk and Recorder, San Miguel County records, and the Gondola Plaza Parking Structure, a subsurface parking garage, more specifically shown on Exhibit "A", which is attached hereto and by this reference incorporated herein;

WHEREAS, the Gondola Plaza Parking Structure and Lot 42B each contain subsurface parking, which will be accessed by the driveway ramp, through a portion of the subsurface parking area presently existing in the Blue Mesa Condominium, Lot 42A, Telluride Mountain Village; and

WHEREAS, Grantor wishes to grant to Telluride Associates a non-exclusive pedestrian and vehicular driveway, utility and fire

PAID: \$30.00
283171

283171 03/09/1993 01:00P B: 507 P: 41
Gay Cappis, County Clerk, San Miguel County, CO

DECLARATION OF ACCESS EASEMENT

BLUE MESA CONDOMINIUMS (LOT 42A) TO TELLURIDE ASSOCIATES, FOR BENEFIT OF LOT 42B, AND THE GONDOLA PLAZA PARKING STRUCTURE

THIS EASEMENT DECLARATION (this "Declaration") is made this ___ day of February, 1993, by and between Blue Mesa Condominiums, through the Blue Mesa Condominium Homeowner's Association (referred to as "Grantor"), and Telluride Associates, a Washington, DC general partnership, as the owner of Lot 42B, Telluride Mountain Village and the Gondola Plaza Parking Structure.

RECITALS

WHEREAS, Grantor is the owner of the following real property situated in the Telluride Mountain Village, San Miguel County, Colorado:

Lot 42A, Telluride Mountain Village, according to the plat thereof, including, without limitation, the replat of Lot 42, Telluride Mountain Village, Filing 1, according to the replat recorded in the office of Clerk and Recorder in Plat Book 1 at Page 873 and 874, County of San Miguel, State of Colorado, also known as the Blue Mesa Condominium, according to the condominium map thereof filed for record in the office of the Clerk and Recorder, San Miguel County, Colorado, and subject to the condominium declaration for Blue Mesa Condominium, filed for record on December 22, 1989, in Book 461 at Pages 226-81, San Miguel County, Colorado records ("Blue Mesa Condominium").

WHEREAS, Telluride Associates owns that property known as Lot 42B, Filing 1, Telluride Mountain Village, according to the plat thereof, including, without limitation, any replat, filed of record in the office of the Clerk and Recorder, San Miguel County records, and the Gondola Plaza Parking Structure, a subsurface parking garage, more specifically shown on Exhibit "A", which is attached hereto and by this reference incorporated herein;

WHEREAS, the Gondola Plaza Parking Structure and Lot 42B each contain subsurface parking, which will be accessed by the driveway ramp, through a portion of the subsurface parking area presently existing in the Blue Mesa Condominium, Lot 42A, Telluride Mountain Village; and

WHEREAS, Grantor wishes to grant to Telluride Associates a non-exclusive pedestrian and vehicular driveway, utility and fire

escape easement, over, across and through the Blue Mesa Condominium, Lot 42A, Telluride Mountain Village parking ramp access and a portion of the Blue Mesa Condominium subsurface parking area to enable Telluride Associates to construct, access, egress, operate and maintain parking structures and appurtenant services within and upon their respective real property, and to enable Telluride Associates to convey merchantable title to the parking spaces located within their respective subsurface parking structures.

DECLARATION OF EASEMENT

NOW, THEREFORE, in consideration of the payment of monies, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and declare as follows:

1. Grantor hereby grants, conveys and sets over to Grantee and to the owners and occupants from time to time of the subsurface parking structures, or parts thereof, together with any subsequent expansion or enlargement thereof, located upon their respective subsurface properties as set forth above, subject to the reservations and conditions set forth in this Easement Declaration, a perpetual non-exclusive subsurface access easement through that subsurface portion of the Blue Mesa Condominium, more specifically described and crosshatched on Exhibit "A", which is attached hereto and by this reference incorporated herein, to permit vehicular access and egress. In addition, and without limitation, this grant of easement shall include a perpetual non-exclusive grant of easement for pedestrian access and egress, fire escapes and utility and ventilation thoroughfares, passageways and byways, through the Blue Mesa Condominiums, Lot 42A, Telluride Mountain Village to the subsurface parking of Lot 42B and the Gondola Plaza Parking Structure and any subsequent expansion or enlargement thereof.
2. It is the intent of the parties that this access Easement shall permit Telluride Associates, their agents, assigns, representatives and successors, to operate and maintain subsurface parking structures within and upon their respective properties, and to convey merchantable title to individual condominium parking spaces located within their respective parking structures, and to operate and maintain all services necessary and advisable for the operation and maintenance of such subsurface parking facilities including, without limitation, utility access, surface and subsurface drainage, ventilation, escape facilities and vehicular and pedestrian access upon and through the Easement. This Easement contemplates the grant from Grantor to Telluride Associates of that space necessary to preserve, maintain, repair or replace all facilities located within the Access Easement.
3. Telluride Associates, as the owner of the Gondola Plaza Parking Structure and Lot 42B, Telluride Mountain Village, shall have the right to grant and convey to other parties and property owners' rights to this non-exclusive Easement, on any part or parts

thereof, and Telluride Associates reserve and shall have the right to install, connect and maintain, from time to time, within the easement area, sewer, gas, water and electric lines and pipes, telephone lines, cable lines, ventilation systems, and any other utility authorized within the Mountain Village Metropolitan District, or any successor to the Mountain Village Metropolitan District, including an incorporated town, and to use the easement area for other reasonable purposes, provided that any such uses shall not unreasonably interfere with the operation of the Blue Mesa Condominium Parking Structure on Lot 42B, Telluride Mountain Village. At no time shall Grantor's access to its subsurface parking area be blocked and Telluride Associates shall provide Grantor written notice ten (10) days prior to any construction activity within the easement area.

4. It is agreed and understood that the easement granted herein shall run with the land and shall be appurtenant thereto. The easement granted herein shall be a benefit to the real property owned by Telluride Associates, known as the Gondola Plaza Parking Structure and Lot 42B, Telluride Mountain Village.

5. Maintenance of the Easement granted herein shall be shared among Telluride Associates and Grantor, pro-rata based upon the number of parking spaces in each garage and as set forth by written agreement to be signed by all parties. If no agreement is reached among the parties in connection with the sharing of such Easement maintenance and operation cost, then the matter of allocation of the cost of maintenance and use shall be submitted to an arbitrator agreed upon by the parties to this Easement Declaration, who then shall determine the cost allocation among the parties. If such arbitrator is not agreed upon by the parties, then each of the parties shall elect a representative, and those representatives shall choose the mediator who will then determine the allocation of costs of maintenance.

6. Telluride Associates hereby covenant and agree to indemnify and hold harmless the Grantor, their officers, agents and employees from any liability relating to or arising out of Grantee's occupancy or use of the Easement. Such indemnity to include reasonable attorney's fees incurred by Grantor in the defense of any claim in connection with or arising out of this Easement, or the enforcement of this Easement.

7. In the event that any party is required to initiate legal action to enforce the terms and conditions of this Declaration of Access Easement, the prevailing party shall be awarded, in addition to any equitable relief, any and all costs and fees incurred, including reasonable attorney's fees.

8. The Access Easement created hereby is more specifically set forth in that map attached hereto as Exhibit "A", and by this reference incorporated herein.

WHEREFORE, the parties to this Agreement set their hands and seals

EXHIBIT "A"

OS-3

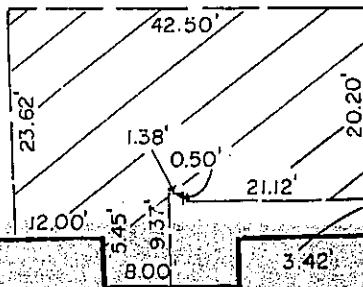
TELLURIDE MNT.
VILLAGE FILING 1
BOOK 1, 476-486

GONDOLA PLAZA PARKING STRUCTURE

REPLAT
LOT 42-A
BOOK 1, 873-874

NORTHWESTERLY
CORNER LOT 42-B

3rd REPLAT
LOT 42-B
BOOK 1, 1071-1072



SOUTHEASTERLY
CORNER LOT 42-A

EXHIBIT "A"

283171
B: 507 P: 46

TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot 42-A, Replat, as recorded in Book 1 of Plats, Pages 873-874, records of San Miguel County, Colorado described as follows:

Commencing at the southeasterly corner of said Lot 42-A; Thence N 35° 45' 00" W, 3.42 feet along the northeasterly line of said Lot 42-A to the True Point of Beginning; Thence continuing along said line N 35° 45' 00" W, 20.20 feet; Thence leaving said line S 54° 15' 00" W, 42.50 feet; Thence S 35° 45' 00" E, 23.62 feet to the southeasterly line of said Lot 42-A; Thence N 54° 15' 00" E along said southeasterly line 12.00 feet to an angle point therein; Thence S 35° 45' 00" E 5.45 feet; Thence N 54° 15' 00" E, 8.00 feet; Thence leaving said southeasterly line N 35° 45' 00" W, 9.37 feet; Thence N 54° 15' 00" E, 1.38 feet; Thence S 35° 45' 00" E 0.50 feet; Thence N 54° 15' 00" E, 21.12 feet to the True Point of Beginning.

283172

DECLARATION OF SUBSURFACE EASEMENT**BLUE MESA CONDOMINIUMS TO TELLURIDE ASSOCIATES
FOR BENEFIT OF GONDOLA PLAZA PARKING STRUCTURE**

THIS EASEMENT DECLARATION (this "Declaration") is made this ___ day of February, 1993, by and between Blue Mesa Condominiums, through the Blue Mesa Condominium Homeowner's Association (referred to as "Grantor"), and Telluride Associates, a Washington, DC general partnership ("Telluride Associates"), (referred to as "Grantee").

RECITALS

WHEREAS, Grantor is the owner of the following real property situated in the Telluride Mountain Village, San Miguel County, Colorado:

Lot 42A, according to the plat thereof, including, without limitation, the replat of Lot 42A, Telluride Mountain Village, Filing 1, according to the third replat recorded in the office of Clerk and Recorder in Plat Book 1 at Pages 873 and 874, County of San Miguel, State of Colorado, also known as the Blue Mesa Condominium, according to the condominium map thereof filed for record in the office of the Clerk and Recorder, San Miguel County, Colorado, and subject to the condominium declaration for Blue Mesa Condominium, filed for record on December 22, 1989, in Book 461 at Pages 226-81, San Miguel County Colorado records ("Blue Mesa Condominium").

WHEREAS, Telluride Associates have acquired by Easement Declaration dated November 20, 1992, an exclusive subsurface easement under the pedestrian level, that property located in the Telluride Mountain Village, San Miguel County, Colorado, known as the Gondola Plaza Parking Structure, a subsurface parking garage structure, shown on Exhibit "A", which is attached hereto and by this reference incorporated herein;

WHEREAS, Grantor wishes to grant to Grantee an exclusive subsurface easement for a portion of the Blue Mesa Condominium subsurface area to enable Grantee to construct, operate and maintain parking structures and appurtenant parking within and upon its subsurface real property, and to enable Grantee to convey merchantable title to this parking spaces located within its subsurface parking structure, as set forth herein.

EASEMENT

NOW, THEREFORE, in consideration of the payment of monies, and

other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Grantor hereby grants, conveys and sets over to Grantee and to the owners and occupants from time to time of the subsurface parking structures, or parts thereof, located upon the subsurface property known as the Gondola Plaza Parking Structure, subject to the reservations and conditions set forth in this Easement Declaration, a perpetual exclusive subsurface easement under that portion of the Blue Mesa Condominium shown on Exhibit "A", which is attached hereto and by this reference incorporated herein.
2. It is the intent of the parties that this Subsurface Easement shall permit Grantee, its agents, assigns, representatives and successors, to construct, operate and maintain a subsurface parking structure within and upon its subsurface property, to be known as the Gondola Plaza Parking Condominium, as duly recorded in the office of the San Miguel County, Colorado Clerk and Recorder, by Map and Declaration, and to convey merchantable title to individual condominium parking spaces located within its parking structure. This Easement specifically contemplates the grant from Grantor to Grantee of that subsurface area of the Gondola Plaza Parking Structure which encroaches upon the Blue Mesa Condominium property, as more specifically described and shown crosshatched on Exhibit "A", which is attached hereto and by this reference incorporated herein.
3. Grantee shall have the right to grant and convey to other parties and property owners' rights to this exclusive Easement, or any part or parts thereof, and Grantee reserves and shall have the right to install, connect and maintain, from time to time, within the easement area, sewer, gas, water and electric lines and pipes, telephone lines, cable lines, ventilation systems, and any other utility authorized within the Mountain Village Metropolitan District, or any successor to the Mountain Village Metropolitan District, including an incorporated town, and to use the easement area for other reasonable purposes, provided that any such uses shall not unreasonably interfere with the operation of the Blue Mesa Condominium, or its Parking Structure. Grantee shall provide Grantor written notice ten (10) days prior to any construction activity within the easement area.
4. It is agreed and understood that the easement granted herein shall run with the land and shall be appurtenant thereto. The easement granted herein shall be a benefit to the real property owned by the Grantee.
5. Construction, repair and maintenance of the Subsurface Easement granted herein shall be the sole responsibility, cost and expense of Grantee.
6. The Grantee hereby covenants and agrees to indemnify and hold harmless the Grantor, its officers, agents and employees from any

STATE OF)
DISTRICT OF COLUMBIA) ss.
COUNTY OF)

Subscribed and sworn to before me this 16TH day of February, 1993,
by John W. BRADY, as President of
Blue Mesa Condominiums.

My Commission expires:

July 31, 1997

Karen M. Thompson
Notary Public

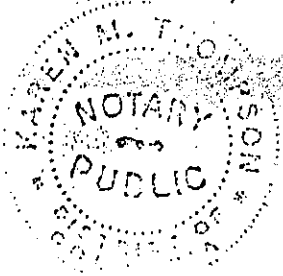


EXHIBIT "A"

OS-3

TELLURIDE MNT.

VILLAGE FILING 1

BOOK 1, 476-486

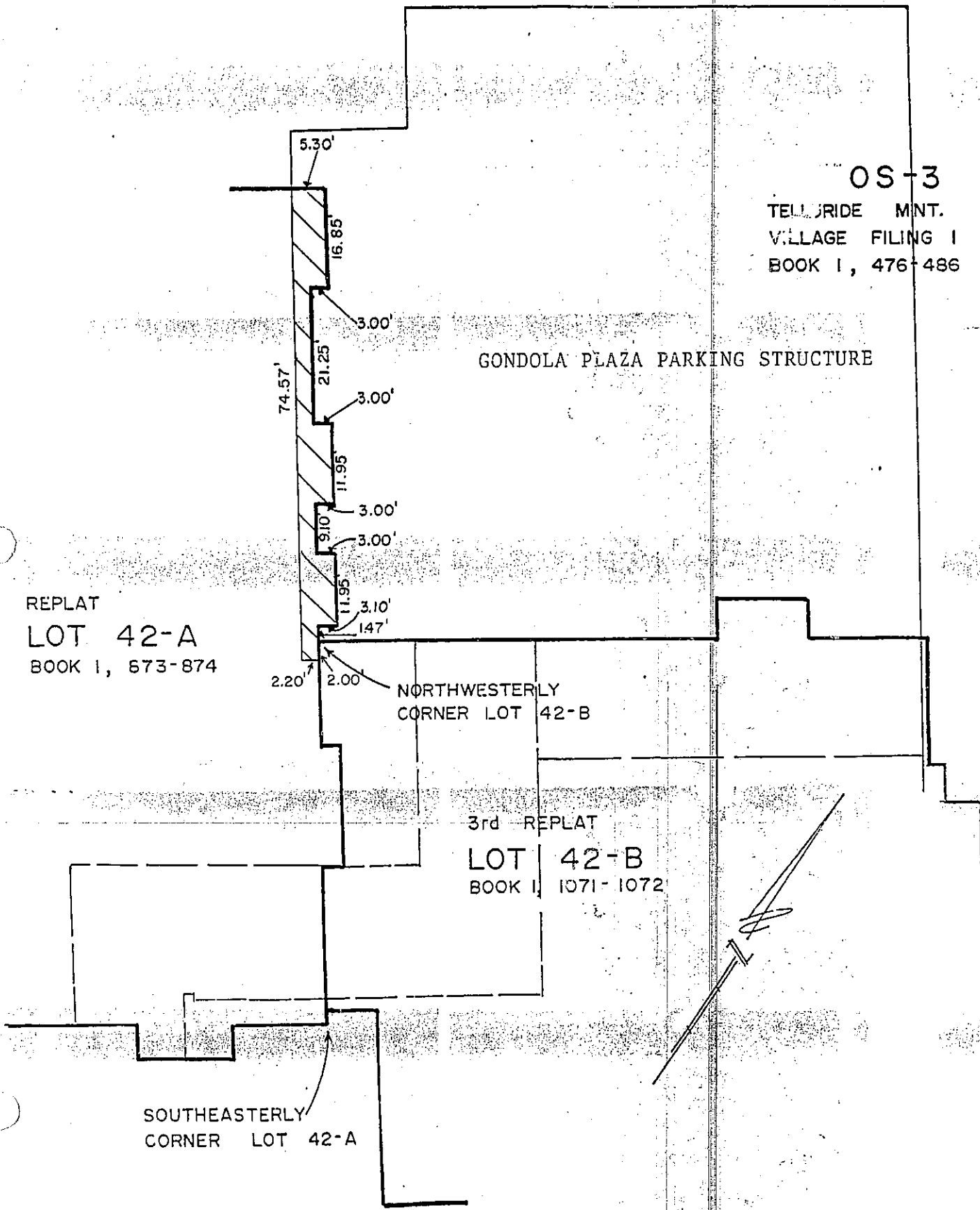
GONDOLA PLAZA PARKING STRUCTURE

REPLAT
LOT 42-A
BOOK 1, 873-874

2.20' 2.00' NORTHWESTERLY
CORNER LOT 42-B

3rd REPLAT
LOT 42-B
BOOK 1, 1071-1072

SOUTHEASTERLY
CORNER LOT 42-A



TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot 42-A, Replat as recorded in Book 1 of Maps, Pages 873-874, records of San Miguel County, Colorado, described as follows:

Beginning at the northwesterly corner of Lot 42-B, third replat of lots 42-A and 42-B, Book 1 pages 1071 and 1072;

Thence N 35° 45' 00" W 1.47 feet along the northeasterly line of said Lot 42-A, according to the Replat thereof as recorded in Book 1 of Maps, Pages 873 and 874 to an angle point therein; Thence continuing along said northeasterly line N 54° 15' 00" E, 3.10 feet; Thence N 35° 45' 00" W, 11.95 feet; Thence S 54° 15' 00" W 3.00 feet; Thence N 35° 45' 00" W 9.10 feet; Thence N 54° 15' 00" E, 3.00 feet; Thence N 35° 45' 00" W, 11.95 feet; Thence S 54° 15' 00" W, 3.00 feet; Thence N 35° 45' 00" W, 21.25 feet; Thence N 54° 15' 00" E, 3.00 feet; Thence N 35° 45' 00" W, 16.85 feet; Thence S 54° 15' 00" W, 5.30 feet; Thence S 35° 45' 00" E, 74.57 feet; Thence N 54° 15' 00" E, 2.20 feet to a point in the northeasterly line of said Lot 42-A; Thence N 35° 45' 00" W, 2.00 feet along said line to the point of beginning.

290197

DECLARATION OF SUBSURFACE EASEMENT**TELLURIDE ASSOCIATES TO HELDA ENTERPRISES, LTD.**
FOR BENEFIT OF LOT 43

THIS EASEMENT DECLARATION (this "Declaration") is made this 11th day of ~~November~~^{January}, 1993, by and between Telluride Associates, a Washington, DC general partnership ("Telluride Associates"), as owner of Lot 42B, as Declarant of Blue Mesa Condominium Association and as Declarant of Gondola Plaza Parking Condominium, (collectively referred to herein as "Grantor"); and Helda Enterprises, Ltd., a California limited partnership ("Helda Enterprises"), (referred to as "Grantee").

RECITALS

WHEREAS, Telluride Associates owns the following real property situated in the Telluride Mountain Village, San Miguel County, Colorado:

Lot 42B, Telluride Mountain Village according to the plat thereof, including, without limitation, the replat of Lot 42, Telluride Mountain Village, Filing 1, according to the third replat, Lot 42B, recorded in the Office of Clerk and Recorder in Plat Book 1 at Page 1071 and 1072, County of San Miguel, State of Colorado ("Lot 42B");

WHEREAS, Telluride Associates is the Declarant of the Blue Mesa Condominium, Telluride Mountain Village, according to the Condominium Plat thereof recorded in the Office of Clerk and Recorder in Plat Book 1 at Page 873 and 874, County of San Miguel, State of Colorado; and subject to the Condominium Declaration for Blue Mesa Condominium, filed for record on December 22, 1989, in Book 461 at Pages 226-81, San Miguel County, Colorado records ("Blue Mesa Condominium");

WHEREAS, Telluride Associates, in said Blue Mesa Condominium Declaration reserved the right to grant easements to certain additional properties, including Lot 43, Telluride Mountain Village;

WHEREAS, Telluride Associates is the Declarant of the Gondola Plaza Parking Condominium, Telluride Mountain Village, according to the Condominium Plat thereof recorded in the Office of Clerk and Recorder in Plat Book 1, at Page 1451, County of San Miguel, State of Colorado; and subject to the Condominium Declaration for Gondola Plaza Parking Condominium filed for record on March 9, 1993, in Book 507 at Pages 53-97, San Miguel County, Colorado records ("Gondola Plaza Parking Condominium");

WHEREAS, Telluride Associates in said Gondola Plaza Parking

Condominium Declaration reserved the right to grant easements to certain additional properties, including Lot 43, Telluride Mountain Village;

WHEREAS, Lot 43 may in the future contain subsurface parking which may be accessed by a driveway through a portion of the subsurface parking garage presently existing in Lot 42B, the Blue Mesa Condominium, and the Gondola Plaza Condominium:

WHEREAS, Telluride Associates wishes to declare a non-exclusive pedestrian and vehicular driveway, and fire escape easement, over, across and through a portion of the Lot 42B, Blue Mesa Condominium and Gondola Plaza Condominium, subsurface parking garages to enable Helda Enterprises Ltd. to construct, access, egress, operate and maintain a parking garage within and upon its real property known as Lot 43, as presently configured or as may be replatted, and to enable the owner thereof to convey merchantable title to the parking spaces located within its subsurface parking structures.

DECLARATION OF EASEMENT

NOW, THEREFORE, in consideration of the payment of monies, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and declare as follows:

1. Grantor hereby grants, conveys and sets over to Grantee and to the owners and occupants of the subsurface parking garage, as well as their respective tenants, subtenants, guests, invitees, and others lawfully claiming a right of access, from time to time, to the subsurface parking garage, or parts thereof, which might be constructed in the future upon Lot 43, subject to the reservations and conditions set forth in this Easement Declaration, a perpetual non-exclusive subsurface access easement through that subsurface portion of the Blue Mesa Condominium, more specifically described on Exhibit 1 and labelled Easement "A"; through that subsurface portion of Lot 42B, more specifically described on Exhibit 1 and labelled Easement "B"; and through that subsurface portion of the Gondola Plaza Condominium, more specifically described on Exhibit 1 and labelled Easement "C"; attached hereto and by this reference incorporated herein, to permit vehicular access and egress. In addition, and without limitation, this grant of easement shall include a perpetual non-exclusive grant of easement for pedestrian access and egress and fire escape.

2. It is the intent of the parties that this access Easement shall permit Helda Enterprises, Ltd., its agents, assigns, representatives and successors, to operate and maintain a subsurface parking garage within and upon Lot 43 as presently configured or as may be replatted, and to convey merchantable title to individual condominium parking spaces located within the garage.

3. It is agreed and understood that the easement granted herein

OS-3

TELLURIDE MNT.
VILLAGE FILING 1
BOOK 1, 476-486

GONDOLA PLAZA PARKING STRUCTURE

REPLAT

LOT 42-A
BOOK 1, 673-874

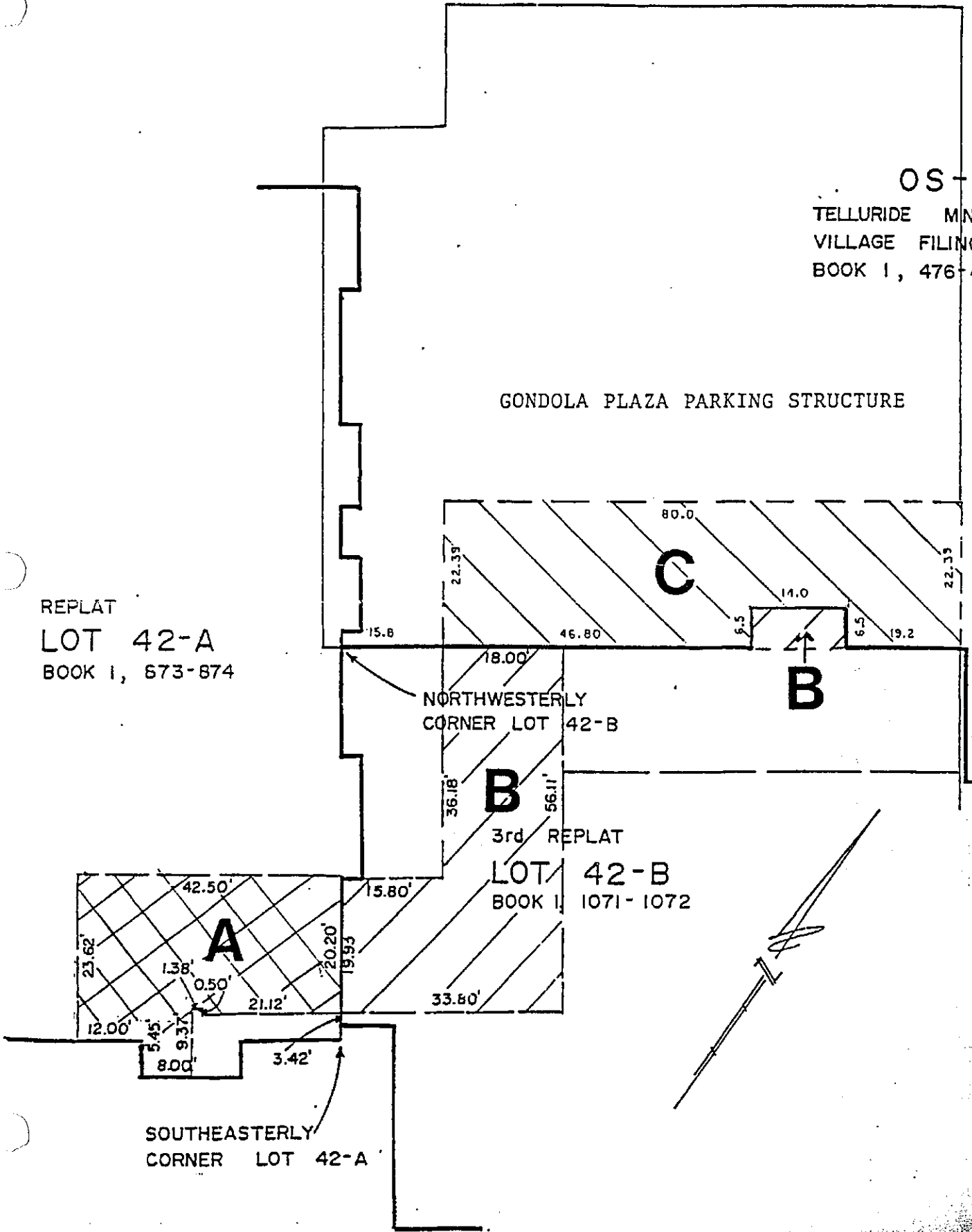
NORTHWESTERLY
CORNER LOT 42-B

B

3rd REPLAT
LOT 42-B
BOOK 1, 1071-1072

A

SOUTHEASTERLY
CORNER LOT 42-A



SUBSURFACE
EASEMENT A

290197

B: 524 P: 560

Declarant of Blue Mesa Condominium to Helda Enterprises, Ltd for benefit of Lot 43:

TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot 42-A, Replat, as recorded in Book 1 of Plats, Pages 873-874, records of San Miguel County, Colorado described as follows:

Commencing at the southeasterly corner of said Lot 42-A; thence N 35 45' 00" W, 3.42 feet along the northeasterly line of said Lot 42-A to the True Point of Beginning; thence continuing along said line N 35 45' 00" W, 20.20 feet; thence leaving said line S 54 15' 00" W, 42.50 feet; thence S 35 45' 00" E, 23.62 feet to the southeasterly line of said Lot 42-A; thence N 54 15' 00" E along said southeasterly line 12.00 feet to an angle point therein; thence S 35 45' 00" E, 5.45 feet; thence N 54 15' 00" E, 8.00 feet; thence leaving said southeasterly line N 35 45' 00" W, 9.37 feet; thence N 54 15' 00" E, 1.38 feet; thence S 35 45' 00" E, 0.50 feet; thence N 54 15' 00" E, 21.12 feet to the True Point of Beginning.

SUBSURFACE
EASEMENT B

Telluride Associates, owner of Lot 42-B to Helda Enterprises, Ltd
for benefit of Lot 43:

TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot 42-B, Third Replat of Lots 42-A and 42-B, as
recorded in Book 1 of Plats, Pages 1071 and 1072, records of San
Miguel County, Colorado described as follows:

Commencing at the southeasterly corner of said Lot 42-A; thence
N 35 45' 00" W, 3.42 feet along the northeasterly line of said
Lot 42-A to the True Point of Beginning; thence continuing along
said line N 35 45' 00" W, 19.93 feet to an angle point therein;
thence N 54 15' 00" E, 15.80 feet; thence N 35 45' 00" W, 36.18
feet to a Point in the northwesterly line of said Lot 42-B; said
Point bears N 54 15' 00" E, 15.80 feet from the northwesterly
corner of said Lot 42-B; thence N 54 15' 00" E along said line
18.00 feet; thence S 35 45' 00" E, 56.11 feet; thence S 54 15'
00" W, 33.80 feet to the True Point of Beginning.

AND

Commencing at the northwesterly corner of Lot 42-B; thence N 54
15' 00" E along the southeasterly line of said Lot 42-B, 62.60
feet to the True Point of Beginning; thence N 35 45' 00" W, 6.50
feet; thence N 54 15' 00" E, 14.0 feet; thence S 35 45' 00" E,
6.50 feet; thence S 54 15' 00" W, 14.00 feet to the True Point
of Beginning.

SUBSURFACE
EASEMENT C

Declarant of Gondola Plaza Condominium to Helda Enterprises, Ltd
for benefit of Lot 43:

TELLURIDE MOUNTAIN VILLAGE FILING ONE

A portion of Lot OS-3 as recorded in Book 1 of Plats, Pages 476
through 486, records of San Miguel County, Colorado described as
follows:

Commencing at the northwesterly corner of Lot 42-B, thence N 54
15' 00" E along the southeasterly line of said Lot 42-B, 15.80
feet to the True Point of Beginning; thence N 35 15' 00" W,
22.39 feet; thence N 54 15' 00" E, 80.00 feet; thence S 35 45'
00" E, 22.39 feet; thence S 54 15' 00" W, 19.2 feet; thence N
35 45' 00" W, 6.50 feet; thence S 54 15' 00" W, 14.0 feet;
thence S 35 45' 00" E, 6.5 feet, thence S 54 15' 00" W, 46.80
feet to the True Point of Beginning.

PAID: \$20.00

294483

294483 09/14/1994 04:03P B: 534 P: 998
Gay Cappis, County Clerk, San Miguel County, CO

**EASEMENT DECLARATION
ENCROACHMENT EASEMENT**

THIS EASEMENT DECLARATION (this "Declaration") is made effective September 14, 1994, by and between The Telluride Company, a Colorado corporation, with principal offices located in the Telluride Mountain Village, San Miguel County, Colorado, as Grantor, and Telluride Associates, a Washington, DC general partnership, whose address is 1711 Connecticut Avenue NW, Washington, DC 20009, as Grantee.

WHEREAS, the Grantor owns the following real property situate in San Miguel County, Colorado:

That Property described in Exhibit A, attached hereto and by this reference incorporated herein (the "Property"); and

WHEREAS, Grantor, agrees with Grantee to deliver an easement for the encroachment of that building known as the Blue Mesa Lodge, also known as Phase II of the Blue Mesa Condominiums, such encroachment described in Exhibit A, attached hereto; and

WHEREAS, Grantor desires to grant to Grantee an exclusive easement to enable Grantee to construct, operate and maintain the structure known as the Blue Mesa Lodge, and to convey title to and to encumber the easement.

NOW, THEREFORE, in consideration of the payment of money, and other good and valuable consideration in hand paid by the Grantee to Grantor simultaneously with the execution and delivery of this document, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Grantor does hereby grant unto Grantee, subject to the reservations and conditions set forth in this declaration, an exclusive easement of the following described real property:

That Property described in Exhibit A, attached hereto and by this reference incorporated herein;

and such other area necessary for the operation of Blue Mesa Lodge, including roof and balcony overhang, drainage, and subsurface rights (the "Easement").

2. The Easement allows Phase II of the Blue Mesa Lodge, located upon Lot 42A, Telluride Mountain Village to encroach upon the Property, to form and subject the Easement to a condominium regime, to include the easement as a common element or limited common element of the Blue Mesa Condominium, and to convey title to the structure located within and upon the Easement, and all appurtenant services required for such construction and maintenance, including, without limitation, maintenance access, drainage, and overhang

space above the Easement, for the purpose of permitting the permanent encroachment of Lot 42B improvements within and upon the easement and maintaining the encroaching structure, and to provide surface and subsurface drainage to the Easement. The Easement contemplates the grant to Grantee of that space necessary to preserve, maintain, repair or replace the encroaching structure and/or to upgrade the structure.

3. Grantee shall have the right to grant to other parties, organizations, and/or property owners rights to the Easement, or any part thereof.

4. Grantor agrees that it shall not place or construct any obstruction within or appurtenant to the Easement area which shall unreasonably interfere with the Grantee's use of the Easement. It is specifically recognized and agreed that Grantor shall take those reasonable steps requested by Grantee in order to permit and facilitate Grantee's use and maintenance of the Easement.

5. It is agreed and understood that the Easement granted herein shall run with the land and shall be appurtenant thereto, and shall be a benefit to Lot 42A, Telluride Mountain Village, San Miguel County, Colorado.

6. The provisions of this Easement Declaration shall be binding upon and shall inure to the benefit of the parties hereto, their respective legal representatives, successors, assigns, and all present and future owners and grantees of the real property described in Exhibit A.

7. It is specifically understood and agreed to by the parties that the Easement may be encumbered, and used as collateral or security for a loan or loans by Grantee, its successors and assigns.

IN WITNESS WHEREOF, the Grantor has executed this Agreement the day and year first above written.

THE TELLURIDE COMPANY

by:

Ronald D. Allred
Ronald D. Allred, President

[Seal]



STATE OF COLORADO)
)ss.
COUNTY OF SAN MIGUEL)

Subscribed and sworn to before me this 14th day of September, 1994,
by Ronald D. Allred, President, The Telluride Company.

My commission expires: 12-01-96

Rose M. Farrell
Notary Public

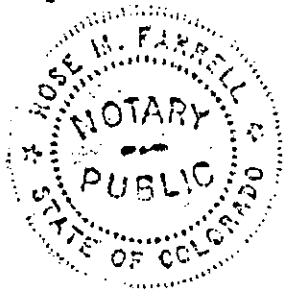


EXHIBIT A

LEGAL DESCRIPTION

Beginning at the north corner of Lot 42-B, Telluride Mountain Village, Filing 1, according to the plat recorded in the office of the Clerk and Recorder in Plat Book 1, at Pages 1071-1072; Thence S 35°45'00" E, 20.58 feet along the easterly boundary of said Lot 42-B; Thence N 54°15'00" E, 2.00 feet along said easterly boundary; Thence S 35°45'00" E 2.50 feet along said easterly boundary to the True Point of Beginning;

Thence N 54°15'00" E, 1.50 feet;

Thence S 35°45'00" E, 3.50 feet to said easterly boundary;

Thence S 54°15'00" W, 1.50 feet along said easterly boundary;

Thence N 35°45'00" W, 3.50 feet along said easterly boundary to the True Point of Beginning, containing 5.25 square feet more or less,

County of San Miguel, State of Colorado.