

**THIRD AMENDMENT TO THE CONDOMINIUM AND INTERVAL ESTATE OWNERSHIP  
DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS  
DATED AUGUST 1, 2023**

**WITNESSETH**

**THIS THIRD AMENDMENT TO THE CONDOMINIUM AND INTERVAL OWNERSHIP DECLARATION FOR THE SANDSTONE CREEK CLUB CONDOMINIUMS (“Association”)** has been executed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 and shall be effective when recorded of record with the Eagle County Clerk and Recorder.

**RECITALS**

A. These Recitals replace all previous Recitals in the Declaration.

B. The Association was created by and is subject to the following documents: (1) Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 292, Page 915 on October 18, 1979; (2) Supplemental Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 315, Page 408 on December 29, 1980; (3) Designation to Successor to Declarant Under Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 315, Page 408 on December 29, 1980; (4) Second Supplemental Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 337, Page 109 on March 1, 1982; (5) Designation to Second Successor to Declarant Under Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 387, Page 797 on June 20, 1984; (6) Amendment to Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 534, Page 431 on July 26, 1990; (7) Designation of Successor to Declarant Under Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 532, Page 731 on July 2, 1990; (8) Third Supplemental Declaration for Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 587, Page 818 on August 26, 1992; and (9) Amendment to Condominium and Interval Estate Declaration for The Sandstone Creek Club Condominiums recorded of record with the Eagle County Clerk and Recorder at Book 647, Page 65 on August 5, 1994; (collectively the “**Declaration**”). The Project is legally described on Exhibit A attached hereto and by this reference incorporated herein which replaces all prior Declaration Exhibits describing the Project.

C. Paragraph 34 of the Declaration allows for amendment to the Declaration upon approval of Owners in good standing holding an Aggregate Interest of sixty percent (60%) or more of the General Common Elements and First Mortgagees holding first mortgages on an Aggregate Interest of seventy-five percent (75%) or more of the General Common Elements. The requisite percentage of Owners has approved this Amendment to the Declaration, as established by the records held in the offices of the Association. First Mortgagee approval was obtained in compliance with C.R.S. 38-33.3-217(1) (b). This Amendment to the Declaration

is binding and effective as of the date of its recordation with the Eagle County Clerk and Recorder.

D. The Association is created to govern and administer the Project. The Association is subject to the provisions of the Act, as defined, and the portions of the Colorado Common Interest Ownership Act (Article 33.3 of Title 38 of Colorado Revised Statutes) (“**CCIOA**”) applicable to common interest communities in existence prior to adoption thereof, as the same may be amended from time to time.

E. The Association and Owners wish to amend the Declaration to address certain matters. This Third Amendment to the Declaration shall govern in all respects as addressed herein. All other provisions of the Declaration not modified by this Amendment shall remain in full force and effect. In the event of a conflict between the Declaration and this Amendment, this Amendment shall govern.

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

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

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

NOW, THEREFORE, the Association does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land encompassing the Property and shall be deemed a burden and a benefit to the Association and its Owners, and any person acquiring or

owning an interest in the Property and the improvements thereon subject to the Declaration and this Amendment thereto, their grantees, successors, heirs, executors, administrators, devisees and assigns.

## **ARTICLE II DEFINITIONS**

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

(a) **“Additional Property”** – this definition is deleted in its entirety as there is no longer any Additional Property.

(b) **“Aggregate Interest”** – this definition is modified by changing the Exhibit referenced thereto to **Exhibit B** attached hereto. All references to Aggregate Interest shall refer to **Exhibit B** attached hereto.

(v) **“Owner”** – is expanded to include Association Owner. An Owner is a Member of the Association.

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

(z) **“Association Owner”** – refers to the Association as the Owner of Association Owned Units.

(aa) **“Association Owned Units”** – refers to all Units owned by the Association.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **ARTICLE III DECLARATION**

The following paragraphs of the Declaration are amended as follows:

#### **PARAGRAPH 1 – CONVEYANCE OF COMMON PROPERTY AND COMMON FACILITIES TO THE ASSOCIATION**

Paragraph 1(e) is deleted in full as is the unenumerated paragraph below Paragraph 1(e) which begins with, “In the case of an Interval Owner the easement hereby granted shall...”

#### **PARAGRAPH 5 – SUBJECTING A CONDOMINIUM UNIT TO INTERVAL ESTATE OWNERSHIP**

Paragraph 5 is amended by removal of the following language:

“until and including the year 2028” and “until 12:00 noon on the first Saturday in 2029.”

#### **PARAGRAPH 19 – MAINTENANCE RESPONSIBILITY AND DUTY OF UPKEEP**

Paragraph 19(d) is deleted in its entirety and replaced with the following:

No Owner will make or cause to be made any type of alteration, addition, repair, or modification to any Unit or Limited Common Elements appurtenant to a Unit, inclusive of furnishings, furniture, artwork, fixtures, equipment, and utilities. While Owners are required to keep the Unit in a clean condition without damage during said Owner’s use of the Unit, only the Association is authorized to alter, repair, or modify Units inclusive of furnishings, furniture, artwork, fixtures, equipment, and utilities. Limited Common Elements are solely maintained, repaired, and replaced by the Association but the allocation of a Limited Common

Element to a Unit or Units may not be modified except upon the written consent of the Owners of the Unit(s) the Limited Common Element is appurtenant and effectuated by an amendment to the Declaration signed by the Association and said Owners.

#### **PARAGRAPH 21 – ANNUAL MAINTENANCE FEE FOR COMMON EXPENSES**

Paragraph 21(b) is amended by deletion of the first sentence thereto and replacing the first sentence with the following:

Within ninety (90) days after adoption of a proposed budget, the Executive Board shall mail, by first-class mail, or otherwise deliver, including but not limited to posting the proposed budget on the Association's website, a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider the budget. The meeting must occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The Executive Board shall give notice to the Owners of the meeting as allowed for in the Bylaws.

#### **PARAGRAPH 24 – MAINTENANCE PERIODS IN AN INTERVAL UNIT**

Paragraph 24 is amended by the addition of the following:

In the event Association Owned Units should comprise all Interval Units in an Interval Week, the Association, in its sole discretion, can designate such Association Owned Units as a Maintenance Period. In such event, Interval Units related to the Interval Week in question shall be subject to the Maintenance Period and the allocation of Common Expenses shall be adjusted accordingly. Common Expenses are not attributable to Maintenance Periods, including Maintenance Fees, Fixed Cost Expenses, and Seasonally Variable Cost Expenses, subject to any exceptions as may be provided for in Paragraph 21. The Association shall designate a new Maintenance Period by recording of record of such change with the Eagle County Clerk and Recorder notice of said designation which will identify the Interval Units converted to a Maintenance Period and provide for the applicable adjustments to allocation of Common Expenses, if any, with such any such adjustments to be rounded to the nearest 1% which shall then be deemed to equal one hundred percent (100%) for purposes of this Declaration.

#### **PARAGRAPH 26 - INSURANCE**

Paragraph 26 is amended as follows:

First, by removal of all references to “Insurance Trustee” and replacing the same with “Association;”

Second, by deletion of Paragraph 26(d) in its entirety and replacement of Paragraph 26(d) with the following:

**26(d) Insurance Claims.** This Paragraph 26(d) governs insurance claims processes which may be further supplemented by Rules and Regulations adopted by the Executive Board of Directors: 26(d)1 In the event of damage to the Units, Common Property, Common

Facilities, and/or General Common Elements, the Association will submit a damage claim (if warranted by the dollar amount as determined in the sole discretion of the Executive Board) and address the repair of the damaged portions of the Units, Common Property, Common Facilities, and/or General Common Elements per Paragraph 31.3.2, unless there is a decision to not fully restore the damage per Paragraphs 31.3.1 and 31.3.3, or Paragraph 9; or there is a decision to terminate the Association per Paragraph 31.3.4.

Third, Paragraph 26 (f) is deleted in its entirety.

## **PARAGRAPH 31 - ASSOCIATION AS ATTORNEY-IN-FACT**

Paragraph 31 is amended in its entirety by deletion of said Paragraph in total and replacement of the same with the following:

**31.1 Association Appointed as Attorney-in-Fact** – The Association is irrevocably appointed attorney-in-fact to deal with the Condominium Project upon its sale, damage, destruction, repair, Restoration, or obsolescence. Title to any Condominium Unit or Unit Week is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from any Owner shall constitute appointment of the Association as attorney-in-fact. The Association accordingly is the true and lawful attorney for each Owner, able to act in each Owner’s name, place, and stead for the purpose of dealing with the Property upon its sale, damage, destruction, repair, Restoration, or obsolescence. As attorney-in-fact, the Association has full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or 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 as further addressed in this Declaration.

**31.2 Minor Casualty** – In the event of a Minor Casualty, the Executive Board has sole authority to process any related insurance claims, including deciding not to submit a claim if the Minor Casualty does not warrant a claim. Restoration work will be addressed in a reasonable and timely manner bringing any damaged Unit, Common Property, Common Facilities, and General Common Elements into a condition proximate to that which existed before the Minor Casualty. The Association has sole authority and responsibility to coordinate the manner of completion and scheduling of any Restoration of a Minor Casualty under this Paragraph 31.2. All Units continue to be subject to the Maintenance Fee, Common Expense Assessments, and Special Assessments, including a Restoration Deficit, following a Minor Casualty without abatement or modification. Owners are not entitled to claims for loss of use or any other consequential or compensatory damages.

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

**31.3.1 Process to Determine Scope of Restoration** – In the event of a Major Casualty, the Executive Board has sole authority to process any related insurance claims. The Executive Board will make best efforts to obtain at least two bids from licensed contractors for the Restoration of damaged Units, Common Property, General Common Elements, and Common Facilities. Upon receiving bids, and after sufficient discussion with the adjuster for the Association's insurer, the Executive Board will notify the Owners of the amounts of the



bids, the probable amount of insurance proceeds and other funds available for Restoration, and whether, based on that information, the Executive Board believes a Restoration Deficit exists and additional funds may be required. In conjunction with said notice, the Executive Board will set an Owner meeting to vote upon the alternatives set forth in Subparagraphs 31.3.1.2 and 31.3.1.3. Only Owners who are MEMBERS,GS are entitled to vote at said meeting:

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

**31.3.1.2** Termination per Paragraph 31.3.4.

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

**31.3.3 Partial Restoration** – If Fifty percent (50%) of the Owners who are MEMBERS,GS vote in favor of a Partial Restoration of a Major Casualty per Paragraph 31.3.1.1, a Partial Restoration Notice shall be prepared, executed, and acknowledged by the Association, as attorney-in-fact for the Owners, and recorded of record at which time it will be deemed effective (“*Partial Restoration Notice*”). The Partial Restoration Notice will set forth the scope of the Partial Restoration and will provide for re-allocation of Common Expenses and Aggregate Interests based upon said scope of the Partial Restoration with such adjustments to be rounded to the nearest 1% thereby being deemed equal one hundred percent (100%) for purposes of this Declaration. The Partial Restoration Notice shall amend the Declaration accordingly. The Association will perform the Partial Restoration in a reasonable and timely manner bringing any restored areas to a condition similar to which existed prior to the damage and the unrestored areas shall be addressed sufficiently so as not to adversely impact the use and enjoyment of the restored areas, subject to any code compliance or other actions required by any governmental or quasi-governmental agency. Restored Units are obligated to pay Maintenance Fees, Common Expense Assessments, and Special Assessments without abatement subject to the re-allocations in the Partial Restoration Notice after the Partial Restoration Notice is recorded of record. Owners are not entitled to claims for loss of use or any other consequential or compensatory damages. Owners of Units determined not to be restored per the Partial Restoration Notice are not obligated for Maintenance Fees, Common Expense Assessments, and Special Assessments after the date of recording of the Partial

Restoration Notice. Owners of Units determined not to be restored per the Partial Restoration Notice will not be MEMBERS,GS after the date of recording of the Partial Restoration Notice. Owners of Units determined not to be restored per the Partial Restoration Notice are entitled to payment of their Allocable Share of the Fair Market Value of the unrestored Unit subject to: (i) deduction of any liens pertaining to the Owner's Unit per the order of priority of such liens; (ii) outstanding obligations owed to the Association; and (iii) Allocable Share of the cost to render the damaged area not being restored to a condition compatible with the remainder of the Project. The Fair Market Value, subject to allocations and deductions, is to be paid to applicable Owners via any insurance proceeds available after deduction of the Partial Restoration costs and if those funds are insufficient, via a Special Assessment, if applicable, for Restoration Deficit. An Owner who has owned a Unit or Allocable Share in a Unit determined not to be restored for less than twelve (12) consecutive months prior to the recording of a Partial Restoration Notice, unless said ownership transfer was between immediate family members, is only entitled to receive up to the equivalent of said Owner's Purchase Price when purchasing the Unit. For this purpose, Owner's Purchase Price means the dollar value for purchase of a Unit verifiable as being the result of an arms' length transaction where actual funds exchanged between the buyer and seller, and which meets minimum market values. It shall be the Owner's obligation to provide reasonable proof of the Purchase Price.

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

#### **31.4 Termination**

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

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

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

**31.4.1.2** The Executive Board unanimously votes in favor of Termination; or

**31.4.1.3** Fifty percent or more of the Units become Association Owned Units.

**31.4.2 Termination Due to Physical or Financial Obsolescence** – This Paragraph governs over any conflicting provisions in the Bylaws. The Executive Board may approve submittal of Termination of the Project due to Physical or Financial Obsolescence to a Member vote. If Owners who are MEMBERS,GS with Aggregate Interests of Fifty percent

(50%) or more of the total number of Owners who are MEMBERS,GS approve Termination at a Member Meeting called for said purpose or action without a meeting as provided for in the Bylaws or the CRNCPA, Termination shall occur per Paragraph 31.5 which vote may occur at a Member meeting called for said purpose or via action without a meeting per the Bylaws or CRNCPA. The Class C Member GS shall not be entitled vote as an Owner toward Termination until at least one (1) of the following has occurred:

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

**31.4.2.2** The Executive Board unanimously votes in favor of Termination; or

**31.4.2.3** Fifty percent or more of the Units become Association Owned Units.

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

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

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

**PARAGRAPH 33 – ASSOCIATION’S RIGHT TO ACQUIRE REAL AND PERSONAL PROPERTY**

Paragraph 33 is amended by adding the Paragraph:

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

**PARAGRAPH 34 – AMENDMENT OR REVOCATION**

Paragraph 34 is deleted in its entirety and replaced with the following:

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

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

**34.2 Reserved Amendment Rights** – To the extent that this Declaration, the Act, or CCIOA (as applicable to pre-existing communities) expressly permit or require

amendments that may be effective without an Owner vote, this Declaration may be amended by amendments approved and executed by the Association.

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

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

#### **PARAGRAPH 35 – REGISTRATION BY OWNER OF MAILING ADDRESS**

Paragraph 35 is amended as follows: (i) by expanding “mailing address” to include email addresses. If an Owner provides an email address for mailing purposes, email of Notices shall be deemed to meet any mailing requirements under the Governing Documents or Colorado Law; and (ii) changing the address of the Association to: Sandstone Creek Club Condominium Association, Inc. 1020 Vail View Drive, Vail, Co. 81657-4495.

#### **PARAGRAPH 37 - PERIOD OF UNIT WEEK OWNERSHIP**

Paragraph 37 is amended by deletion of said Paragraph in its totality.

#### **PARAGRAPH 38 - GENERAL PROVISIONS**

Paragraph 38 is amended by addition to the following:

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

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

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

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

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

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

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

(END OF DOCUMENT)