

**THE SANDSTONE CREEK CLUB CONDOMINIUM ASSOCIATION, INC.  
RECORDED, FILED OR APPROVED DOCUMENTS, AS APPROPRIATE  
OCTOBER 1, 1994**

*The following documents are transcriptions of the original documents, recorded in Eagle County, State of Colorado, or filed with the Colorado Secretary of State, or approved by the Board of Directors, as appropriate, on behalf of The Sandstone Creek Club Condominium Association, Inc. Though every effort has been made to be accurate with these transcriptions the original recorded, filed or approved documents will be controlling in case of any errors or discrepancies.*

**Document Names**

1. CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED OCTOBER 18, 1979
2. ARTICLES OF INCORPORATION OF THE SANDSTONE CREEK CLUB CONDOMINIUM ASSOCIATION, INC., AS FILED
3. BY-LAWS OF THE SANDSTONE CREEK CLUB CONDOMINIUM ASSOCIATION, INC., APPROVED EFFECTIVE OCTOBER 24, 1987
4. DESIGNATION OF SUCCESSOR TO DECLARANT UNDER DECLARATION FOR CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED DECEMBER 29, 1980
5. SUPPLEMENTAL DECLARATION FOR CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED DECEMBER 29, 1980
6. SECOND SUPPLEMENTAL DECLARATION FOR CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS (Building C), RECORDED MARCH 1, 1982
7. DESIGNATION TO SECOND SUCCESSOR TO DECLARANT UNDER DECLARATION FOR CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED JUNE 20, 1984
8. DESIGNATION OF SUCCESSOR DECLARANT UNDER CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB, RECORDED JULY 2, 1990
9. AMENDMENT TO CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED JULY 26, 1990
10. THIRD SUPPLEMENTAL DECLARATION FOR CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED AUGUST 26, 1992
11. AMENDMENT TO CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS, RECORDED AUGUST 5, 1994

(NOTARY ACKNOWLEDGEMENT ON THE FOLLOWING PAGE)

THE SANDSTONE CREEK CLUB CONDOMINIUM ASSOCIATION, INC.  
RECORDED, FILED OR APPROVED DOCUMENTS, AS APPROPRIATE  
OCTOBER 1, 1994

Executed this 1<sup>st</sup> day of October, 1994

THE SANDSTONE CREEK CLUB CONDOMINIUM ASSOCIATION, INC.

(SEAL)

BY Robert V. Hugo  
Secretary of the Board of Directors  
The Sandstone Creek Club Condominium Association, Inc.

(SEAL)

STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF EAGLE )

The foregoing instrument was subscribed and sworn to before me this  
1<sup>st</sup> day of October, 1994 by Robert V. Hugo  
Secretary of The Sandstone Creek Club Condominium Association,  
Inc., a Colorado Corporation.

Witness my hand and official seal

Linda J. Johnson  
Notary Public

My Commission Expires

MY COMMISSION EXPIRES  
July 23, 1998

189312

BOOK 292  
OCT. 14, 1979

PAGE 915

RECORDED AT 9:00 A.M.

RECORDER: JOHNNETTE PHILLIPS, EAGLE COUNTY

Sandstone Creek Club

An Interval Ownership  
Condominium Resort  
Vail, Colorado

SANDSTONE CREEK CLUB  
A CONDOMINIUM  
VAIL, COLORADO

OCT. 18, 1979

RECORDER: JOHNNETTE PHILLIPS, EAGLE COUNTY

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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:

## II. DEFINITIONS

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

(a) "Additional Property" means the real property described on Exhibit B hereto.

(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 D 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 D 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.

(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, 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" 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.

(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

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

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.

### 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; and

(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

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

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.

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 \_\_\_\_, 197\_, and  
recorded in the real property records of Eagle  
County, Colorado, \_\_\_\_, 197\_,  
Reception No. \_\_\_\_, Book \_\_\_\_, Pages  
\_\_\_\_ through \_\_\_\_ (the "Declaration"), and  
as further described in the Condominium Map for The  
Sandstone Creek Club Condominiums recorded  
\_\_\_\_, 197\_, 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 Owners, 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, panelling, 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.

(c) 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. required.

(b) The Association shall be responsible for the maintenance, repair and replacement of the General Common Elements, the Common Pr

(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. Except as specifically provided in sub-paragraph (c) below, the Maintenance Fee shall be allocated among all Owners of Condominiums as follows. Commencing with the year 1980, 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 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 (other than the costs of utilities supplied to a Condominium Unit, maid service, fire wood and other consumable goods, supplied to a Condominium Unit, all as described in paragraph 23, which shall be Per Diem expenses), 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 of 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. 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 D 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 D hereto in the column entitled "Percentage of Common Expenses to be Allocated to a Condominium Unit" multiplied by his Allocable Share.



(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 a 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.

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. (a) Each Owner shall, in addition to the foregoing, pay a Per Diem Fee at the times set forth in the By-laws. The Per Diem Fee shall be based upon the Association's best estimate of the cost of the following services to each Condominium Unit during each period of occupancy (it being understood that the Per Diem Fee will be dependant, in part, upon the size of the Unit and the time (season) of occupancy):

(i) Maid service including linen supply;

(ii) cost of consumable goods such as detergent and other cleaning supplies needed for the cleaning and washing of clothes, pots, pans, dishes and the Condominium Unit itself, light bulbs, hand tissues, kitchen and bathroom paper toweling and tissues and other normal paper and consumable supplies;

(iii) cost of utilities including heating, lighting and water for the Condominium Units;

(iv) fire wood; and

(v) snow removal.

(b) As among Condominium Units and Interval Units, the Per Diem Fee for any one week or period shall be allocated in the same manner as the Maintenance Fee is allocated. The Per Diem Fee shall be payable only if an Interval Owner or his guest, invitee or family actually occupies the Interval Unit during all or a portion of his Unit Week, or, in the case of a Condominium Unit Owner, only during periods of actual occupancy.

\*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

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

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.

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) 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, 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, 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 used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed by the Insurance Trustee in the same manner herein provided in the event of sale of obsolete Units.

(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.

(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 as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Condominium Property upon its destruction, repair 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 attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with the Condominium Property upon its destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary, shall have 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 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.

(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.

(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.

(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 more, may agree that the Condominium Units are 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 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 paragraph 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. Property for Common Use. 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.

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 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 owns the Units so altered; however, no such change 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 set forth. If the Declarant shall make any changes in Units, as provided in this paragraph, such changes shall be reflected by the amendment of this Declaration with a Map

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



attached, reflecting such authorized alteration of Units, and said amendment need only be executed and acknowledged by the Declarant 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 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. 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, c/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.

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.

(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. (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.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 15th day of October, 1979.

DECLARANT:

VAIL'S RIDGE PARTNERS, a Colorado  
General Partnership, by its  
General Partners

By: /s/ A. M. Lutz  
L.R.B. Company, a Colorado  
General Partnership, by  
A. M. Lutz, a General Partner

AND

By: /s/ Joseph Perlmutter  
Perlmutter Enterprises, a  
Colorado Limited Partnership,  
by Joseph Perlmutter, the  
General Partner.

STATE OF Colorado\*           §  
                                  §    ss.  
COUNTY OF Eagle\*           §

The foregoing instrument was acknowledged before me this 15th day of October, 1979, by A. M. Lutz, a general partner of L.R.B. Company, a Colorado General Partnership, and Joseph Perlmutter, the general partner of Perlmutter Enterprises, a Colorado Limited Partnership, the general partners of Vail's Ridge Partners, a Colorado General Partnership.

Witness my hand and official seal.

(SEAL)

/s/ Janette McCullough  
Notary Public

My Commission expires: 2/7/81

***\*Added For Clarity- Not Filled In On Recorded Copy.***

# EXHIBIT A

## Legal Description of Property subject to this Condominium Declaration.

A portion of lots B-4 and B-5, Block B, Lion's Ridge Subdivision, Section 1, Township 5 South, Range 81 West of the 6th Principal Meridian, situate in the Town of Vail, County of Eagle, State of Colorado and more particularly described as follows:

Beginning at the SW Corner of said Lot B-4, which point is, in fact, the true point of beginning, thence

Northeasterly	138.17'	along the arc of a 406.53' radius curve to the left whose long chord bears N 22°35'01" E 137.51', thence
N 67°20'00" E	7.76',	thence
Southeasterly	69.72'	along the arc of a 72.64' radius curve to the right whose long chord bears S 85°10'21" E 67.07', thence
S 57°40'42" E	16.50',	thence
Northwesterly	51.96'	along the arc of a 20.83' radius curve to the left whose long chord bears N 53°24'39" E 38.87', thence
N 15°30'00" W	55.00',	thence
N 74°30'00" E	50.00',	thence
Northwesterly	61.55'	along the arc of a 152.00' radius curve to the right whose long chord bears N 03°54'00" W 61.13', thence
Southeasterly	84.74'	along the arc of a 33.00' radius curve to the right whose long chord bears N 81°21'00" E 63.33', thence
Southeasterly	21.84'	along the arc of a 25.62' radius curve to the left whose long chord bears S 49°35'00" E 21.18', thence
S 74°00'00" E	49.50',	thence
S 16°00'00" W	11.00',	thence
S 74°00'00" E	131.00',	thence
S 78°23'06" E	35.04'	to the easterly property line of said Lot B-4, thence
S 08°53'16" W	103.73'	along said property line, thence
S 07°24'16" E	118.23'	along said property line, thence
N 74°00'00" W	95.03',	thence
S 69°00'00" W	101.65',	thence
S 15°30'00" E	9.50',	thence
Southwesterly	62.25'	along the arc of a 41.00' radius curve to the right whose long chord bears S 09°14'47" W 56.44', thence
S 09°14'47" W	26.16'	to the southerly property line of said Lot B-4, thence
N 80°45'14" W	119.55'	along said property line, thence
N 57°40'42" W	200.00'	along the southerly property line to the true point of beginning.

Contains 2.785 acres, more or less.

EXHIBIT B

Legal Description of Property which may become subject to this Declaration by the filing of a Supplemental Declaration. The following parcels of real property situate in the County of Eagle, State of Colorado.

Lot B-4  
Block B  
Lion's Ridge Subdivision

Lot B-5  
Block B  
Lion's Ridge Subdivision

All that part of Block D Lion's Ridge Subdivision described as follows.

Beginning at the SE corner of said Block D;  
thence S 88°17'49" W 18.38 feet;  
thence N 00°50'12" E 172.45 feet;  
thence N 07°24'16" W 255.23 feet;  
thence N 08°53'16" E 103.73 feet;  
thence N 14°20'32" E 98.81 feet;  
thence N 06°19'26" W 105.18 feet;  
thence N 00°48'19" W 58.56 feet;  
thence N 41°14'12" E 132.62 feet;  
thence N 23°13'35" E 74.07 feet;  
thence S 57°33'16" E .90 feet;  
thence S 17°00'49" W 384.01 feet;  
thence S 02°21'11" E 469.00 feet;  
thence S 01°46'29" W 117.86 feet to the point of beginning containing .56 acres more or less, excepting from all of the foregoing the parcels described on Exhibit A to this Declaration.

THIS PROPERTY IS NOT NOW SUBJECT TO THE CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS.

# EXHIBIT C

Legal description of the property referred to in this Declaration as the Common Property.

A portion of lots B-4 and B-5, Block B, Lion's Ridge Subdivision, Section 1, Township 5 South, Range 81 West of the 6th Principal Meridian, situate in the Town of Vail, County of Eagle, State of Colorado and more particularly described as follows:

Beginning at the SW Corner of said Lot B-4, which point is, in fact, the true point of beginning, thence

Northeasterly	138.17'	along the arc of a 406.53' radius curve to the left whose long chord bears N 22°35'01" E 137.51', thence
N 67°20'00" E	7.76',	thence
Southeasterly	69.72'	along the arc of a 72.64' radius curve to the right whose long chord bears S 85°10'21" E 67.07', thence
S 57°40'42" E	16.50',	thence
Northwesterly	51.96'	along the arc of a 20.83' radius curve to the left whose long chord bears N 53°24'39" E 38.87', thence
N 15°30'00" W	55.00',	thence
N 74°30'00" E	50.00',	thence
Northwesterly	61.55'	along the arc of a 152.00' radius curve to the right whose long chord bears N 03°54'00" W 61.13', thence
Southeasterly	84.74'	along the arc of a 33.00' radius curve to the right whose long chord bears N 81°21'00" E 63.33', thence
Southeasterly	21.84'	along the arc of a 25.62' radius curve to the left whose long chord bears S 49°35'00" E 21.18', thence
S 74°00'00" E	49.50',	thence
S 16°00'00" W	11.00',	thence
S 74°00'00" E	131.00',	thence
S 78°23'06" E	35.04'	to the easterly property line of said Lot B-4, thence
S 08°53'16" W	103.73'	along said property line, thence
S 07°24'16" E	118.23'	along said property line, thence
N 74°00'00" W	95.03',	thence
S 69°00'00" W	101.65',	thence
S 15°30'00" E	9.50',	thence
Southwesterly	62.25'	along the arc of a 41.00' radius curve to the right whose long chord bears S 09°14'47" W 56.44', thence
S 09°14'47" W	26.16'	to the southerly property line of said Lot B-4, thence
N 80°45'14" W	119.55'	along said property line, thence
N 57°40'42" W	200.00'	along the southerly property line to the true point of beginning.

Contains 2.785 acres, more or less.

Except the following described parcel:

Beginning at the SW Corner of said Lot B-4 and running S 57°40'42" E 200.00', thence S 80°45'13" E 100.00', thence N 32°22'07" E 159.55' to a point, which point is, in fact, the true point of beginning, thence

N 15°49'43" E 4.30', thence  
N 74°10'17" W 32.00', thence  
N 15°49'43" E 7.30', thence  
N 74°10'17" W 6.00', thence  
N 15°49'43" E 5.35', thence  
N 74°10'17" W 5.00', thence  
N 15°49'43" E 23.23', thence  
S 74°10'17" E 5.10', thence  
N 15°49'43" E 5.30', thence  
S 74°10'17" E 6.00', thence  
N 15°49'43" E 26.00', thence  
N 74°10'17" W 6.00', thence  
N 15°49'43" E 5.30', thence  
N 74°10'17" W 5.00', thence  
N 15°49'43" E 23.25', thence  
S 74°10'17" E 5.00', thence  
N 15°49'43" E 5.40', thence  
S 74°10'17" E 6.00', thence  
N 15°49'43" E 19.37', thence  
S 74°10'17" E 58.00', thence  
S 15°49'43" W 8.30', thence  
S 74°10'17" E 3.30', thence  
S 15°49'43" W 19.30', thence  
S 74°10'17" E 6.00', thence  
S 15°49'43" W 5.30', thence  
S 74°10'17" E 4.90', thence  
S 15°49'43" W 12.00', thence  
N 74°10'17" W 7.00', thence  
S 15°49'43" W 18.60', thence  
S 74°10'17" E 6.00', thence  
S 15°49'43" W 5.40', thence  
S 74°10'17" E 5.00', thence  
S 15°49'43" W 23.25', thence  
N 74°10'17" W 5.00', thence  
S 15°49'43" W 5.30', thence  
N 74°10'17" W 6.00', thence  
S 15°49'43" W 19.35', thence  
N 74°10'17" W 9.30', thence  
S 15°49'43" W 8.00', thence  
N 74°10'17" W 24.00', to the true point of beginning

Contains: 0.203 acres, more or less.

AND

Except Condominium Unit No. 83 as shown on the Condominium Map recorded simultaneous herewith.



# EXHIBIT D

	Percentage of Undivided Interest of Each Condominium Unit in the General Common Elements in <u>Phase I</u>	Percentage of Common Expenses to be Allocated to Condominium <u>Unit</u>
Condominium Unit No. 104	3.83%	3.83%
Condominium Unit No. 108	3.83%	3.83%
Condominium Unit No. 112	3.83%	3.83%
Condominium Unit No. 203	3.83%	3.83%
Condominium Unit No. 204	3.83%	3.83%
Condominium Unit No. 205	3.83%	3.83%
Condominium Unit No. 208	3.83%	3.83%
Condominium Unit No. 211	2.93%	2.93%
Condominium Unit No. 212	3.83%	3.83%
Condominium Unit No. 215	2.93%	2.93%
Condominium Unit No. 303	3.83%	3.83%
Condominium Unit No. 304	3.83%	3.83%
Condominium Unit No. 305	3.83%	3.83%
Condominium Unit No. 308	3.83%	3.83%
Condominium Unit No. 311	2.93%	2.93%
Condominium Unit No. 312	3.83%	3.83%
Condominium Unit No. 313	3.86%	3.86%
Condominium Unit No. 403	5.62%	5.62%
Condominium Unit No. 404	5.62%	5.62%
Condominium Unit No. 405	5.82%	5.82%
Condominium Unit No. 408	5.82%	5.82%
Condominium Unit No. 410	5.62%	5.62%
Condominium Unit No. 411	3.86%	3.86%
Condominium Unit No. 83	5.20%	5.20%

# EXHIBIT E

## Interval Owners Schedule

<u>Unit Week Number</u>	<u>Relative Value</u>	<u>Percentage interest as Tenant-in- Common with all Interval Owners in the Fee Simple Remainder</u>	<u>Unit Week Number</u>	<u>Relative Value</u>	<u>Percentage interest as Tenant-in- Common with all Interval Owners in the Fee Simple Remainder</u>
1	1	2%	27	1	2%
2	1	2%	28	1	2%
3	1	2%	29	1	2%41
2%	30	1	2%		
5	1	2%	31	1	2%
6	1	2%	32	1	2%
7	1	2%	33	1	2%
8	1	2%	34	1	2%
9	1	2%	35	1	2%
10	1	2%	36	1	2%
11	1	2%	37	1	2%
12	1	2%	38	1	2%
13	1	2%	39	1	2%
14	1	2%	40	1	2%
15	1	2%	41	1	2%
16	1	2%	42	1	2%
17	1	2%	43	1	2%
18	Maintenance Period	0%	44	Maintenance Period	0%
19	1	2%	45	1	2%
20	1	2%	46	1	2%
21	1	2%	47	1	2%
22	1	2%	48	1	2%
23	1	2%	49	1	2%
24	1	2%	50	1	2%
25	1	2%	51	1	2%
26	1	2%	52	<u>1</u>	2%

Total Relative Value  
for all Unit Weeks: 50