

CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION
FOR
THE SANDSTONE CREEK CLUB CONDOMINIUMS

This Declaration is made by Vail's Ridge Partners, a Colorado general partnership (the "Declarant").

I. RECITALS

- ~~A. Declarant owns in fee simple certain real property described in Exhibit A, attached hereto and incorporated herein by reference (the "Property").~~
- ~~B. The Declarant has undertaken to improve the Property by constructing thereon two buildings, one tennis court and certain additional amenities (one building containing a total of 23 residential units, the second building containing a clubhouse with a swimming pool and other recreational facilities and 1 residential unit).~~
- ~~C. The Declarant owns the adjoining real property described on Exhibit B (the "Additional Property") and may subject the Additional Property to this Condominium and Interval Estate ownership Declaration by recording a Supplemental Declaration or Declarations and a Supplemental Condominium Map or Maps in the office of the Clerk and Recorder of Eagle County, Colorado records within ten (10) years of the initial recording of this Condominium and Interval Estate ownership Declaration.~~
- ~~D. The Declarant desires to establish a Condominium Project under the Condominium Ownership Act of the state of Colorado and to subject some or all of the Condominium Units within the Condominium Project to Interval Estate ownership.~~

~~— NOW, THEREFORE, Declarant, in order to create a Condominium Project consisting of the Property and improvements constructed and to be constructed thereon to be known as The Sandstone Creek Club Condominiums hereby submits the Property and all of its interest therein to the Condominium ownership Act of the State of Colorado, and in furtherance thereof makes the following declarations as to divisions, limitations, restrictions, covenants, and conditions, and hereby declares and agrees that the Property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to said declarations, which declaration shall constitute covenants running with the land and shall be binding on and for the benefit of the Declarant, its successors and assigns, and all subsequent owners and lessees of all or any part of the Property and their respective successors, heirs, executors, administrators, and assigns:~~

- A. The Association was created by and is subject to the following documents: (1) Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 292, Page 915 on October 18, 1979; (2) Supplemental Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 315, Page 408 on

December 29, 1980; (3) Designation to Successor to Declarant Under Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 315, Page 408 on December 29, 1980; (4) Second Supplemental Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 337, Page 109 on March 1, 1982; (5) Designation to Second Successor to Declarant Under Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 387, Page 797 on June 20, 1984; (6) Amendment to Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 534, Page 431 on July 26, 1990; (7) Designation of Successor to Declarant Under Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 532, Page 731 on July 2, 1990; (8) Third Supplemental Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 587, Page 818 on August 26, 1992; and (9) Amendment to Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 647, Page 65 on August 5, 1994; (collectively the “Declaration”). The Project is legally described on Exhibit A attached hereto and by this reference incorporated herein which replaces all prior Declaration Exhibits describing the Project.

- B. Paragraph 34 of the Declaration allows for amendment to the Declaration upon approval of Owners in good standing holding an Aggregate Interest of sixty percent (60%) or more of the General Common Elements and First Mortgagees holding first mortgages on an Aggregate Interest of seventy-five percent (75%) or more of the General Common Elements. The requisite percentage of Owners has approved this Amendment to the Declaration, as established by the records held in the offices of the Association. First Mortgagee approval was obtained in compliance with C.R.S. 38-33.3-217(1) (b). This Amendment to the Declaration is binding and effective as of the date of its recordation with the Eagle County Clerk and Recorder.
- C. The Association is created to govern and administer the Project. The Association is subject to the provisions of the Act, as defined, and the portions of the Colorado Common Interest Ownership Act (Article 33.3 of Title 38 of Colorado Revised Statutes) (“CCIOA”) applicable to common interest communities in existence prior to adoption thereof, as the same may be amended from time to time.
- D. The Association and Owners wish to amend the Declaration to address certain matters. This Third Amendment to the Declaration shall govern in all respects as addressed

herein. All other provisions of the Declaration not modified by this Amendment shall remain in full force and effect. In the event of a conflict between the Declaration and this Amendment, this Amendment shall govern.

E. This Amendment to the Declaration is made by the Association and the Owners in their capacity as owners of the Property. There is no “Declarant” (as such term is defined in CCIOA) with rights and obligations with respect to the Property under either the Act or this Document. Neither are there any remaining “Development Rights” nor any “Special Declarant rights” (as such terms are defined in the CCIOA).

F. The Exhibits attached and referred to in the Declaration, as amended and supplemented, are replaced in their entirety by the Exhibits attached hereto which are identified below. All previous Exhibits to the Declaration, as amended and supplemented are null and void:

1. Exhibit A – Legal description of Property subject to the Declaration. All references to Exhibit A in the Declaration shall be deemed to now refer to Exhibit A attached hereto;
2. Exhibit B – Schedule of Undivided Interest of each Condominium Unit in the General Common Elements and Schedule of Percentage of Common Expenses to be allocated to each Condominium Unit. All references to Exhibit D in the Original Declaration and references to Exhibit B in amendments and supplements thereto shall be deemed to now refer to Exhibit B attached hereto;
3. Exhibit C – Legal description of the Property referred to in the Declaration as the Common Property. All references to Exhibit C in the Original Declaration and references to Exhibit C in amendments and supplements thereto shall be deemed to now refer to Exhibit C attached hereto; and
4. Exhibit D - Schedule of Variable Cost Items.

NOW, THEREFORE, the Association does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land encompassing the Property and shall be deemed a burden and a benefit to the Association and its Owners, and any person acquiring or owning an interest in the Property and the improvements thereon subject to the Declaration and this Amendment thereto, their grantees, successors, heirs, executors, administrators, devisees and assigns.

II. DEFINITIONS

~~Unless the context shall expressly provide otherwise, the following terms shall have the following definitions:~~

~~(a) "Article II is amended and expanded to provide for the following additional definitions. Any capitalized terms in this Third Amendment to the Declaration, if not specifically defined herein, shall have the meaning attributed to them in the Declaration and if not defined in the Declaration as provided for in the Act or CCIOA.~~

~~(a) "Additional Property" means the real property described on Exhibit B hereto" this definition is deleted in its entirety as there is no longer any Additional Property.~~

(b) "Aggregate Interest" of a group of Owners means the total of the respective percentages determined, in the case of an owner of a Condominium Unit, by the percentage allocated to that Owner's Condominium Unit as set forth in the last column in Exhibit ~~DB~~ and, with respect to an Interval Owner, the percentage allocated to the Condominium Unit in which he owns a Unit Week in the last column in Exhibit ~~DB~~ multiplied by the Allocable Share attributable to the owner's Unit Weeks.

(c) "Apartment" or "Unit" means for the purpose of title an individual air space unit which is contained within the perimeter walls, floors, ceilings, windows and doors of such Unit in a Building as shown on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained and all of the structural components of the Building located in such air space.

(d) "Association" means The Sandstone Creek Club Condominium Association, Inc., a Colorado corporation, not-for-profit, its successors and assigns, the members of which shall be all of the Condominium Unit owners and all of the Interval Owners.

"Building" means one of the buildings now or hereafter constructed on the Condominium Property.

(e) "Building" means one of the buildings now or hereafter constructed on the Condominium property.

(f) "Buildings" means all of the buildings now or hereafter constructed on the Condominium Property.

(g) "Common Expenses" means and includes:

(1) All of the items listed and referred to in paragraphs 18, 21, 22, 27 and 31 of this Declaration for which a Maintenance Fee may be charged or a Special Assessment may be made; and

(2) Expenses unanimously agreed upon as Common Expenses by the Owners.

(h) "Common Facilities" shall mean all of the improvements constructed on the real property described on Exhibit C hereto.

(i) "Common Property" shall mean the real property described on Exhibit C hereto.

(j) "Condominium Unit" means a Unit together with the undivided interest in the General and Limited Common Elements and easements appurtenant to the Condominium Unit as provided in this Declaration.

(k) "Condominium Unit owner" means a person, group of persons, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns in fee simple one or more Condominium Units but does not include any Owner of a Unit Week or Unit Weeks in a Condominium Unit subject to Interval Estate Ownership.

(l) "Condominium Property" means all the real property subject to this Declaration.

(m) "Declarant" shall mean Vail's Ridge Partners, a Colorado General Partnership, or any other entity which is declared a successor or assignee to Declarant under this Declaration in a document executed by Declarant and recorded in the office of the Clerk and Recorder of Eagle County, Colorado.

(n) "Declaration" means this condominium and Interval Estate ownership Declaration for The Sandstone Creek Club Condominiums and any amendment or supplement hereto which has been recorded in the office of the Clerk and Recorder of Eagle County.

(o) "Entire Premises", "Project", "Condominium Project" or "Entire Property" means and includes the land, the Buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto on all of the real property now or hereafter subject to this Declaration.

(p) "First Mortgage" shall mean a deed of trust or mortgage having a first lien against an Interval Unit or a Condominium Unit, subject only to statutory liens and real estate taxes and special assessments imposed by the governmental authorities having jurisdiction with respect to the Condominium Project.

(q) "First Mortgagee" shall mean the holder of a First Mortgage.

(r) "General Common Elements" means all parts of the Property except the Common Facilities, the Common Property, the Units, and any bridges connecting one Building to another, and shall include but not be limited to, the lot or lots upon which the Building or Buildings containing the Units are located and the airspace above such Buildings, all bearing walls, columns, floors, the roofs, elevators, columns, floors, the roofs, elevators, slabs, foundations, utility walls, party walls, patios, balconies, walkways, stairways, assigned and unassigned parking areas if any on Property other than the Common Property and the landscaping on the Property other than the Common Property.

(s) "Limited Common Elements" means those parts of the General Common Elements which are reserved for the exclusive use of the Owner(s) of a Condominium Unit or Unit Week as

shown on the Map, and also including the furniture and furnishings within any Unit subject to Interval Estate ownership, and the furniture and furnishings within any Unit not subject to Interval Ownership to the extent that the Owner thereof elects to cause the Association to supply and maintain such furniture and furnishings.

(t) "Maintenance Fee" means the annual fee charged to all Owners pursuant to paragraph 21 of this Declaration.

(u) "Map", "plans" or "supplement Map" means and includes the engineering survey of the Condominium Property locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements as filed for record in the office of the Clerk and Recorder of Eagle County, Colorado.

(v) "Owner and Association Owner" is a Member of the Association. Owner and Association Owner means a person, group of persons-, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns in fee simple one or more Condominium Units and also includes all Owners of Unit Weeks with respect to any Condominium Unit subject to Interval Estate Ownership.

(w) "Per Diem Fee" means the fee charged concurrently with the occupancy of a Condominium Unit or Interval Unit for those items listed and described in paragraph 23 of this Declaration. * Per Diem Fee shall be deleted from this Declaration

* Amended August 2, 1994 Recorded August 5, 1994

(x) The "Property" means the real property described on Exhibit A hereto. The following definitions shall apply to those Condominium Units committed to and sold under a plan of Interval Estate Ownership:

(1) "Allocable Share" means a fraction the numerator of which is the Relative Value assigned to a Unit Week in Exhibit E and the denominator of which is the Total Relative Value for all Unit Weeks in that Interval Unit in Exhibit E.

(2) "Interval Estate ownership" means an estate for years terminating on the first Saturday in the year 2029, during which period title to a Condominium Unit circulates among Interval owners according to the schedule established in this Declaration, vesting in each Interval Owner for a period of time in accordance with such schedule, with the series thus established recurring annually until the first Saturday in the year 2029, together with a vested future remainder interest in the condominium Unit in fee simple as a tenant in common with the other Interval Owners of the same Interval Unit in the percentage interest established by this Declaration.

(3) "Interval Owner" means a person vested with legal title to an Interval Unit during his designated unit Week.

(4) "Interval Unit" means a Condominium Unit which is or is to be divided into unit Weeks pursuant to this Declaration. The Condominium Unit shall become an Interval Unit upon the recording of the first deed to said Condominium Unit conveying a Unit Week and containing the statement required by paragraph 5 of this Declaration. A Condominium Unit will not be committed to Interval Estate Ownership if all Unit Weeks are owned by one Owner.

(5) "Maintenance Period" means those periods of time specified in Exhibit E as Maintenance Periods which are conveyed to the Association by the Declarant during which period the Management Firm, or the Association, shall service, clean, repair, maintain and refurbish the Interval Unit.

(6) "Period" means either one or more Unit Weeks or Maintenance Period(s).

(7) "Relative Value" means the number value set forth in the column entitled Relative Value in Exhibit E for a Unit Week.

(8) "Total Relative Value" means the sum of all Relative Values for an Interval Unit.

* (9) "Unit Weeks" means the specified periods of time described below and referred to in a Deed to an Interval Unit during which an Interval Owner has title to the Interval Unit. "Unit Weeks" are computed as follows:

Unit Week No. 1 is the seven (7) days commencing on the first Saturday in each calendar year through and including the year 2028. Unit Week No. 2 is the seven (7) days next succeeding in each such year. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51 without regard to the month or year. Unit Weeks run from noon on the first Saturday of the period to noon on the last Saturday of the period.

**Amended July 14, 1990. Recorded July 26, 1990.*

(y) "Act" – refers to the Colorado Ownership Act codified at C.R.S. 38-33-101 et seq.

(z) "Association Owner" – refers to the Association as the Owner of Association Owned Units.

(aa) "Association Owned Units" – refers to all Units owned by the Association.

(bb) "Balance of Year" – refers to all Interval Weeks that are not Winter Weeks except for Maintenance Periods.

(cc) "Class A Member" – refers to the Owners of Condominium Units. Each Class A Member who is a MEMBER,GS in good standing shall be allocated fifty Votes for each Condominium Unit owned unless additional Maintenance Periods are created which will modify the voting percentage accordingly per Paragraph 24.

(dd) “Class B Member” – refers to the Owners of Interval Units. Each Interval Owner who is a MEMBER,GS in good standing shall be allocated one Vote for each Unit Week owned.

(ee) “Class C Member” – refers to the Association Owner in good standing which may vote, unless otherwise provided for in the Governing Documents, as a Class A Member for any Association Owned Units that are Condominium Units and as a Class B Member for any Association Owned Units that are Interval Units except that no voting is permitted for designated Maintenance Periods.

(ff) “Colorado Common Interest Ownership Act” or “CCIOA” – refers to the statutory regime codified at C.R.S. 38-33.3-101 et seq. only portions of which are applicable to the Association due to the Association pre-existing the adoption of the Act.

(gg) “Colorado Revised Not for Profit Corporate Act” or “CRNPCA” – refers to the statutory regime codified at C.R.S 7-127-101 et seq.

(hh) “Colorado Law” – refers collectively to CCIOA, the Act and the CRNPCA.

(ii) “Executive Board” – refers to the Executive Board of Directors for the Association as further addressed and defined in the Bylaws.

(jj) “Fair Market Value” – refers to fair market value of a Unit as determined by appraisal performed by duly accredited real estate appraiser with experience and knowledge of real estate in Vail, Colorado retained by the Association.

(kk) “Governing Documents” – refer to the following:

- a. Condominium and Interval Ownership Declaration for The Sandstone Creek Club Condominiums, as amended and supplemented;
- b. Map for The Sandstone Creek Club Condominium Association, Inc.;
- c. Bylaws of The Sandstone Creek Club Condominium Association, Inc.;
- d. Articles of Incorporation for The Sandstone Creek Club Condominium Association, Inc., a Colorado corporation not for profit corporation;
- e. Rules and Regulations Pertaining to Membership of The Sandstone Creek Club Condominium Association, Inc.; and
- f. Responsible Governance Policies as required by C.R.S. 38-33.3-209.5 for The Sandstone Creek Club Condominium Association; Inc. comprised of the following:
 - i. Conflict of Interest Policy;
 - ii. Assessment Collection Policy and Procedure;
 - iii. Record Keeping Policy;
 - iv. Conduct of Meetings Policy;
 - v. Reserve Investment Policy;

- vi. Policy for Adoption and Amendment of Rules and Regulations;
- vii. Policy for Enforcement of Covenants and Rules;
- viii. Policy for Dispute Resolution; and
- ix. Reserve Study Policy.

(ll) “Financial Obsolescence” – refers to when less than fifty percent (50%) of the Owners, not including the Association Owner, are MEMBERS,GS.

(mm) “Fixed Cost Expense” – refers to those Common Expense items designated as Fixed Cost Items on Exhibit D.

(nn) “Major Casualty” – refers to a damage event that causes significant damage to several Units, the Common Facilities, and/or General Common Elements which renders portions of the Property uninhabitable for an extended period of time.

(oo) “Minor Casualty” – refers to a damage event that is not a Major Casualty.

(pp) “Member in Good Standing aka MEMBER,GS” – shall refer to an Owner who is prompt, timely, and current in his payment of all obligations, charges, and fees, and who is in full compliance with the Governing Documents. Association Owner shall, for all intents of purposes under the Governing Documents and Colorado Law, be considered and treated as a MEMBER,GS regardless of the Association not paying Common Expenses allocated to Association Owned Units, subject to any restrictions on the voting rights of the Association Owner provided for in the Governing Documents and applicable Colorado Law. Any reference to Owner, GS shall also mean MEMBER,GS.

(qq) “Physical Obsolescence” – shall mean that certain factors have rendered the Property physically obsolete such that the Property is unattractive to existing Owners, prospective Owners, or investors, has decreasing usefulness or pursuant to a condition or process has gradually fallen into disuse.

(rr) “Restoration Deficit” – shall refer to any deficit between insurance proceeds and the cost to restore the Property in the event of a Minor or Major Casualty as addressed in Paragraph 31.

(ss) “Restoration” as used in Paragraph 31 herein means the repair, replacement, restoration, reconstruction, construction, demolition, code compliance or other actions required by any governmental or quasi-governmental agency which may be related to any damage or destruction of Units, Common Property, Common Facilities, and General Common Elements.

(tt) “Seasonally Variable Cost Expenses” – shall refer to those Common Expense items designated as Seasonally Variable Cost Expenses on Exhibit D.

(uu) “Seasonally Variable Cost Expense Adjustment” – refers to the multiplier percentages provided for in Paragraph 21 and which is 5% for Winter Season and 3.33% for the Balance of the Year.

(vv) “Termination” – shall refer to the termination of the Association and revocation of the Declaration as provided for in Paragraph 31.

(ww) “Termination Allocation” – for an Interval Unit refers to an amount equal to the distributable net sales proceeds times the Aggregate Interest plus the Seasonally Variable Cost Expense. For Whole Units means the Fair Market Value. Maintenance Periods receive no value.

(xx) “Winter Season” – shall refer to Unit Weeks numbered 48 through and including 15.

(1) “Allocable Share” – this term is deleted in its entirety.

(2) “Interval Estate Ownership” – this term is fully replaced with the following definition: Interval Estate Ownership refers to when title to a Condominium Unit circulates among Interval Owners according to the schedule established in the Declaration, vesting in each Interval Owner for a period of time in accordance with such schedule, with the series thus established recurring annually unless and until Termination occurs per Paragraph 31 herein together with a vested future remainder interest in the Condominium Unit as may be provided for in the Declaration.

(5) “Maintenance Period” – the reference to Exhibit D is removed and the Maintenance Period shall mean Unit Weeks 18 and 44 and any other Unit Weeks that may be designated as a Maintenance Period per the terms of the Declaration.

(7) “Total Relative Value” – this term is deleted in its entirety.

(9) “Unit Weeks” – this term is modified by removal of reference to the year 2028.

III. DECLARATION

1. Conveyance of Common Property and Common Facilities to the Association. Simultaneous with the recording of this Declaration, the Declarant shall convey to the Association the Common Property and the Common Facilities. The Common Property and the Common Facilities shall be owned by the Association subject to the following easement. The easement shall be for the benefit of all Unit Owners and Interval Owners for a period coextensive in time with the period of this Declaration. Subject to the foregoing, all Unit Owners and Interval owners are hereby granted (i) an easement to use all recreational facilities now or hereafter located on the Common Property for the purpose for which such facilities are intended; (ii) an access easement over and across all parts of the Common Property for ingress and egress to and from their Condominium Units and Interval Units; and (iii) a nonexclusive easement to park motor vehicles on any non-

assigned parking spaces located on the Common Property subject in each case to the following provisions:

(a) The right of the Association reasonably to limit the number of guests (not including members of the Owner's family residing in a Unit in conformance with the Rules and Regulations of the Association) of owners using the Common Facilities;

(b) the right of the Association to establish uniform rules and regulations as to the use of the Common Facilities, including without limitation the right of the Association to establish and enforce parking restrictions;

(c) the right of the Association to charge uniform and reasonable admission and other fees to persons other than owners and their families for the use of limited capacity Common Facilities;

(d) the right of the Association to suspend the right of an owner, their families and guests to use the common Facilities for any periods during which any Maintenance Fee, Special Assessment or Per Diem Fee against his Condominium Unit or Interval Unit remains unpaid and delinquent, and for a period not to exceed thirty days for any single infraction of the rules and regulations of the Association, so long as any such suspension is in accordance with the procedures for notice and hearing established pursuant to the By-Laws;

~~(e) the right of the Declarant, its agents and representatives, to the non-exclusive use of the Common Facilities for sales, display and exhibit purposes, which right Declarant hereby reserves for such time as Declarant is the actual or beneficial owner of any Interval Unit.~~

~~In the case of an Interval Owner the easements hereby granted shall exist only during the periods of the recurring estates for years created by this Declaration and following the termination of the estate for years created by this Declaration the easement shall be appurtenant to the fee simple tenancy in common remainder interest created by this Declaration.~~

2. Condominium Map. The Map shall not be filed for record until the buildings have been substantially completed in order to permit the location, both horizontally and vertically, of the Unit(s) by a registered engineer or a licensed surveyor. Upon substantial completion of the buildings, and prior to the first conveyance of a Condominium Unit or a Unit Week, Declarant shall cause to be filed for record a Map, and such Map may be filed in parts or sections, from time to time, as the Units have been substantially completed. Each such section filed, subsequent to the initially filed Map, shall be termed a Supplement to such Map and the numerical sequence of such supplements shall be shown thereon. Each Map shall depict and show at least the following: The legal description of the land and a survey thereof; the location of each Unit within the Building, both horizontally and vertically; the perimeter boundary of each Unit and the location therein of any structural components or supporting elements of the building; the thickness of the common wall(s) between Units and the unit numbers or other designation. The Map and each supplement

to the Map shall contain the certificate of a registered engineer or licensed surveyor certifying that the Map substantially depicts the layout, measurements and location of the Building, the Units, the unit designations, the dimensions of such Units, the elevations of the unfinished floors and ceilings as constructed and that the Map was prepared subsequent to substantial completion of the improvements depicted.

In interpreting the condominium Map the existing physical boundaries of each Unit as constructed shall be conclusively presumed to be its boundaries.

Declarant reserves the right to amend the Map, from time to time, to conform same to the actual physical location of the constructed improvements and to any changes, modifications or alterations.

*3. Subjecting Additional Property to Declaration. If Declarant at any time or from time to time (but within ten years from the initial recording of this Declaration) shall desire to subject the Additional Property (or any portion thereof) to this Declaration, it shall record in the office of the Clerk and Recorder of Eagle County, Colorado, a Supplemental Declaration containing (i) a legal description of the Additional Property or any portion thereof subjected to the Supplemental Declaration; (ii) a designation of the Building(s) to be constructed, and the total number of and specific designation of additional Condominium Units constructed or to be constructed, upon the Additional Property or portion thereof then being made subject to this Declaration, each such Unit and each such building designation being dissimilar to any other Unit or building designation then subject to this Declaration; (iii) a schedule of the percentage of undivided ownership of the General Common Elements in the Additional Property or portion thereof then being made subject to this Declaration appurtenant to each additional Condominium Unit thereon, computed for each such Condominium Unit as the percentage resulting from comparing the total number of square feet in each such Unit with the total number of square feet in all Units in the Additional Property or portion thereof then being made subject to this Declaration, such percentage to be rounded off to two decimal places; (iv) a schedule of the percentage of Common Expenses to be allocated to each Condominium Unit on the Additional Property or portion thereof then being made subject to this Declaration, computed for each such Condominium Unit as the percentage resulting from comparing the total number of square feet in that Unit with the number of square feet in all units in the Additional Property or portion thereof then being made subject to this Declaration and all Units in the Property, such percentage shall be rounded off to two decimal places; (v) an amendment to the schedule of the percentage of Common Expenses to be allocated to each Condominium Unit already subject to this Declaration (i.e. an amendment to the third column of Exhibit D to this Declaration), computed for each such Condominium Unit as a percentage resulting from comparing the total number of square feet in each Unit subject to this Declaration (or amendment thereto) with the number of square feet in all Units in the Additional Property or portion thereof then being made subject to this Declaration, and all Units in the Property, such percentage shall be rounded off to two decimal places; and (vi) a description of all Limited Common Elements on The Additional Property, or portion thereof then being made subject to this Declaration, together with a designation of the Units on the Additional Property or portion thereof then being made subject to this Declaration to which each such Limited Common Element is appurtenant.

After the recording of such Supplemental Declaration, all Owners on the Property and on the Additional Property or portion thereof then subject to this Declaration shall have a non-exclusive right and license, subject to the provisions herein, to use and enjoy all of (i) the General Common Elements on the Property and on the Additional Property or portion thereof then subject to this Declaration, and (ii) the Common Property and the Common Facilities. After recording such Supplemental Declaration and upon substantial completion of all new Buildings, containing Condominium Units, on such Additional Property or portion thereof then subject to this Declaration, and prior to any conveyance by Declarant of any Condominium Unit or Interval Unit therein, Declarant shall record in the real property records of Eagle County, State of Colorado, a Supplemental Map of the Additional Property, prepared in accordance with the provisions hereof. Reference to the Condominium Map, prepared in accordance with Paragraph 2 herein and to this Declaration, in any instrument shall be deemed to include all Supplemental Maps and Supplemental Declarations recorded pursuant to the terms hereof.

Except as otherwise specifically provided in this Declaration or in such Supplemental Declaration, all of the provisions, terms and definitions herein contained shall, upon recording of each such Supplemental Declaration, be deemed expanded to include the Additional Property then subject to this Declaration and the Buildings, condominium Units, General Common Elements and Unit Owners and Interval Owners thereof.

**Amended July 14, 1990. Recorded July 26, 1990.*

4. Division of Property into Condominium Units. The real property previously described as contained on the attached Exhibit A which by reference is made a part hereof and the improvements to be constructed thereon are hereby divided into twenty-four separate estates, each such estate consisting of one Unit together with the appurtenant undivided interest in and to the General Common Elements as set forth in Exhibit D hereto and together with the easement created by this Declaration with respect to the Common Facilities and Common Property owned by the Association. The General Common Elements shall be held in common by the Owners thereof.

5. Subjecting a Condominium Unit to Interval Estate Ownership. In order to subject a Condominium Unit to Interval Estate Ownership, a Grantor (including Declarant) must execute, deliver and cause to be recorded in Eagle County, Colorado, a Deed containing the following statements:

Grantor, in consideration of \$ _____ DOLLARS to the Grantor in hand paid by the Grantees, the receipt of which is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm unto the Grantees, their heirs and assigns forever, the following described real property situated in the County of Eagle, State of Colorado.

Unit Week No. ___ in Condominium Unit No. _____. The Sandstone Creek Club Condominiums, as defined in Condominium and Interval Estate ownership Declaration for The Sandstone Creek Club Condominiums dated _____ 1979, and recorded in the real property records of Eagle County, Colorado, _____, 1979, Reception No. ___, Book ___, Pages _____ through _____ (the "Declaration"), and as further described in the Condominium Map for The Sandstone Creek Club Condominiums recorded _____, 1979, in Map Book _____ at pages _____ through _____ during the period from 12:00 on the first day included in Unit Week No. ____ (as defined in the Declaration) which follows the date of recording hereof and continuing until 12:00 noon on the Saturday immediately following the day in which ownership commenced and commencing again during every succeeding calendar year ~~until and including the year 2028~~, in each case at 12:00 noon on the first day included in Unit Week No. ____ for that calendar year and continuing until 12:00 noon on the Saturday immediately following the day upon which ownership commenced for that calendar year. It being the intent of this Deed that each Unit Week shall be considered a separate estate held separately and independently by the respective Interval owners (as defined in the Declaration) thereof during the period of time assigned to each in the Declaration, each such separate estate being succeeded by the next succeeding separate estate in unending succession ~~until 12:00 noon on the first Saturday in 2029.~~

TOGETHER with the remainder over in fee simple absolute, as tenant in common with the other Interval owners (as defined in the Declaration) of Unit Weeks in the above-described Condominium Unit, their heirs and assigns forever in the percentage interest determined and established by the Interval Owners Schedule to the Declaration.

No Condominium Unit may be initially subjected to Interval Estate ownership by any person or entity other than Declarant.

6. Limited Common Elements. A portion of the General Common Elements and all of the furniture and furnishings within any Unit subject to Interval ownership and the furniture and furnishings within any Condominium Unit of an electing Owner, is reserved for the exclusive use of the owners of certain of the Units and such areas are referred to as "Limited Common Elements". The Limited Common Elements (other than the furniture and furnishings within a Unit) reserved for the exclusive or joint use of the Owners of the respective Units (including use by various Interval owners) are identified and shown on the Map, and such element(s) shall be used by the Owner(s) of such Units or Unit Weeks to the exclusion of the use thereof by the other Owner's, except by invitation.

7. Inseparability of a Condominium Unit and Inseparability of a Unit Week. (a) Each Unit, the undivided interest in the General and Limited Common Elements appurtenant thereto and the easement with respect to the Common Facilities and Common Property shall together comprise one Condominium Unit which shall be inseparable and may be conveyed, leased, rented, devised,

occupied or encumbered only as a Condominium Unit; but, as herein provided, may be made subject to Interval Estate ownership. Each Unit Week the undivided interest in the General and Limited Common Elements appurtenant thereto and the easement with respect to the Common Facilities and Common Property shall together comprise one Unit Week which shall be inseparable and may be conveyed, leased, rented, devised, occupied or encumbered only as a Unit Week. The General Common Elements shall be owned in common by all of the Owners of the Units and shall remain undivided, and no Owner shall bring any action for partition or division of the General Common Elements. The Common Facilities and the Common Property shall be owned by the Association subject to the easement created by this Declaration. No Interval Owner shall bring, or have any right to bring, any action for partition or division of the General Common Elements, Common Facilities, of his Interval Unit.

8. Description of a Condominium Unit and of an Interval unit.

(a) Every contract for the sale of a Condominium Unit written prior to the substantial completion of the Condominium Unit and prior to the filing for record of the Declaration and Map may legally describe a Condominium Unit by its identifying Condominium unit number followed by the words "The Sandstone Creek Club Condominiums" with further reference to the Declaration recorded or to be recorded. Subsequent to the filing of the Declaration and Map, every contract, deed, lease, mortgage, trust deed, will or other instrument relating to a Condominium Unit may legally describe a Condominium Unit by its identifying Condominium Unit number followed by the words "The Sandstone Creek Club condominiums" with further reference to the recorded Declaration and Map. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Unit but also the General Common Elements and the Limited Common Elements and easements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress throughout the General Common Elements, the non-exclusive easement created by this Declaration with respect to the Common Property and the Common Facilities, the right to the exclusive use of the Limited Common Elements appurtenant to the Condominium Unit and the right to the use of any other easements created in this Declaration in the manner provided herein.

(b) Every contract for sale, deed, lease, mortgage, trust deed, or other instrument relating to an Interval unit shall contain the applicable descriptions set forth in item (a) above, shall also indicate the number of the Unit Week or Unit Weeks conveyed and, in the case of an instrument of conveyance, shall contain the provisions set forth in paragraph 5. Any contract for sale, deed, lease, mortgage, trust deed or other instrument purporting to change or divide a Unit Week shall be null and void.

9. Separate Assessment and Taxation- Notice to Assessor. Declarant shall give written notice to the assessor of the County of Eagle, Colorado, of the creation of condominium ownership of the Property, as is provided by law, so that each Unit the undivided interest in the General Common Elements and the easements appurtenant thereto shall be deemed a separate parcel and subject to separate assessment and taxation. Declarant shall also advise the assessor of the County

of Eagle, Colorado, of the creation of Interval Estate Ownership within any Condominium Unit, out to the extent allowed by Colorado law, shall request that the Condominium Units be assessed as Condominium Units and not separately assessed as Unit Weeks.

10. Title. A condominium Unit may be leased, held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Colorado including Interval Estate Ownership as defined above. In case of concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of a Unit owner with respect to the Condominium Unit in which he owns an interest, and, in the case of an Interval Unit, the co-owners of a single Unit Week shall be so jointly and severally liable for performance and observance of all the duties and responsibilities of an Interval Owner with respect to the Unit Week in which he owns an interest. Notwithstanding the foregoing, no Interval Owner shall be liable for the obligations of an Interval Owner of a different Unit week in the same Interval Unit; nor shall any Condominium Unit Owner be liable for the obligations of another owner of a different Condominium or of a Unit Week.

11. Use of General and Limited Common Elements, Use of Common Property and Common Facilities. Each Owner shall be entitled to exclusive ownership and possession of his Unit; provided, however, that each Interval Owner shall occupy and use his Interval Unit only during his Unit Week or unit Weeks, shall not interfere with other Interval owners' rights of occupancy and use during their Unit Weeks or interfere with rights of the Association during Maintenance Periods or Week No. 53 (as hereinafter defined). Each owner may use the General and Limited Common Elements, the Common Property and the Common Facilities in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners, and subject to such reasonable rules and regulations as are established by the Association.

12. Use and Occupancy of Condominium and Interval Units. Each Unit shall be used and occupied principally for lodging and residential purposes by the owner, by the Owner's family, guests, lessees, invitees and tenants and in accordance with this Declaration, the Association's By-Laws and the Rules and Regulations of the Association. No owner shall permit any act to be done or anything to be kept within his Unit which will increase the rate of insurance on the Condominium Project. Each Owner shall be responsible for any loss or damage which occurs when his Condominium Unit or his Unit Week is leased or otherwise used by a non-Owner.

13. Permissions to Declarant. In order that Declarant's work may be completed and the Condominium Property (including the Additional Property) be established as a fully occupied interval resort residential community as rapidly as possible, Declarant is authorized to complete the construction of the Condominium Project, including construction on the Additional Property and is authorized to maintain such sale offices on the Condominium Property as it requires. In furtherance of the foregoing, neither any owner nor the Association shall do anything to interfere with, and nothing in this Declaration shall be understood or construed to:

(a) prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from performing on any Unit owned by it whatever it determines to be necessary or advisable in connection with the completion of such work, including without limitation the alteration of construction plans and designs as Declarant deems advisable in the course of development; or

(b) prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from erecting, constructing and maintaining on any portion of the property such structures as may be reasonably necessary for the conduct of its or their business of completing the work and establishing the Property as an interval resort community and disposing of the same in Units by sale, lease or otherwise; or

(c) prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from conducting on any portion of the Property its or their business of developing, subdividing, grading and constructing Units and other Improvements on the Property; or

(d) prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from maintaining such sign or signs on the Property and such sales office or offices as may be necessary in connection with the sale, lease or other marketing of Units by Declarant.

14. Failure to Vacate an Interval Unit. (a) If any Interval Owner fails to vacate an Interval Unit at the termination of his Unit Week, otherwise uses or occupies an Interval Unit (or any condominium Unit) during any Unit Week not assigned to him, or prevents another Owner from using or occupying a Condominium Unit during such other owner's Unit Week, then such Owner (i) shall be subject to immediate removal, eviction or ejection; (ii) to the extent legally permitted shall be deemed to have waived any notices required with respect to such removal, eviction or ejection; and (iii) shall pay to the Owner having title to the Unit during such wrongful occupancy, as liquidated damages, 200 percent of the fair rental value per day for the Unit during such wrongful occupancy.

(b) For purposes of this paragraph 14, the act of a guest or lessee shall be deemed to be the act of the owner permitting the guest or lessee to occupy the Interval Unit.

(c) In the event any Interval owner, or his guest, invitee, or lessee fails to timely vacate an Interval Unit, the Association, at its expense, shall use its best efforts to secure alternate accommodations for any owner who is unable to occupy his Unit. such accommodation shall be as near in value to the owner's own Unit as possible, with the fee charged to the holdover Interval owner under sub-paragraph (a) above used to defer this cost.

15. Easements for Encroachments: Other Easements. (a) If any portion of the General Common Elements or the Common Property encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If

any portion of a Unit encroaches upon the General common Elements or the Common Property, or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances on the General common Elements, the Common Property or the Units.

(b) Declarant and all Owners shall have nonexclusive easements for vehicular traffic over all private roadways on the Property, subject to such parking or other restrictions as may be posted by the Association, Town of Vail, or Eagle County.

(c) Declarant expressly reserves and grants to public utility companies and governmental authorities, easements as necessary for the proper development and maintenance of the Condominium Property, including without limitation the right of the fire department and police to enter upon any part of the General Common Elements and Common Property. Declarant expressly reserves for the benefit of the Association the right to grant additional easements and rights of way over the General Common Elements and Common Property to utility companies and governmental authorities, as necessary, for the proper maintenance, development and disposal of the Condominium Property.

16. Termination of Mechanics' Lien Rights and Indemnification Relating Thereto. Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Condominium Unit Owner or Interval Owner or his agent or his contractor or subcontractor shall be the basis for filing of a lien against the Condominium unit of any other Condominium Unit Owner not expressly consenting to or requesting the same, or against the General Common Elements or against a Unit Week of another Interval Owner. Each owner requesting that work be performed or materials furnished to a Unit shall indemnify and hold harmless each of the other owners from and against any liability arising therefrom.

17. Administration and Management. The administration and management of this Condominium Project shall be governed by the Association pursuant to the Certificate of Incorporation and By-laws of The Sandstone Creek Club Condominium Association, Inc., a Colorado not-for-profit corporation and this Declaration. A Condominium Unit Owner or an Interval Owner becoming such shall be a member of the Association and shall remain a member for the period of his ownership. Voting rights of members shall be as set forth in the Certificate of Incorporation and By-laws of the Association.

The Association may delegate to a Management Firm the power of the Association, through its Board of Managers, to determine the budget, establish a Maintenance Fee for Common Expenses and collect the Maintenance Fee, make Special Assessments, allocate the ad valorem taxes for any Condominium Unit among the Interval Owners of that Condominium Unit and collect such ad valorem taxes, generally administer the Condominium Project, determine the Per Diem Fee for operation of the Units, collect such Per Diem Fee, generally operate the Interval Units, establish and from time to time amend such reasonable Rules and Regulations with respect to use of the Condominium Project as they may determine, and do any other acts or things which

it (the Association) is empowered to do under this Declaration or its Certificate of Incorporation and By-Laws; provided, however, that the Board of Managers when so delegating their duties shall not be relieved of any of their obligations under this Declaration the Certificate of Incorporation or the By-Laws of the Association.

There shall be recorded in the office of the Clerk and Recorder of Eagle County, Colorado, from time to time a certificate of identity of the persons then comprising the management body (Managers and Officers) of the Association together with identity of the Management Firm, if any. Such certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith. The first such certificate shall be recorded on or before ten days from the recording of this Declaration.

18. Reservation for Access - Maintenance, Repair and Emergencies. The owners shall have the irrevocable right, to be exercised by the Association, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the General Common Elements or the Common Facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the General Common Elements, the Common Facilities or to another Unit or Units.

Damage to the interior or any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the General or Limited Common Elements or the Common Facilities or as a result of emergency repairs within another Unit at the instance of the Association shall be a common expense of all of the Owners; provided, however, that if such damage is the result of the negligence of a Unit Owner (including an Interval owner), then such Owner shall be responsible for all of such damage. Restoration of the damaged improvements shall be substantially the same as the condition of such improvements prior to the damage.

With respect to Interval Units, the Association shall have the right during the times set forth in the Rules and Regulations of the Association and during the Maintenance Periods and during any other reasonable time when an Interval Unit is not occupied to enter an Interval Unit for the purpose of cleaning, maid service, painting, maintenance and repair.

19. Maintenance Responsibility and Duty of Upkeep. ~~(a) The Association shall maintain all furniture, furnishings, fixtures and equipment within a Unit, the interior non-supporting walls, the materials (such as but not limited to plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile, flooring, including the subflooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit doors and windows, the lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as utilities) running through a Unit. The Association shall maintain and keep in repair all of the foregoing, including such other items and areas as may be required in the By laws or any Rules and Regulations hereafter established. Such right to repair, alter and remodel shall carry the obligation to replace any furniture, furnishings, equipment, appliance, utilities or other materials, whenever it is reasonably property and the Common Facilities, including but not limited to all recreational facilities located on the Condominium Project. No Owner will make or cause to be made any type of alteration, addition, repair, or modification to any Unit or Limited Common Elements appurtenant to a Unit, inclusive~~

of furnishings, furniture, artwork, fixtures, equipment, and utilities. While Owners are required to keep the Unit in a clean condition without damage during said Owner's use of the Unit, only the Association is authorized to alter, repair, or modify Units inclusive of furnishings, furniture, artwork, fixtures, equipment, and utilities. Limited Common Elements are solely maintained, repaired, and replaced by the Association but the allocation of a Limited Common Element to a Unit or Units may not be modified except upon the written consent of the Owners of the Unit(s) the Limited Common Element is appurtenant and effectuated by an amendment to the Declaration signed by the Association and said Owners.

~~(b) The Limited Common Elements (including the furniture) shall be maintained as General Common Elements, and Owners having exclusive use thereof shall not be subject to any special charges or assessments.~~

~~(c) The Association shall be responsible for the maintenance, repair and replacement of the General Common Elements, the Common Property.~~

~~(d) Each Owner agrees not to make or cause to be made any addition or alteration or repair to any Unit or the Limited Common Elements appurtenant thereto or to the General Common Elements, Common Property or Common Facilities. Each Owner shall keep his Unit in as good order and condition as when he acquired his interest therein, loss by fire, act of God or ordinary wear and tear excepted.~~

20. Compliance with Provisions of Declaration and By-laws of the Association. Each owner shall comply and cause his guests, invitees and lessees to comply strictly with the provisions of this Declaration, the Articles of Incorporation and By-laws of the Association, and the decisions, resolutions and Rules and Regulations of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Management Firm or Board of Managers in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

21. Annual Maintenance Fee For Common Expenses. ~~*(a) All owners (including Declarant) shall be obligated to pay the Maintenance Fee charged by the Association. Within ninety (90) days after adoption of a proposed budget, the Executive Board shall mail, by first-class mail, or otherwise deliver, including but not limited to posting the proposed budget on the Association's website, a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider the budget. The meeting must occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The Executive Board shall give notice to the Owners of the meeting as allowed for in the Bylaws.~~

* Except as specifically provided in sub-paragraph (c) below, the Maintenance Fee shall be allocated among all owners of Condominiums as follows. The total amount charged to all such Owners as a Maintenance Fee for any year shall be such aggregate sum as the Association shall determine is needed to provide for the payment of all estimated expenses for that year arising out of or connected with the maintenance and operation of the Common Property, the Common

Facilities, the General and Limited common Elements (including the cost of utilities used in the Common Property, Common Facilities, and General and Limited Common Elements) and the maintenance and operation of the Condominium Units and any other item referred to in this Declaration as a Common Expense. Common Expenses may include, among other things, fees and expenses of any Management Firm retained by the Association as provided for herein; taxes and special assessments, to the extent assessed directly to the Association; premiums for the insurance described in this Declaration; telephone service and maintenance fees (long distance phone calls shall be individually metered and charged by use); cable television fees; landscaping and care for grounds; upkeep repairs and renovations to the exterior of all Buildings; trash collections; legal and accounting fees; other fees, expenses and liabilities incurred by the Association under or by reason of this Declaration; repair and upkeep of Units for normal wear and tear, upkeep, repair and replacement of furniture, fixtures, appliances and utensils, recreational and other equipment and facilities, whether located in the Units, the General Common Elements or the Common Facilities; renovation of Units, the General and Limited Common Elements, the Common Property and the Common Facilities, when required; amounts required to operate a shuttle bus service and provide local newspapers, books, magazines and flowers for so long as the Association deems such services and goods to be in the best interests of the owners; any amount required to fund any deficit remaining from a previous period; and the creation of a reasonable contingency or other reserve or surplus fund to cover all of the foregoing. Any and all Common Expenses shall be listed in Schedule "F" attached hereto and composed of those identified as Fixed Cost Expenses and those identified as Seasonally Variable Cost Expenses.

Seasonally Variable Expenses shall be divided into those applicable to Winter season (Weeks numbered 48 through and including 15) and those applicable to the balance of the Year (Weeks numbered through and including 47 excepting those set aside for spring and fall maintenance weeks).

Percentage to be used in dividing the Seasonally Variable Cost Expense into those applicable to Winter Season (Weeks numbered 48 through and including 15) and those applicable to the balance of the Year (Weeks numbered 16 through and including 47 excepting those set aside for spring and fall maintenance weeks) shall be the percentage actually incurred in the previous assessment fiscal period for each season.

Common Expenses attributable to the Winter Season (Weeks 48 through and including 15) shall consist of 20/50th (Forty per cent) of total Fixed Cost Expenses to which is added the applicable percentage of the total Seasonally Variable Cost Expense.

Common Expense attributable to the Balance of the Year (Weeks 16 through 47 excepting spring and fall maintenance weeks) shall consist of 30/50th (Sixty per cent) of the total Fixed Cost Expense to which is added the applicable percent percentage of the total Seasonally Variable Cost Expense.

Each Condominium Unit Owner shall pay that percentage of the Common Expenses which corresponds with the percentage set forth opposite the Condominium Unit owned by him in Exhibit "B" to the second Supplemental Declaration hereto, in the column entitled "Percentage of Common

Expenses to be Allocated to a Condominium Unit". Each Interval Unit Owner shall pay as a Maintenance Fee that percentage of the Common Expenses which corresponds with the percentage set forth opposite the Condominium Unit in which he owns a Unit Week or Unit Weeks in Exhibit "B" to the Second Supplemental Declaration hereto in the column entitled "Percentage of Common Expenses to be Allocated to a Condominium Unit" multiplied by 5% for Winter Season (weeks 48 through and including 15), that being the applicable percentage rate for Winter Season; and by 3.33% for the Balance of the Year (weeks 16 through and including 47 excepting spring and fall maintenance weeks), that being the applicable percentage rate for the Balance of, the Year.

(b) The Association shall prepare and deliver or mail to each owner a copy of the budget for the forthcoming year for which the Maintenance Fee is to be charged at least 15 days before the due date of the Maintenance Fee. The omission or failure of the Association to timely fix the Maintenance Fee shall not be deemed a Waiver, modification or release of the Owners from their obligation to pay such Maintenance Fee. Contribution for the Maintenance Fee shall except as provided in paragraph (d) below for the year 1979 be prorated if the ownership of a condominium Unit commences on a day other than January 1st of any year or a Certificate of Occupancy for a Unit is issued in any year subsequent to January 1st.

(c) In the event the Association is assessed for the ad valorem taxes of any Condominium Unit then, notwithstanding the foregoing, such amount shall be payable by the Owners thereof as follows; Each Condominium Unit Owner shall pay the entire ad valorem tax assessed to his Condominium Unit and each Interval owner shall pay his Allocable Share of the ad valorem tax assessed to his Unit. The Association, when establishing the annual Maintenance Fee for the common Expenses for the forthcoming year, shall estimate such ad valorem taxes taking into consideration any deviation between estimated and actual ad valorem taxes for the previous year.

(d) During the year 1979 each owner purchasing his Unit from Declarant shall pay as a Maintenance Fee only the amount set forth in his purchase agreement with Declarant. On or before December 31, 1979, and from time to time as needed, the Declarant shall pay to the Association any deficit in the Association's account (determined on an accrual basis) for Common Expenses incurred in the year 1979. The Maintenance Fee set forth in an Owner's purchase contract with Declarant will be calculated and allocated among Owners in the manner set forth in this paragraph 21.

** Amended August 2, 1994 Recorded August 5, 1994*

22. Special Assessments. In addition to the annual Maintenance Fee authorized by the previous paragraph, the Association may levy at any time a Special Assessment, payable over such period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of or improvement to the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. In addition, except for the year 1979, in the event the Association shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common

Expenses of the Association for any reason, it shall promptly determine the approximate amount of such inadequacy and levy a further assessment (which shall be considered a Special Assessment) which shall be assessed against all owners in the same proportion as the Maintenance Fees are assessed. This paragraph shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by this and other paragraphs hereof. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given.

* 23. Per Diem Fee. Section 23 in its entirety shall be deleted from this Declaration. Any reference whatsoever in the Declaration to "Per Diem Fee", either as income or expense to the Association, whether as income or expense to an Interval Unit Owner, or in any way in connection whatsoever with an Interval Unit shall be deleted from this Declaration, whether such appears presently in Section 23 or elsewhere in this Declaration.

** Amended August 2, 1994 Recorded August 5, 1994*

_____ * 24. Maintenance Periods in an Interval Unit; Conveyance of Unit Week No. 53 to the Association. Upon conveying the initial Unit Week in any Interval Unit, the Declarant agrees to convey to and the Association agrees to accept the Periods designated to be used for Maintenance Periods in Exhibit E hereto and in addition agrees to convey to the Association that period of time occurring once every seven years which is not included in Unit Weeks No. 1 through and including Unit Week No. 52 as herein defined (such period hereinafter "Unit Week No. 53"). In the event any one person, or other legal entity, becomes holder of record title to all Unit Weeks in any one Interval Unit (other than the Maintenance Periods and Unit Week No. 53), that person, or other legal entity, may cause the Association to convey to it the Maintenance Periods and Unit Week No. 53 applicable to the Interval Unit by notifying the Association, in writing, of its desire that the Unit cease being an Interval Unit. The Association shall execute the necessary papers to complete the conveyance no later than thirty (30) days after notice. All expenses of the conveyance, including documentary fee and recording fees, shall be borne by the person, or other legal entity, desiring such conveyance.

**Amended July 14, 1990. Recorded July 26, 1990*

In the event Association Owned Units should comprise all Interval Units in an Interval Week, the Association, in its sole discretion, can designate such Association Owned Units as a Maintenance Period. In such event, Interval Units related to the Interval Week in question shall be subject to the Maintenance Period and the allocation of Common Expenses shall be adjusted accordingly. Common Expenses are not attributable to Maintenance Periods, including Maintenance Fees, Fixed Cost Expenses, and Seasonally Variable Cost Expenses, subject to any exceptions as may be provided for in Paragraph 21. The Association shall designate a new Maintenance Period by recording of record of such change with the Eagle County Clerk and Recorder notice of said designation which will identify the Interval Units converted to a Maintenance Period and provide for the applicable adjustments to allocation of Common

Expenses, if any, with such any such adjustments to be rounded to the nearest 1% which shall then be deemed to equal one hundred percent (100%) for purposes of this Declaration.

25. Operation of an Interval Unit. The Association shall have complete charge of the day-to-day management and operation of the Interval Units.

26. Insurance. (a) The Association shall obtain and keep in full force and effect at all times the insurance coverage listed in this paragraph 26 which shall be provided by companies duly authorized to do business in the State of Colorado and rated at a minimum A + AA or better in Best's Insurance Guide. The Association shall obtain:

(1) Property insurance on the Project in such amounts as shall provide for maximum insurable replacement value for all of the Condominium Units (including all furniture and fixtures; interior walls and partitions; decorated and finished surfaces of perimeter walls, floors and ceilings, doors, windows and other elements or materials comprising a part of the Units), the General Common Elements, the Limited Common Elements, the Common Property and the Common Facilities (including all the furniture and furnishings therein, but excluding foundation and excavation costs) and, whenever possible, without deduction for depreciation in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance coverage shall include at least fire and extended coverage, smoke, lightning, windstorm, collapses, vandalism and malicious mischief, explosion insurance in respect of steam or pressure boilers and similar apparatus located on the Project, plate glass insurance, war risk insurance if available and if deemed appropriate by the Association, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection.

(2) Broad form comprehensive public liability and property damage coverage in amounts determined appropriate by the Association. Coverage shall include, without limitation, operation of motor powered vehicles and instruments on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project. Such public liability insurance shall also cover cross liability of one insured against the other.

(3) Workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

(4) Fidelity insurance in such amounts and in such forms as it shall deem appropriate with coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(5)(a) Such other insurance insuring against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

(b) Property insurance shall be carried in a form or forms naming as insured ~~an Insurance Trustee~~ the Association, as trustee for the owners ~~and for Declarant~~, whether or not it is an Owner, which policy or policies shall state that coverage shall be for each Owner as listed in the Association's records as of the date of the claim and which policy or policies shall provide a standard noncontributory mortgagee clause in favor of each First Mortgagee which from time to time shall give notice to the Association of such First Mortgage. Each policy also shall provide that it cannot be cancelled by either the insured or the insurance company until after ten days' prior written notice is first given to each Owner, to Declarant and to each First Mortgagee. To the extent available, all property insurance shall contain either (i) a waiver of "increase in hazard" or "unusual condition" provision; or (ii) in the alternative, and upon written consent of Declarant, shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or noncompliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provision of such policy would otherwise invalidate or suspend the entire policy; such clause shall further explicitly provide that the insurance under any such policy, as to the interests of all of the insured Owners not guilty of such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. All property insurance shall contain a waiver of subrogation provision. When possible, the Association's property insurance policy shall require that the insurance carrier or its agent, at least annually, appraise the Project or cause the Project to be appraised, using a recognized appraiser. Upon receipt of such appraisal the Association, when necessary, shall increase the amount of its casualty insurance so that the insurance in force represents maximum insurable replacement value of the Project (without deduction for depreciation).

(c) Public liability and property damage insurance shall name as insured ~~an Insurance Trustee~~ the Association, as trustee for the Owners and for Declarant, and shall insure the Association, each Owner and Declarant, whether or not it is an owner, against liability for acts of the Association each Owner and the Association in connection with the ownership, operation, maintenance or other use of the Project. Such policies of insurance shall provide that all insureds (including, without limitation, the Declarant, Owners, Board of Managers and Officers of the Association and Management Firm, if any) shall be considered as separate insureds and coverage shall be afforded each such insured in the same manner as though separate policies had been issued to each such insured and the insurance afforded any person or organization as insured under this policy shall not in any way be prejudiced by the inclusion therein of more than one person and/or organization as insured, but the inclusion of more than one insured under the policy shall not operate to increase the limits of the company's total liability under the policy.

~~(d) The Insurance Trustee shall receive the proceeds of any property insurance payments received under policies obtained and maintained pursuant to this paragraph. To the extent that reconstruction is required herein, the proceeds shall, upon the direction of the Association to the Insurance Trustee, be acquired shall be deemed to be a Common Expense of the Association, collectible from all of the Unit owners, including such acquirer, his successors and assigns.~~

(d) Insurance Claims. This Paragraph 26(d) governs insurance claims processes which may be further supplemented by Rules and Regulations adopted by the Executive Board of Directors: 26(d)1 In the event of damage to the Units, Common Property, Common Facilities, and/or General Common Elements, the Association will submit a damage claim (if warranted by the dollar amount as determined in the sole discretion of the Executive Board) and address the repair of the damaged portions of the Units, Common Property, Common Facilities, and/or General Common Elements per Paragraph 31.3.2, unless there is a decision to not fully restore the damage per Paragraphs 31.3.1 and 31.3.3, or Paragraph 9; or there is a decision to terminate the Association per Paragraph 31.3.4.

(e) An Owner is not precluded from obtaining additional insurance on his own Condominium Unit or Unit Week but, if he does so, such insurance must provide that it does not diminish the coverage for liability arising under the insurance policies which the Association purchases pursuant to this paragraph and all such policies shall provide that the insurer waives its right of subrogation against the Association, the other Owners, and the servants, agents, quests and invitees of any of them.

~~(f) The Insurance Trustee shall be named by the Association and shall be any bank or trust company in Colorado with trust powers. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold same in trust for the benefit of the Declarant, the Board of Managers, the Management Firm, and the Owners and their Mortgagees, for the purposes stated elsewhere in this Declaration.~~

(f) Is deleted in its entirety.

(g) All of the foregoing insurance policies may contain such "deductible clauses" as are commonly used by similar Condominium Projects in the Vail, Colorado, area.

27. Lien for Non-Payment of Maintenance Fees. Special Assessments and Per Diem Fees. All Maintenance Fees and Special Assessments, assessed but unpaid for the share of Common Expenses and all charges made but unpaid for Per Diem Fees shall constitute a lien on the Unit or

Unit Week of the defaulting Owner, as the case may be, superior (prior) to all other liens and encumbrances, except only for:

(a) Statutory liens and tax and special assessment liens on the Unit in favor of any governmental assessing authority, and

(b) all sums unpaid on a First Mortgage, including all unpaid obligatory sums as provided by such encumbrance.

To evidence such lien the Association shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Condominium Unit owner or the Interval Owner and a description of the condominium Unit or Unit Week. Such a notice shall be signed by a representative of the Association and may be recorded in the office of the Clerk and Recorder of Eagle County, Colorado. Such lien for Maintenance Fees, Special Assessments or Per Diem Fees shall attach from the due date of the Maintenance Fee, Special Assessment or Per Diem Fee which has not been paid. Such lien may be enforced by foreclosure of the defaulting owner's Condominium Unit or Unit Week by the Association or the Management Firm in like manner as a mortgage on real property as provided by then applicable Colorado law. In any such foreclosure the Owner shall be required to pay the cost and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The owner shall also be required to pay to the Association the Maintenance Fee or Special Assessment (and Per Diem Fee if the Unit is used during the foreclosure period) charged to the Condominium Unit or Unit Week during the period of foreclosure, and the Association shall be entitled to a Receiver to collect the same. The Association shall have the power to bid on the condominium Unit or Unit Week at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

In the case of a lien against an Interval Unit, said lien shall be limited to the Unit Week or Unit Weeks owned by the delinquent Interval Owner and shall not encumber the property, real or personal, of any other Interval Owner in the affected Interval Unit.

An encumbrancer holding a lien on a Condominium Unit or Unit Week may pay, but shall not be required to pay, any unpaid Maintenance Fee, Special Assessment or Per Diem Fee payable with respect to such Unit or Unit Week, and upon such payment such encumbrancer shall have a lien on such Unit or Unit Week for the amounts paid of the same rank as the lien of his encumbrance.

In the event of a foreclosure by a First Mortgagee or the receipt by a First Mortgagee of a Deed in lieu of foreclosure any unpaid Maintenance Fees, Special Assessments or Per Diem Fees relating to the Unit or Unit Weeks so acquired shall be deemed to be a Common Expense of the Association, collectible from all of the Unit owners, including such acquirer, his successors and assigns.

28. Owners' Personal Obligation for Payment of Maintenance Fee, Special Assessments and Per Diem Fees. The amount of the Maintenance Fee or Special Assessment assessed against each Condominium Unit or Interval Unit or the amount of the Per Diem Fee charged to an Owner shall be the personal and individual debt of the Owner thereof at the time the Maintenance Fees, Special Assessments or Per Diem Fees is charged and shall bear interest at the rate specified in the By-laws of the Association. suit to recover a money judgment for unpaid Maintenance Fee or Special Assessment or Per Diem Fee shall be maintainable without foreclosing or waiving the lien securing same. No owner may exempt himself from liability for his contribution towards the Maintenance Fees, Special Assessments or Per Diem Fees by waiver of the use or enjoyment of the Common Property, any of the General Common Elements or by abandonment of his Unit or of his Unit Week.

29. Liability for Maintenance Fee, Special Assessment and Per Diem Fee Upon Transfer of Condominium Unit or Unit week is Joint. Upon payment of a reasonable fee not to exceed Fifteen Dollars and upon the written request of any Owner or any mortgagee or prospective mortgagee of a Condominium Unit or of a Unit Week, the Association or the Managing Agent shall issue a written statement setting forth the amount of the unpaid Maintenance Fees, Special Assessments or Per Diem Fees, if any, with respect to the subject Condominium Unit or Unit Week, the amount of the current Maintenance Fee and the date that such Maintenance Fee becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten days, all unpaid Maintenance Fees, Special Assessments or Per Diem Fees which became due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement.

The grantee of a Condominium Unit or Unit week shall be jointly and severally liable with the grantor for all unpaid Maintenance Fees, Special Assessments or Per Diem Fees assessed or charged against the latter up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Fifteen Dollars, and upon written request, any such prospective grantee shall be entitled to a statement from the Association setting forth the amount of the unpaid Maintenance Fees, Special Assessments and Per Diem Fees, if any, with respect to the subject Condominium Unit or Unit Week, the amount of the current Maintenance Fee, the date that such Maintenance Fee becomes due, and credits for advanced payments or for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive and binding upon the Association. Unless such request for such a statement shall be complied with within ten days of such request, then such requesting grantee shall not be liable for, nor shall the Condominium Unit or Unit week conveyed be subject to a lien for any unpaid Maintenance Fees, Special Assessments or Per Diem Fees against the subject Condominium Unit or Unit Week which became due prior to the request. The provisions contained in this paragraph shall not apply upon the initial transfer of the Condominium Units, or a Unit Week by Declarant.

30. Mortgaging a Condominium Unit or a Unit Week - Priority. Any owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. The owner of a condominium Unit or a Unit week may create junior mortgages on the following conditions:

(1) that any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for Maintenance Fees or Special Assessments, lien for Per Diem Fees and other obligations created by this Declaration (whether imposed or becoming a lien prior or subsequent to the recording of such junior lien), the Certificate of Incorporation, and By-laws of the Association; and

(2) that the mortgagee under any junior mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies where effected and placed upon the mortgaged premises by the Association. such release shall be furnished forthwith by a junior mortgagee upon written request of the Association.

31. Association Appointed as Attorney-in-Fact. ~~This Declaration does hereby make mandatory the irrevocable appointment of an~~ The Association is irrevocably appointed attorney-in-fact to deal with the Condominium PropertyProject upon its sale, damage, destruction, repair, Restoration, or obsolescence.

Title to any Condominium Unit or Unit Week is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from ~~the Declarant or from~~ any Owner shall constitute appointment of the Association as attorney-in-fact ~~herein provided. All of the Owners irrevocably constitute and appoint the. The~~ Association their accordingly is the true and lawful attorney ~~in their for each Owner, able to act in each Owner's~~ name, place, and stead for the purpose of dealing with the ~~Condominium~~ Property upon its sale, damage, destruction, repair, restoration, or obsolescence ~~as is hereinafter provided.~~ As attorney-in-fact, the Association, ~~by its president and secretary, shall have~~ has full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or ~~any~~ other instrument with respect to the interest of a Condominium Unit ~~owner~~ Owner or Interval Owner, which are necessary and appropriate to exercise the powers herein granted. ~~Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each Unit having substantially the same furniture and furnishings as before and each Unit, the General and Limited Common Elements and the Common Facilities having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacements unless the Owners and holders of First Mortgages agree not to rebuild in accordance with the provisions set forth hereinafter~~ further addressed in this Declaration.

~~(a) In the event of damage or destruction due to fire or other disaster and if such damage is not more than fifty percent of all of the condominium units and the common~~

~~Facilities (the Entire Premises not including the land) the insurance proceeds, if sufficient to reconstruct the improvement(s) shall be paid over by the Insurance Trustee to the Association to be applied by the Association, as attorney in fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. Any excess insurance proceeds shall be retained by the Association. The Association shall have full authority, right and power, as attorney in fact, to cause the repair and restoration of the improvement(s).~~

~~(b) In the event of damage or destruction due to fire or other disaster and if such damage is not more than fifty percent of all of the Condominium Units and the Common Facilities (the Entire Premises, not including the land), and if the insurance proceeds are insufficient to repair and reconstruct the improvement(s), such damage or destruction shall nevertheless be promptly repaired and reconstructed by the Association, as attorney in fact, using the proceeds of insurance paid to it by the Insurance Trustee and the proceeds of an assessment to be made against all of the Owners and their Condominium Units and the Interval units. such deficiency assessment shall be a Common Expense, shall be allocated among all Owners in the same manner as Maintenance Fees are allocated and shall be due and payable within thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney in fact, to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner or of an Interval owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his condominium Unit, or Unit Week and may be enforced and collected as is provided in paragraph 27. In addition thereto, the Association, as attorney in fact, shall have the absolute right and power to sell the Condominium Unit or Unit Week of any Owner refusing or failing to pay such deficiency assessment within the time provided. The proceeds derived from the sale of such condominium Unit or Unit Week shall be used and disbursed by the Association, as attorney in fact, in the following order:~~

~~(1) for payment of ad valorem taxes and special assessments liens in favor of any governmental assessing entity and customary expenses of sale;~~

~~(2) for payment of the balance of the lien of any First Mortgage;~~

~~(3) for payment of unpaid Maintenance Fees or Special Assessments (including the special assessment authorized by this paragraph) or Per Diem Fee;~~

~~(4) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and~~

~~(5) the balance remaining, if any, shall be paid to the Owner.~~

~~(c) If more than fifty percent of all of the Condominium Units and the common Facilities (the Entire Premises not including land) are destroyed or damaged, and if the~~

~~Owners representing an Aggregate Interest of sixty six and two thirds percent, or more, of the Common Elements, do not voluntarily, within one hundred days thereafter, make provisions for reconstruction, which plan must have the approval or consent of First Mortgagees holding First Mortgages on an Aggregate Interest of 75% of the Units, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire remaining premises shall be sold by the Association as attorney in fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, and the By laws. The insurance settlement proceeds shall be collected by the Insurance Trustee and such proceeds shall be divided by the Insurance Trustee among all Owners in the same percentage as they bear the Common Expenses and such divided proceeds shall be paid into separate accounts. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit or Unit Week designation and the name of the Owner. Each such account shall be supplemented by the apportioned amount of the proceeds derived from the sale of the Entire Premises. Such apportionment shall be made among all Owners in the same percentage as the owners bear Common Expenses. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney in fact, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph. The provisions contained in this subparagraph shall not hinder the protection given to a First Mortgagee under a mortgage endorsement.~~

31.1 (d) If more than fifty percent of all of the Condominium Units and the Common Facilities (the Entire Premises not including land) are destroyed or damaged, and if the owners representing an Aggregate interest of sixty six and two thirds percent, or more, adopt a plan for reconstruction, which plan has the approval of First Mortgagees holding First Mortgages on an Aggregate Interest of 75% of the Units, then all of the owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and allocated in the same manner as Maintenance Fees are allocated, and shall be due and payable as provided by the terms of such plan, but not sooner than thirty days after written notice thereof. The Association shall have full authority, right and power, as attorney in fact, to cause the repair or restoration of the improvements using all of the insurance proceeds supplied to it by the Insurance Trustee for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his Condominium Unit or Unit Week, as the case may be and may be enforced and collected as is provided in paragraph 27. In addition thereto, the Association, as attorney in fact, shall have the absolute right and power to sell the Condominium Unit or Unit Week of any owner refusing or failing to pay such assessment within the time provided. The proceeds derived from the sale of such Condominium Unit or Unit Week shall be used and disbursed by the Association, as attorney in fact, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph.
Minor Casualty. In the event of a Minor Casualty, the Executive Board has sole authority to process any related insurance claims, including deciding not to submit a claim if the Minor Casualty does not warrant a claim. Restoration work will be addressed in a reasonable and timely manner bringing any damaged Unit, Common Property, Common Facilities, and General Common Elements into a condition proximate to that which existed before the Minor

Casualty. The Association has sole authority and responsibility to coordinate the manner of completion and scheduling of any Restoration of a Minor Casualty under this Paragraph 31.2. All Units continue to be subject to the Maintenance Fee, Common Expense Assessments, and Special Assessments, including a Restoration Deficit, following a Minor Casualty without abatement or modification. Owners are not entitled to claims for loss of use or any other consequential or compensatory damages.

31.2 Major Casualty. If any Unit, Common Property, General Common Elements, or Common Facilities are damaged or destroyed by a Major Casualty, this Paragraph 31.3 shall apply as follows:

31.2.1 Process to Determine Scope of Restoration. In the event of a Major Casualty, the Executive Board has sole authority to process any related insurance claims. The Executive Board will make best efforts to obtain at least two bids from licensed contractors for the Restoration of damaged Units, Common Property, General Common Elements, and Common Facilities. Upon receiving bids, and after sufficient discussion with the adjuster for the Association's insurer, the Executive Board will notify the Owners of the amounts of the bids, the probable amount of insurance proceeds and other funds available for Restoration, and whether, based on that information, the Executive Board believes a Restoration Deficit exists and additional funds may be required. In conjunction with said notice, the Executive Board will set an Owner meeting to vote upon the alternatives set forth in Subparagraphs 31.3.1.2 and 31.3.1.3. Only Owners who are MEMBERS,GS are entitled to vote at said meeting:

31.2.1.1 Partial Restoration of damaged areas per Paragraph 31.3.3 with the vote to include the scope of the partial Restoration (“*Partial Restoration*”) subject to Units being either fully restored or not restored at all. There shall be no partial restoration of a Unit; and

31.2.1.2 Termination per Paragraph 31.3.4.

31.2.2 Full Restoration. If partial Restoration or Termination are not elected, Restoration work will be addressed by the Association in a reasonable and timely manner bringing any damaged Unit, Common Property, Common Facilities, and General Common Elements into a condition proximate to that which existed before the Major Casualty. The Association has sole authority and responsibility to coordinate the manner of completion and scheduling of any Restoration of a Major Casualty. All Units continue to be subject to the Maintenance Fee, Common Expense Assessments, and Special Assessments, including a Restoration Deficit, following a Major Casualty without abatement or modification. Owners are not entitled to claims for loss of use or any other consequential or compensatory damages. All proceeds of property insurance received by or disbursed to the Association in connection with a Major Casualty will be applied first to the Restoration of the damaged Units, Common Property, Common Facilities, and General Common. If any insurance proceeds remain after the Restoration, the excess proceeds will be paid into a reserve fund for the Association. Any Restoration Deficit may be addressed as a Special Assessment.

31.2.3 Partial Restoration. If Fifty percent (50%) of the Owners who are MEMBERS, GS vote in favor of a Partial Restoration of a Major Casualty per Paragraph 31.3.1.1, a Partial Restoration Notice shall be prepared, executed, and acknowledged by the Association, as attorney-in-fact for the Owners, and recorded of record at which time it will be deemed effective (“**Partial Restoration Notice**”). The Partial Restoration Notice will set forth the scope of the Partial Restoration and will provide for re-allocation of Common Expenses and Aggregate Interests based upon said scope of the Partial Restoration with such adjustments to be rounded to the nearest 1% thereby being deemed equal one hundred percent (100%) for purposes of this Declaration. The Partial Restoration Notice shall amend the Declaration accordingly. The Association will perform the Partial Restoration in a reasonable and timely manner bringing any restored areas to a condition similar to which existed prior to the damage and the unrestored areas shall be addressed sufficiently so as not to adversely impact the use and enjoyment of the restored areas, subject to any code compliance or other actions required by any governmental or quasi-governmental agency. Restored Units are obligated to pay Maintenance Fees, Common Expense Assessments, and Special Assessments without abatement subject to the re-allocations in the Partial Restoration Notice after the Partial Restoration Notice is recorded of record. Owners are not entitled to claims for loss of use or any other consequential or compensatory damages. Owners of Units determined not to be restored per the Partial Restoration Notice are not obligated for Maintenance Fees, Common Expense Assessments, and Special Assessments after the date of recording of the Partial Restoration Notice. Owners of Units determined not to be restored per the Partial Restoration Notice will not be MEMBERS,GS after the date of recording of the Partial Restoration Notice. Owners of Units determined not to be restored per the Partial Restoration Notice are entitled to payment of their Allocable Share of the Fair Market Value of the unrestored Unit subject to: (i) deduction of any liens pertaining to the Owner’s Unit per the order of priority of such liens; (ii) outstanding obligations owed to the Association; and (iii) Allocable Share of the cost to render the damaged area not being restored to a condition compatible with the remainder of the Project. The Fair Market Value, subject to allocations and deductions, is to be paid to applicable Owners via any insurance proceeds available after deduction of the Partial Restoration costs and if those funds are insufficient, via a Special Assessment, if applicable, for Restoration Deficit. An Owner who has owned a Unit or Allocable Share in a Unit determined not to be restored for less than twelve (12) consecutive months prior to the recording of a Partial Restoration Notice, unless said ownership transfer was between immediate family members, is only entitled to receive up to the equivalent of said Owner’s Purchase Price when purchasing the Unit. For this purpose, Owner’s Purchase Price means the dollar value for purchase of a Unit verifiable as being the result of an arms’ length transaction where actual funds exchanged between the buyer and seller, and which meets minimum market values. It shall be the Owner’s obligation to provide reasonable proof of the Purchase Price.

31.2.4 Restoration Deficit. The Executive Board may assess a Special Assessment pursuant to Paragraph 22 to the extent necessary to cover any Restoration Deficit.

31.3 Termination. Termination of the Association and revocation of the Declaration may occur via Owner Vote per Paragraph 31.4.1, or Physical and/or Financial Obsolescence per Paragraph 31.4.2 as follows:

31.3.1 Termination by Owner Vote. This Paragraph governs over any conflicting provisions in the Bylaws. If Owners who are MEMBERS,GS with Aggregate Interests of Sixty-Seven percent (67%) or more of the total number of Owners who are MEMBERS,GS approve Termination at a Member Meeting called for said purpose or action without a meeting as provided for in the Bylaws or the CRNCPA, Termination shall occur per Paragraph 31.5. The Class C Member GS shall not be entitled vote as an Owner toward Termination until at least one (1) of the following has occurred:

31.3.1.1 At least Twenty-Five percent (25%) of the Class A and Class B MEMBERS,GS have approved Termination;

31.3.1.2 The Executive Board unanimously votes in favor of Termination;
or

31.3.1.3 Fifty percent or more of the Units become Association Owned Units.

31.3.2 Termination Due to Physical or Financial Obsolescence. This Paragraph governs over any conflicting provisions in the Bylaws. The Executive Board may approve submittal of Termination of the Project due to Physical or Financial Obsolescence to a Member vote. If Owners who are MEMBERS,GS with Aggregate Interests of Fifty percent (50%) or more of the total number of Owners who are MEMBERS,GS approve Termination at a Member Meeting called for said purpose or action without a meeting as provided for in the Bylaws or the CRNCPA, Termination shall occur per Paragraph 31.5 which vote may occur at a Member meeting called for said purpose or via action without a meeting per the Bylaws or CRNCPA. The Class C Member GS shall not be entitled vote as an Owner toward Termination until at least one (1) of the following has occurred:

31.3.2.1 At least Twenty-Five percent (25%) of the Class A and Class B MEMBERS,GS have approved Termination;

31.3.2.2 The Executive Board unanimously votes in favor of Termination;
or

31.3.2.3 Fifty percent or more of the Units become Association Owned Units.

31.4 Termination Process. Upon approval of Termination as provided for in Paragraphs 31.4.1 or 31.4.2, a Termination Notice shall be prepared, executed, and acknowledged by the Association, as attorney-in-fact for the Owners, and recorded of record at which time it will be deemed effective (“**Termination Notice**”). The Termination Notice will state that when it becomes effective, the Association will sell or dispose of the Property, including all Units, Common Property, Common Facilities, and General Common Elements, on behalf of all Owners, upon terms and conditions of sale approved by the Executive Board subject to the following:

31.4.1 Process for Sale of Property Upon Termination. When a Termination Agreement becomes effective, the Association will proceed to sell the entire Property (i.e., all Units, Common Property, Common Facilities and General Common Elements) for the benefit of the Owners, with the resulting sales proceeds to be allocated per Paragraph 31.5.2 below and thereupon dissolve the Association. The Association shall determine the Fair Market Value of the entire Property. The Association shall pursue in good faith the sale of the Property for an amount as close to the Fair Market Value as reasonably possible given market conditions. Upon recordation of the Termination Notice, (i) each Owner (including any dissenting Owners) is deemed to have granted the Association, acting through the Executive Board, an irrevocable power of attorney, coupled with an interest, to sell the Property for the benefit of the Owners, and (ii) the Association has the authority, right, and power to make, execute, and deliver any contract, deed, or other instrument necessary and appropriate to accomplish this purpose. Notwithstanding Termination, the Association will continue to exist for the sole purpose of selling the Property, distribution of the sales proceeds, and winding up of the Association. Until sale of the Property concludes, the Association may determine, at its discretion, whether Owners who are MEMBERS,GS have the right to occupy their former Units per the terms of the Governing Documents, in which event said MEMBERS,GS Owners shall remain liable for all Maintenance Fees, Assessments, and other obligations imposed on Owners pursuant to the Governing Documents. Alternatively, the Association can bar any further use or occupation of the Property in which event Maintenance Fees, Assessments, and any other financial obligations of Owners shall cease at the time occupation ceases.

31.4.2 Proceeds of Sale Upon Termination. Upon the sale of the Property and any other assets owned by the Association, the sales proceeds together with any insurance or condemnation proceeds, shall be applied first to settle all debts and obligations of the Association with the remaining net sales proceeds being allocated to Owners per the Termination Allocation with final net sales proceeds allocable to the Owner based on the Maintenance Fee Allocation Schedule of Expenses subject to the following: (i) any liens pertaining to the Owner's Unit and/or outstanding obligations to the Association are deducted from the said Owner's Termination Allocation, in the order of priority of such liens; and (ii) an Owner who has owned a Unit or Allocable Share in a Unit for less than twelve (12) consecutive months prior to the recording of a Termination Notice, unless said ownership transfer was between immediate family members, is only entitled to receive up to the equivalent of said Owner's Purchase Price when purchasing the Unit. For this purpose, Owner's Purchase Price means the dollar value for purchase of a Unit verifiable as being the result of an arms' length transaction where actual funds exchanged between the buyer and seller, and which meets minimum market values. It shall be the Owner's obligation to provide reasonable proof of the Purchase Price.

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~~(e) The Owners representing an Aggregate Interest of eighty-five percent, or more, may agree that the Condominium Units are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of First Mortgagees holding of record First Mortgages on an Aggregate interest of 75% of the Units at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall~~

~~be recorded, then the expense thereof shall be payable by all of the owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within 15 days after the adoption of such plan that his Condominium Unit or Unit Week must be purchased by the Association for the fair market value thereof. The Association shall then have fifteen days within which to cancel such plan. If such plan is not cancelled then the Condominium Unit or Unit Week shall be purchased according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencing date" from which all periods of time mentioned herein shall be measured. Within ten days following the commencing date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser who shall be a duly accredited real estate appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five days after default by the other party, appoint and associate with him another appraiser (to be selected from the local Board of Realtors or, if there be no such Board, then the Denver Board of Realtors). If the two appraisers designated by the parties, or selected pursuant thereto in the event of the default of one party, are unable to agree, they shall appoint another appraiser (to be selected from the local Board of Realtors or, if there be no such Board, then the Denver Board of Realtors) to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two persons (each of whom shall be a duly accredited real estate appraiser), and from the names of the four persons so nominated one shall be drawn by lot by any judge of any court of record in Colorado, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the owner. The sale shall be consummated within fifteen days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds as is provided in subparagraph (b)(1) through (5) of this paragraph.~~

~~(f) The owners representing an Aggregate Interest of eighty five percent, or obsolete and that the same should be sold. Such plan (agreement) must have the approval of First Mortgagees holding of record First Mortgages on Aggregate Interest of 75% of the Units. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire premises shall be sold by the Association, as attorney in fact for all of the owners, free and clear of the provisions contained in this Declaration, the Map and the By-laws. The sales proceeds shall be apportioned between the Owners in the same manner as such owners bear the Common Expenses and such apportioned proceeds shall be paid into separate accounts, each such account representing one Owner (whether he be a Condominium owner or an Interval owner). Each such account shall be in the name of the~~

~~Association, and shall be further identified by the Condominium Unit designation and Unit Week (if appropriate) description and the name of the owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph.~~

32. Taking By Eminent Domain. (a) If part of the Condominium Property shall be taken or condemned by any authority having the power of eminent domain, such that no Unit or Limited Common Element appurtenant thereto is taken, all compensation and damages on account of the taking exclusive of compensation for consequential damages to affected Units, shall be payable to the Association on behalf of all Owners. The Association shall have the right to act on behalf of the Owners in the negotiation and litigation of the issues with respect to such taking. Such proceeds shall be used promptly by the Association to the extent necessary for Maintenance of the remaining Condominium Property in as substantial compliance to the original or subsequent plan of development as possible. If there is an award in excess of the amount necessary to so substantially maintain the remaining Condominium Property, it shall be apportioned between the owners in the same manner as such Owners bear the Common Expenses and such apportioned proceeds shall be paid into separate accounts, each such account representing one Owner (whether he be a Condominium Owner or an Interval Owner). Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and Unit Week (if appropriate) description and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, from the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of paragraph 31. This paragraph does not prevent Owners whose Units are specially affected by the taking or condemnation from joining the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of their Units, or personal improvements therein, exclusive of the damages relating to Common Facilities Property and Common Facilities.

(b) If some but fewer than all Units are taken or condemned by any authority having the power of eminent domain, the Owners thereof shall automatically cease to be members of the Association and cease to have any interest in the General Common Elements. All the remaining Owners shall hold a meeting not later than 90 days after the entry of the order of taking or decree of condemnation, and shall adopt an amendment to this Declaration reorganizing this Condominium Project to take account of the elimination of the condemned Units and their Owners from the Association, the necessary reallocations of the burdens and benefits of ownership (to be made, so far as practicable, in accordance with the general principles embodied in this Declaration) and making such other changes as may be necessary for the continued satisfactory operation of the Condominium Property in light of the nature and extent of the particular taking involved. The condemnation awards shall be apportioned among the Owners whose Units were taken in the same manner as such owners bear the common Expenses and such apportioned proceeds shall be paid into separate accounts, each such account representing one Owner (whether he be a Condominium Owner or an Interval Owner). Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and Unit

week (if appropriate) description and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of paragraph 31 shall be paid over to the owners in the proportion in which such owners bear the Common Expenses. The Association shall have the right to act on behalf of the owners with respect to the Common Property and Common Facilities as in paragraph (a) above of this paragraph 32.

(c) If all the Units shall be taken or condemned by any authority having the power of eminent domain, this Declaration shall terminate. Unless otherwise ordered by the court, the total condemnation award shall be apportioned between the Owners in the same manner as such owners bear the Common Expenses and such apportioned proceeds shall be paid into separate accounts, each such account representing one Owner (whether he be a Condominium Owner or an Interval Owner). Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and Unit Week (if appropriate) description and the name of the owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of 31. The portions of the Condominium Property not taken shall be considered owned as tenants in common by the Owners and shall be sold and the proceeds distributed by the Association between the owners in the same manner as such owners bear the Common Expenses and such apportioned proceeds shall be paid into separate accounts, each such account representing one owner (whether he be a Condominium Owner or an Interval Owner). Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and Unit Week (if appropriate) description and the name of the owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of paragraph 31.

(d) Any owner receiving a notice of taking by eminent domain, or having knowledge of any threat thereof, shall promptly notify the Association. The Association, immediately upon having knowledge of any taking by eminent domain, or any threat thereof, shall promptly notify all Owners, all holders of Mortgages on the Common Property and those Mortgagees of Units who have filed with the Association a written request for such notice.

*33. The Association's Right to Acquire. The Association may acquire and hold for the use and benefit of all of the Condominium Unit Owners, and all Interval owners, tangible and intangible personal property (including but not limited to leaseholds, memberships and other possessory or use interests in lands or facilities, country clubs, health clubs, golf courses and the like whether or not contiguous to the Condominium Property) and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned by the Condominium Unit Owners and the Interval owners in the same proportion as they bear the Common Expenses

and shall not be transferable except with a transfer of a condominium Unit. A transfer of a Condominium Unit or Unit Week shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Condominium Unit or Unit Week under foreclosure or deed in lieu of foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed Condominium Unit.

~~**Amended July 14, 1990. Recorded July 26, 1990.*~~

~~34. Revocation or Amendment to Declaration. This Declaration shall not be revoked unless all of the Owners and First Mortgagees holding First Mortgages on an Aggregate Interest of 75% of the Units consent and agree to such revocation by instrument(s) duly recorded, except as provided in paragraph 31. This Declaration shall not be amended unless the Owners representing an Aggregate Interest of sixty percent, or more, of the General Common Elements and First Mortgagees holding First Mortgages on an Aggregate Interest of 75% of the Units consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the percentage of the undivided interest in the General Common Elements appurtenant to each Unit and each Unit Week, as expressed in this Declaration, shall have a permanent character and shall not be altered without the consent of all of the Owners and all First Mortgagees expressed in an amended Declaration duly recorded.~~

~~Notwithstanding the foregoing provisions of this paragraph, the Declarant The Association has the right and authority to purchase, encumber, sell, license, lease, or grant easements regarding the Common Property or any other property owned by the Association for common use, including the Common Facilities and/or General Common Elements (except for the Limited Common Elements). This includes the right and authority to subdivide and separate from the Association portions or parcels of the Common Property (not including the Units or Limited Common Elements) owned by the Association or that is comprised of the Common Facilities or General Common Elements (except for the Limited Common Elements) and sell the same. The proceeds thereof shall be payable to the Association and placed into reserves or distributed to Owners as the Association deems appropriate.~~

~~**Amended July 14, 1990. Recorded July 26, 1990.*~~

~~34. The Declaration, including the Original Plat, may be amended only as follows:~~

~~34.1 General Amendments. Except as otherwise expressly permitted or restricted by the Declaration, the Act, CRNCPA, or CCIOA (as applicable to pre-existing communities) this Declaration may be amended only by a vote or agreement of Owners GS holding at least Sixty percent (60%) of the total voting power of the Association. Notwithstanding the foregoing provision, the percentage of the total voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative voting power prescribed for action to be taken under that clause or provision.~~

34.2 Reserved Amendment Rights. To the extent that this Declaration, the Act, or CCIOA (as applicable to pre-existing communities) expressly permit or require amendments that may be effective without an Owner vote, this Declaration may be amended by amendments approved and executed by the Association.

34.3 Any amendment to the Declaration permitted herein shall be prepared, executed, and recorded in the real estate records of Eagle County, Colorado by the Association and shall be executed by the President of the Executive Board together with a duly authenticated certificate of the Secretary of the Executive Board stating that the required vote of Owners, if any, and required consents of First Mortgagees (and/or Eligible First Mortgagee, as applicable), if any, were obtained and are on file in the office of the Association or were not required to be obtained pursuant to this Declaration, Act or applicable provisions of CCIOA. Any amendment to the Declaration made in accordance with this Paragraph 34 shall be immediately effective upon the recording of the executed amendment in the records of the Eagle County Clerk and Recorder. The expenses of preparing and recording an amendment to the Declaration shall be the responsibility of the Association unless allocable to a specific Owner per the Declaration, Act, or applicable provisions of CCIOA. After the Association records an amendment to the Declaration in accordance with this Paragraph, a presumption exists that such amendment is valid and such presumption shall become conclusive unless an action to challenge the validity of such amendment is brought within one year after the date of recording of such amendment.

Notwithstanding the foregoing provisions of this Paragraph, the Association reserves the right to change the interior design and arrangement of all Units and to alter the boundaries between Units, as long as the Declarant Association owns the Units so altered; however, The Association shall make no such change which shall increase the number of Units or the boundaries of the General Common Elements, except the party wall between Condominium Units, without amendment of this Declaration in the manner hereinbefore herein before set forth. If the Declarant The Association shall make any such changes in Units, as provided in this paragraph Paragraph, such changes shall be reflected by the amendment of this Declaration with a Map attached, reflecting such authorized alteration of Units, and said amendment need only be executed and acknowledged by the Declarant Association and any holders of First Mortgages encumbering the said altered Units.

35. Registration by Owner of Mailing Address. Each owner shall register his mailing address and email address with the Association, and except for a statement reflecting the Maintenance Fee charge or Per Diem statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address. If an Owner provides an email address for mailing purposes, email of Notices shall be deemed to meet any mailing requirements under the Governing Documents or Colorado Law. All notices, demands or other notices intended to be served upon the Association shall be sent by certified mail, postage prepaid, to The Sandstone Creek Club Condominium Association, ~~e/o Vail's Ridge Partners, 6000 East Evans Avenue, Denver, Colorado 80222, until such address is changed by a notice of address change duly recorded in the office of the Clerk and Recorder, Eagle County, Colorado~~ Sandstone Creek Club Condominium Association, Inc. 1020 Vail View Drive, Vail, Co. 81657-4495.

36. Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Map shall continue until this Declaration is revoked in the manner and as is provided in paragraph 34 of this Declaration or until terminated in the manner as is provided in subparagraph (c) of paragraph 32 or subparagraphs (c) or (f) of paragraph 31 of this Declaration.

37. Period of Unit Week Ownership. ~~(a) The estate for years created by this Declaration in the form of Unit Weeks shall continue from the date of the original recordation of this Declaration until the first Saturday in 2029, after which time each owner of a Unit Week shall own an undivided fee simple interest in his Interval Unit equal to his Allocable Share; and provided further that the Interval Estate Ownership herein created shall sooner terminate upon the termination of Condominium Ownership as herein provided. Paragraph 37 is amended by deletion of said Paragraph in its totality.~~

~~(b) At 12:00 noon on the first Saturday in 2029, the Interval owners of the same Interval Units shall become tenants in common, each owning an undivided fee simple interest in the percentage determined by Exhibit E. The Board of Managers of the Association shall, no less than 30 days, nor more than 60 days prior to the actual date of such conversion to tenancy in common, call a meeting of all Interval owners. At such meeting, a vote shall be taken to decide the disposition of the Units committed to Interval Estate Ownership. A quorum at such meeting shall be a majority in interest (determined by the percentages used in determining the proportion in which Common Expenses are borne) of all Interval Owners. At such meeting the owners, by a majority in interest vote, may vote to reestablish their estate for years in the form of Unit Weeks for a period of ten (10) years commencing at 12:01 p.m. immediately following the first Saturday in 2029, in which case, if permitted by law, an amendment to this Declaration shall be filed reestablishing the estate for years created hereunder for ten years from 12:01 p.m., on the first Saturday in 2029. In the event the foregoing procedure is not permitted by law, restrictive covenants running with the land shall be adopted, which shall provide that occupancy and use of the Interval Units shall be shared among the various Interval owners in substantially the manner herein provided for the estate for years. In the event the foregoing election is made, the Board of Managers of the Association shall, no less than 30 days, nor more than 60 days prior to the actual expiration of said additional ten year period, call another meeting of all Interval Owners. A quorum at such meeting shall be a majority in interest of all Interval owners. The owners may then vote again to reestablish the estate for years in the form of Unit Weeks (or, the restrictive covenants, as may be appropriate) for an additional 10 year period commencing one minute after the termination of the prior estate for years. This process shall be repeated as the end of each successive 10 year period approaches. Should less than a majority in interest of the Interval Owners vote to continue the estate for years in the form of Unit Weeks (or, the restrictive covenants, as may be appropriate) at any such meeting, then the Board of Managers of the Association shall file suit in a court of competent jurisdiction in Eagle County, Colorado, for partition of the Interval Units.~~

~~No owner or other person or entity acquiring any right, title or interest in an Interval Unit shall seek or obtain through any legal procedures, judicial partition of the Interval Unit or sale of~~

~~the Unit in lieu of partition at any date prior to the expiration of each successive ten (10) year period voted by a majority of Owners. If, however, any Unit Weeks shall be owned by two or more persons as tenants in common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Unit Weeks in lieu of partition as between such co-tenants or joint tenants.~~

38. General Provisions. (a) If any of the provisions of this Declaration or of any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, it is the intention of the Declarant that the remainder of this Declaration shall not be affected thereby. The Declarant specifically intends that in lieu of each such section, clause or provision of this Declaration that is illegal, invalid or unenforceable there be added hereto a section, clause or provision as similar in terms to such illegal, invalid or unenforceable clause as may be possible and be legal, valid and enforceable.

(b) The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

(c) Whenever used herein, unless context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

(d) Conflicts Between Documents – This Third Amendment to the Declaration hereby supersedes and controls over any contrary provision contained in the Declaration. In case of conflict between the Declaration as amended hereby and Articles, Rules and Bylaws of the Association, the Declaration as amended shall control.

(e) Relationship to Declaration and the Map – Except as herein modified the Declaration and the Map and all terms and conditions thereof shall remain in full force and effect.

(f) — Binding Effect – This Third Amendment to the Declaration shall be binding upon and inure to the benefit of the Association and their respective heirs, devisees, personal representatives, successors and assigns.

(g) Governing Law – This Third Amendment to the Declaration shall be governed by and construed under Colorado law. Any action regarding this Third Amendment to the Declaration shall occur in the District Court for the County of Eagle, State of Colorado.

(h) Meaning of Capitalized Terms – Capitalized terms used in this Third Amendment to the Declaration without being defined herein shall have the same meaning as when such capitalized terms are used in the Declaration or as defined in the Act.

(i) Right to Encumber or Assign Income – The Association has the right to encumber or provide a security interest in and to the Common Property, Common Facilities and General Common Elements and to assign as security the Association's right to accounts and future income including Assessments.

(j) Limitation upon Liability of Association – NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR ASPECTS OF THE PROPERTY AS PROVIDED FOR HEREIN, TO THE EXTENT PERMITTED BY LAW, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE OF ANY NATURE OR KIND. THIS INCLUDES WITHOUT LIMITATION CONSEQUENTIAL DAMAGES WHICH IN TURN IS TO INCLUDE WITHOUT LIMITATION LOSS OF USE OR LOSS OF RENTAL INCOME.
