

CONDOMINIUM DECLARATION
FOR
MOUNTAIN STREAM CONDOMINIUMS

ARTICLE I
RECITALS

G F B, LTD., a Colorado Limited Partnership, ("Declarant"), is the owner of the real property situate in the County of Eagle, State of Colorado, described on Exhibit A attached hereto and made a part hereof. Declarant owns additional real property adjoining such property (such additional real property being described on Exhibit B attached hereto and made a part hereof) and may subject the property described on Exhibit B to this Condominium Declaration by recording a Supplemental Declaration or Declarations and a Supplemental Map or Maps with the Eagle County, Colorado, Clerk and Recorder within seven (7) years of the initial recording of this Declaration.

Declarant desires to establish a condominium project under the Condominium Ownership Act of Colorado (C.R.S. 1973; 38-33-101, et seq.) and to define the character, duration, rights, obligations and limitations of condominium ownership. Declarant has constructed one building on the property described on Exhibit A, which building consists of 12 two-bedroom Units and 6 three-bedroom Units together comprising 18 separately designated condominium units. A condominium map will be filed showing the location of said building on the property, described on Exhibit A, and which is hereby made subject to this Declaration.

Declarant has building plans approved by the County Commissioners of Eagle County, Colorado, pursuant to its subdivision regulations for the construction of two (2) additional buildings (identical in configuration with the building constructed on the property described on Exhibit A) which buildings, if and when completed, will consist of an additional thirty-six

(36) separately designated condominium units. Condominium maps will be filed showing the location of such buildings on the property described on Exhibit B when, and if, said property is made subject to this Declaration by recording Supplemental Declarations.

Each of the three (3) buildings when completed will consist of 12 two-bedroom units, each containing approximately 972 square feet of floor space, and 6 three-bedroom units, each containing approximately 1,323 square feet of floor space.

Declarant does hereby establish a plan for the ownership of real property estates in fee simple consisting of the air space contained in each of the condominium units in the building and the co-ownership, by the individual and separate owners thereof, as tenants in common, of all of the remaining real property.

ARTICLE II DECLARATION

Declarant 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 described on Exhibit A, shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property which is or becomes subject to this Declaration and improvements built thereon, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Definitions. Unless the context shall expressly provide otherwise:

(a) "Unit" means one individual air space contained within perimeter walls, floors, ceilings, windows and doors as depicted on the Condominium Map for Mountain Stream Condominiums to be filed for record, together with all fixtures and improvements therein contained but not including any of the structural components of the buildings, if any, located within the Unit.

(b) "Condominium Unit" or "Condominium" means the fee simple interest and title in and to a Unit together with the undivided interest in the General Common Elements as designated on Exhibit C and the Limited Common Elements appurtenant thereto and designated on the Condominium Map for Mountain Stream Condominiums together constituting one estate.

(c) "Owner" means a person, persons, firm, corporation, partnership, association or other legal entity, or any combination thereof, owning an interest in one or more Condominium Units.

(d) "General Common Elements" means and includes the real property hereby submitted to condominium ownership as provided hereinafter and the improvements thereupon EXCEPT the Units and shall include the following: the foundations, columns, girders, beams, supports, interior walls separating the units, roofs, halls, corridors, stairs, stairwells, fire escapes, entrances, and exits of such building or buildings; and the yards, gardens, parking areas, installations of central services such as power, light, hot and cold water and heating; and in general all apparatus and installations existing for common use; such community facilities as may be provided for in the Declaration; and all other parts of the property necessary or convenient to its existence, maintenance, and safety or normally in common use, shall be owned as General Common Elements by all of the Owners of the separate Units, each Owner of a Unit having such undivided interest in and to such General Common Elements as is provided in this Declaration.

(e) "Declaration" or "this Declaration" means this Condominium Declaration, amendments and supplements thereto, if any. Further supplements to this Declaration shall bear appropriate numerical designation successive to this Declaration.

(f) "Limited Common Elements" means those parts of the General Common Elements limited to and reserved for exclusive use appurtenant to one or more designated Condominium Units but fewer than all of the Condominium units.

(g) "Condominium Project" or "Project" means that land described on Exhibits A and B hereto and the improvements submitted to condominium ownership by this Declaration and Supplemental Declarations, if any, filed for record.

(h) "Common Expenses" means and includes: (i) expenses and/or projected expenses of administration, operation and management, repair or replacement of the General Common Elements, (ii) expenses declared common expenses by the provisions of this Declaration or the By-Laws of the Association; (iii) all sums lawfully assessed against the General Common Elements by the Board of the Association; (iv) expenses agreed upon as common expenses by the Association of Unit Owners; and (v) expenses as are provided in any Management Agreement.

(i) "Association of Unit Owners" or "Association" means the Association formed as a Colorado non-profit corporation bearing the name Mountain Stream Condominium Association or such other name as may be lawfully adopted by such Association, the Articles of Incorporation and By-Laws of which shall govern the administration of this condominium property, the members of which Association shall be all of the Owners of Mountain Stream Condominium Units.

(j) "Building" or "Buildings" means the three (3) buildings each containing 18 Units located on the real estate described on Exhibits A and B as shown on the Map, and Supplemental Maps, if any, filed for record.

(k) "Map", "Condominium Map" or "Supplemental Map" means and includes the engineering survey of the land described on Exhibits A and B depicting and locating with specificity thereon the improvements, the perimeter and elevation plans of the Units and any other drawing or diagrammatic plan depicting a part of or all of the land and improvements thereon submitted to this Condominium Project. Such Map(s) shall be recorded in the office of the Eagle County, Colorado, Clerk and Recorder.

(l) "Declarant" means and includes G F B, LTD., a Colorado Limited Partnership, and such successor or successors to this role of developer of the Condominium Project as may be designated by written notice duly recorded and mailed to the Association. The status of "Declarant" is intended to facilitate start-up of the Project for the benefit of all Owners and their mortgagees. Such status shall terminate upon sale of all fifty-four (54) Condominium Units except insofar as the provisions of this Declaration relative to correction of documents is concerned.

(m) "Sinking Fund" means and includes the separate monthly assessment and account created to establish sufficient reserves for estimated capital improvements and repairs to the General and Limited Common Elements.

(n) "Sharing Ratio" means the formula set forth on Exhibit D whereby the Common Expenses and Sinking Fund are allocated between the two-bedroom and three-bedroom Units and such division reallocated to the separate Owners of the Units.

(o) "Available Votes" means the one vote per Unit times the number of Units subject to this Declaration.

2. Division of Property into Condominium Units.

(a) The real property described on Exhibit A is hereby divided into 18 Condominium Units lettered and numbered Building A; 101 through 106, inclusive; 201 through 206, inclusive; and 301 through 306, inclusive; each consisting of a Unit and an undivided interest in the General Common Elements appurtenant to such Unit, which interest is set forth on Exhibit C attached hereto and made a part hereof.

3. Limited Common Elements. Portions of the General Common Elements are limited and reserved for use exclusively by those having the right to possession of designated particular Units. Such areas are herein designated "Limited Common Elements". The Limited Common Elements so limited shall be identified on the Map; provided, however, that any terrace, patio

or balcony which is accessible from, associated with and which adjoins a Unit shall, without further reference, be used in connection with and appurtenant to such Unit to the exclusion of use thereof by other Owners except by invitation. No separate reference to Limited Common Elements (whether exclusive or non-exclusive) need be made in any deed or other instrument.

4. Condominium Map. The Map shall be filed for record in the office of the Eagle County, Colorado, Clerk and Recorder, in whole or in parts, sections or supplements, as construction of the Units and other improvements are substantially completed. The Building and Map (or any part thereof) shall not be filed for record until the Building in which the Units are located has been substantially completed in order to permit the depiction of the Units, both horizontally and vertically. Any and each such Map shall be filed for record prior to the conveyance of the Condominium Units shown thereon and such Map shall depict at least the following: the legal description of the land and a survey thereof; the location of the building with relation to the land boundaries; the floor and elevation plans; the location of each Unit within the building both horizontally and vertically; the thickness of the common walls between or separating the Units; the location of any building structural components or supporting elements located within a Unit and the Unit identifying designations as set forth on Exhibit C hereto. Each such Map shall contain the certificate of a registered land surveyor or licensed architect certifying that the Map accurately depicts the location and the horizontal and vertical measurements of the Units, the Unit designations, building symbols, the elevations of the unfinished floors and ceilings, and that such Map was prepared subsequent to substantial completion of the depicted improvements. In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right (such right, to expire December 31, 1981) to amend the Map, from

time to time, to conform the same according to the actual location of any of the constructed improvements and to establish, vacate and relocate easements, access roads and driveways and one-site parking areas.

5. Description of Condominium Units.

(a) Every contract for the sale of a Condominium Unit written prior to the filing for record of the Map and Declaration may legally describe a Condominium Unit by its identifying Building and Unit designation followed by reference to this Condominium Project. The location of such Building and Condominium Unit shall be depicted on the Map subsequently filed for record.

(b) Subsequent to this Declaration and the Map being filed for record, every contract, deed, or other legal instrument may legally describe a Condominium Unit by its identifying Building and Unit designation, followed by Mountain Stream Condominiums, with further reference to the Map, Declaration and Supplement(s), if any, filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the share in General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include perpetual non-exclusive easement for ingress to and egress from such Unit on, over and across the General Common Elements, exclusive use of the Limited Common Elements appurtenant to such Unit, and the non-exclusive right in common with all other Owners to use of sidewalks, pathways, driveways, parking spaces and other facilities and improvements intended for common use located within the Condominium Project.

(c) The reference to the Map and Declaration in any instrument shall be deemed to include any Amendment or Supplement thereto without specific reference thereto.

6. Form of Ownership - Title. Title to a Condominium Unit may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an "Owner" with respect to the Condominium Unit in which he owns an interest.

7. Inseparability of a Condominium Unit. Each Unit, the appurtenant undivided interest in the General Common Elements and the appurtenant Limited Common Elements together comprising one Condominium Unit shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium Unit.

8. Separate Assessment and Taxation of Condominium Units - Notice to Assessor. Declarant shall give written notice to the Eagle County, Colorado, assessor of the creation of condominium real property ownership interests in the property described on Exhibit A as is provided by Colorado law, C.R.S. (1973) 38-33-104, in order that each Unit together with its appurtenant undivided interest in the General Common Elements shall be deemed a separate taxation parcel, subject to separate assessment and ad valorem taxation. A copy of said notice, if requested, shall be provided to holders of first deeds of trust secured by the Units.

9. No Partition or Time Sharing.

(a) The General Common Elements shall be owned jointly by all of the Owners of the Units and shall remain undivided. No Owner shall bring any action for partition or division either of a Condominium Unit, any portion of the General Common Elements or of a Unit from its appurtenant interests in the Limited and/or the General Common Elements.

(b) No time share estates shall be created pursuant to C.R.S. (1973) 38-33-110 (as amended) or contrary to the rules, regulations and ordinances of any political subdivision having jurisdiction with respect to any Condominium

Unit and any such estates created contrary to this prohibition shall be null and void and rest no title, legal or equitable, in the grantee or its successors or assigns.

10. Easements for Encroachments. If any portion of the General Common Elements encroaches upon a Unit or Units, or if any portion of a Unit encroaches upon the General Common Elements or upon an adjoining Unit or Units, a valid easement for such encroachment and for maintenance of the same so long as it continues, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the General Common Elements or on the Units affecting marketability of title or otherwise.

11. Mechanic's Liens - Indemnification.

(a) If any Owner shall cause any material to be furnished to his Condominium Unit or any labor to be performed therein or thereon, no Owner of any other Condominium Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Condominium Unit or any improvements therein. Nothing herein contained shall authorize any Owner or any person dealing through, with or under any Owner to charge the General Common Elements or any Condominium Unit other than that of such Owner with any mechanic's lien or other lien or encumbrance whatever.

(b) If, due to any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the General Common Elements or against any other Owner's Condominium Unit or any improvements therein, or against any other Owner (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis of such lien or order shall at his own cost and

expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all the other Unit Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages, including reasonable attorney's fees resulting therefrom.

12. Mountain Stream Condominium Association.

(a) The administration of the Condominium Project shall be governed and administered by Mountain Stream Condominium Association, in accordance with its Articles of Incorporation and By-Laws, as amended from time to time.

(b) A purchaser of a Condominium Unit upon becoming an Owner shall be a member of the Association and shall remain a member for the period of his ownership. Each member shall be entitled to cast one (1) vote notwithstanding the undivided ownership interest of the General Common Elements appurtenant to the Unit.

(c) The Board of Managers of the Association and successor Boards of Managers may delegate by written Management Agreement the operation, administration, repair and maintenance of the Condominium Units to a Managing Agent. Such management Agreement shall not have as its subject or include any rental functions with regard to the Condominium Units and shall not be for a single contractual period longer than three (3) years.

13. Certificate of Identity of Management Body. There shall be provided to the Owners and recorded with the Clerk and Recorder of Eagle County, Colorado, from time to time, a Certificate of the identities and the addresses of the persons then comprising the management body (Managers and Officers) of such Association together with the name and address of the Managing Agent, if any. Such Certificate shall be conclusive evidence thereof in favor of any person relying thereupon in good faith.

The first such Certificate shall be furnished the Owners and recorded within ninety (90) days after this Declaration is recorded.

14. Access to Units for Maintenance, Repair and Emergencies.

(a) The Owners shall have the irrevocable right, to be exercised by the Managing Agent, if any, Board of Managers of the Association or the designated representatives of such Board, 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 components of the General Common Elements within a Unit or accessible therefrom; provided however, that such right of access shall be immediate for making emergency repairs in order to prevent damage to Common Elements or to another Unit.

(b) Damage to any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the General Common Elements or as a result of emergency repairs within another Unit shall be a Common Expense of all of the Owners; provided however, that if such General Common Element damage is caused by negligent or tortious acts of a Unit Owner, members of his family, his agent, employee, invitee, licensee or tenant, then such Unit Owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs and replacements of the General Common Elements, whether located inside or outside of Units (unless necessitated by the negligence, misuse or tortious act of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be the Common Expense of all of the Owners.

15. Owner's Maintenance Responsibility.

(a) Each Owner shall keep in good repair and condition his Unit, including the components thereof, such as,

but not limited to, plaster, drywall, paneling, wallpaper, paint, wall and floor tile and flooring (not including sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within such Unit, including Unit doors and windows. The lines, pipes, wires, conduits or systems (hereinafter referred to as utilities) passing through such Unit and serving other Units are General Common Elements. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Board of Managers. An Owner's right to repair, alter or remodel his Unit shall be coupled with the obligation to replace any finishing or other materials removed with materials of equal or better quality.

(b) An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures thereof. All fixtures and equipment installed within the Unit from the point where the utilities enter the Unit shall be maintained and kept in good repair and condition by the Owner thereof. An Owner shall not impair the structural soundness or integrity of a Unit or Building or impair any easement or hereditament. An Owner shall always keep the Limited Common Elements appurtenant to his Unit in a clean and sanitary condition.

16. Maintenance of Common Elements and Additions.

(a) The maintenance and operation of the General and Limited Common Elements shall be the responsibility and the expense of the Association and a common expense of all of the Owners.

(b) There shall be no additions, alterations or betterments of or to the General or Limited Common Elements by the Association requiring an assessment in excess of five hundred dollars (\$500) per two-bedroom Unit in any one calendar year without prior approval of a majority of the Owners. Such approval shall be expressed by a vote in favor thereof by the Owners of a simple majority of the Available Votes at a special or regular meeting of Association members. Such expenditures

shall be a Common Expense. This limitation shall not apply to replacement, repair or maintenance of any General or Limited Common Element or common personal property owned by the Association.

17. Compliance with Provisions of Declaration

Mandatory. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association and the rules, regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully adopted and amended from time to time. Failure to comply with any of the same after thirty (30) days' written notice of default, except Paragraph 21 obligations which are time is of the essence obligations, shall be grounds for an action to recover sums due for damages or for injunctive relief, or both, and for reimbursement of all reasonable attorney's fees incurred in connection therewith, which action may be maintained by the Board of Managers or by the Managing Agent in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner. If an Owner fails to cure said default within thirty (30) days, written notice of said failure shall be given to the holder of the first deed of trust secured by the Owner's Unit.

18. Revocation; Amendment. Except as otherwise herein provided, this Declaration shall not be revoked unless all Owners and all first mortgagees of record as to the Condominium Units consent and agree to such revocation by instrument(s) duly recorded. This Declaration may be amended by Owners representing seventy-five percent (75%), or more, of the Available Votes consenting and agreeing to such amendment by written instruments duly recorded; provided however, that the undivided interests in and to the General Common Elements appurtenant to each Unit shall have a permanent character and shall not be altered without the consent of all of the Unit Owners and their first mortgagees of record as expressed in written Amendment(s) or Supplement(s) to this Declaration duly recorded.

19. Assessments for Common Expenses.

(a) Each Owner shall pay his pro rata share of the Common Expenses, which proration shall be made on the basis of the Sharing Ratio in effect on the date such Common Expense is assessed.

(b) The Board of Directors (the "Board") of the Association shall fix, determine, levy and collect annual and special assessments to be paid by each of the Owners to meet the Common Expenses and to create a Sinking Fund reserve therefor. Prior to the beginning of each fiscal year of the Association, the Board shall adopt a budget for that year. The budget shall include, but shall not be limited to, an estimate of the costs of maintenance, repair and replacement of the General Common Elements, the cost of utilities and other services to be provided by the Association, the cost of insurance required by Paragraph 25 herein, and proposed capital expenditures. The budget shall include an adequate Sinking Fund for the maintenance, repairs and replacement of those General Common Elements that must be replaced on a periodic basis in order that such maintenance, repairs and replacement may be paid for through regular installments rather than by special assessment. For the Association's first fiscal year, the Board shall adopt the budget at the first meeting of the Board and designate the date of commencement of the first annual assessment, with the cost for maintenance, repair and replacement of the General Common Elements and any reserve fund needed therefor based on a good faith estimate of those costs; said estimate may be based on the costs incurred by similar associations in the general locale. Thereafter, the cost of maintenance, repair and replacement and any Sinking Fund needed therefor shall be on the basis of the previous year's costs with such adjustments therefrom as the Board considers appropriate. The budget shall also include the annual assessment for each Condominium Unit. Special assessments may be levied whenever, in the opinion of the Board, it is necessary or

advisable to do so (i) to meet increased operating or maintenance expenses or costs, (ii) to provide for additional capital expenditures, or (iii) because of emergencies; however, if the proposed additional capital expenditures at any given time are in excess of ten percent (10%) of the maximum replacement value of the Buildings, as determined by the Association pursuant to Paragraph 25(c) herein, such expenditures may be incurred only after the Owners of seventy-five percent (75%) of the Available Votes approve such expenditures. All annual assessments shall be based upon an approved budget; all other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(c) The Board shall prepare and provide to each Owner a statement for the annual assessment and any special assessment against his Condominium Unit. Annual assessments for the budgeted Common Expenses shall be paid in monthly installments, each such installment due and payable in advance on the first of each month or less frequent installments as may be determined by the Board. Special assessments shall be due and payable as specified in the written notice of such assessment provided by the Board.

(d) An action may be brought by the Association to recover unpaid Common Expenses from the Owner liable for payments therefor with or without foreclosing or waiving the lien described in the following paragraph.

(e) No Owner shall exempt himself from liability for payment of his share of the Common Expenses either by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Condominium Unit.

(f) In case of sale or other transfer of a Condominium Unit with respect to which sums assessed for Common Expenses shall be unpaid, the purchaser or other transferee of an interest in such Unit shall be jointly and severally liable with the seller or transferor thereof for such unpaid assessments.

Notwithstanding the above, any first lienor who obtains title to a Condominium Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid dues or charges which accrue prior to the acquisition of title to such Unit for the first lienor.

(g) Upon written request for a statement of account by an Owner or his agent, mortgagee, prospective mortgagee or prospective Owner of a Condominium Unit, the Association or the Managing Agent shall within ten (10) days furnish a written statement setting forth the following: any unpaid Common Expenses; the amount of the current assessment; the dates that assessments are due; the amounts of any advance payments made; working capital reserve credits; prepaid items such as insurance premiums and reserves therefor; deficiencies in reserve accounts, and any other matters as determined by the Association, which statement shall be conclusive upon the Association in favor of persons who rely thereupon in good faith. Unless such request shall be answered, in writing, within ten (10) days after receipt of such written request, all unpaid Common Expenses which become due prior to the date of such request shall be subordinate to the rights of the person requesting such statement. A reasonable service fee of not less than \$25.00 may be charged by the Association or Managing Agent for furnishing such statement of account. All Owners and their first mortgagees of record, their agents, or assigns shall have the right to inspect the books and records of the Association on the same terms as are granted a shareholder under the Colorado Corporation Code and the Colorado Condominium Ownership Act.

(h) The provisions set forth in this paragraph shall not apply to initial sales and conveyances of the Condominium Units by Declarant, and such sales shall be free from all Common Expenses to the date of conveyance made or to a date agreed upon by Declarant and Declarant's grantee.

(i) Any party in favor of whom a lien on a Condominium Unit has been created may, but shall not be required to, pay any unpaid Common Expense with respect to such Unit and upon such payment such party shall have a lien on such Condominium Unit for the amount so paid of the same rank as the lien theretofore existing.

(j) The omission or failure to fix any assessment or to deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay the same and, until notified otherwise, the previous assessment shall be presumed to be the current assessment.

20. Owner's Personal Obligation for Payment of Assessments. The amount of the Common Expenses assessed, as per Paragraph 19, against each Condominium Unit shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. Both the Board of Managers and the Managing Agent (if any) shall have the responsibility for taking prompt action to collect any assessment which remains unpaid for more than ten (10) days from the date payment thereof is due. In the event of default in the payment of the assessment, the Owner shall be obligated to pay interest at a rate as may be provided in the By-Laws on the amount of the assessment from due date thereof, together with all expenses, including reasonable attorney's fees, incurred by the Association together with such late charges as may be provided by the By-Laws of the Association. Suit to recover a money judgment for unpaid Common Expenses may be maintained without foreclosing the lien for such unpaid Common Expenses provided in Paragraph 22 below, and shall not be construed to be a waiver of the lien.

21. Lien for Common Expenses - First Mortgagees

Protected.

(a) All sums assessed but unpaid for the share of Common Expenses chargeable to any Condominium Unit shall constitute a lien on such Unit superior to all other liens and encumbrances except only for real estate taxes and valid and accrued special assessment liens on the Condominium Unit in favor of any assessing entity and except all sums unpaid on a first mortgage or deed of trust of record including all unpaid obligatory sums thereunder as may be provided by the terms of such encumbrance. To evidence such lien, the Board of Managers or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges, the name of the Owner(s) of the Condominium Unit and a description of the Condominium Unit. Such notice of lien shall be signed by one of the Board of Managers or by one of the officers of the Association or by the Managing Agent on behalf of the Association. Such notice may be mailed, postage prepaid, to the Owner at his registered address or personally delivered to the Owner and may be recorded in the office of the Eagle County, Colorado, Clerk and Recorder. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, have been fully paid.

(b) Such lien may be enforced by foreclosure thereof against the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage or mechanic's or materialman's lien on real property upon the recording of the above-indicated notice of claim thereof. In any such proceedings, the Owner in default shall be required to pay the costs, expenses and reasonable attorney's fees of not less than \$75 incurred for filing the lien and in the event of foreclosure proceedings, all additional costs, all expenses and reasonable attorney's fees of not less than \$500 incurred for institution of

foreclosure proceedings through Court. The Owner of the subject Condominium Unit shall be required to pay the Association the monthly common assessment for the Condominium Unit during the period of foreclosure and the Association shall be entitled to receiver during foreclosure. The Association shall have the power to bid on the Condominium Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the vote appurtenant thereto, convey or otherwise deal with the same. Conveyance of such Condominium Unit subsequent to such foreclosure shall be made by quit claim or special warranty deed executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association.

(c) Any mortgagee holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid Common Expenses with respect to such Unit. Upon such payment, such mortgagee shall have a lien on such Unit for the amount paid, of the same rank as the lien of his mortgage or other encumbrance without the necessity of having to record a notice or claim of such lien. Upon request of a mortgagee, the Association shall report to the mortgagee of a Condominium Unit any unpaid assessment remaining unpaid for longer than thirty (30) days after the same is due; provided however, that a mortgagee shall have furnished to the Managing Agent or to the Board of Managers notice of its encumbrance.

(d) The recorded lien may be released by recording a Release of Lien executed by an officer of the Association or by the Managing Agent on behalf of the Association.

22. Priority of Lien for Common Expenses Over Junior Mortgages. The Owner of a Condominium Unit may create junior mortgages (junior to the lien of the deed of trust or other encumbrance of the first mortgagee), liens or encumbrances on his Condominium Unit; provided however, that any such junior mortgages, liens or encumbrances shall always be subordinate to the continuing lien of the Association for Common Expenses and to

all of the terms, conditions, covenants, restrictions, uses, limitations and obligations under this Declaration, Association Articles of Incorporation and By-Laws, as, from time to time, amended, and provided further, that such junior encumbrancer(s) shall release, for purposes of restoration of any improvements upon the encumbered Condominium Unit, any and all right, title or interest in and to proceeds of all insurance policies carried upon said premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request by the Association, and if such request is not promptly granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee. Junior encumbrances may exist against a Condominium Unit only in compliance with the terms of this Declaration.

23. Registration of Mailing Address and First Deed of Trust Holder. Each Owner shall register his telephone number, mailing address and the name and address of the holder of the first deed of trust on his Unit, if any, and any changes thereto with the Association, and notices or demands intended to be served upon an Owner or mortgagee shall be sent by United States mail, postage prepaid, addressed to the Owner or mortgagee at such registered address.

24. Working Capital Reserve. Each Owner, other than Declarant, shall be required to deposit and to maintain with the Association three (3) times the amount of the monthly common assessment, without interest, which sum shall be used by the Association or Managing Agent as a reserve for paying such Owner's monthly common assessment, for purchase of equipment and supplies and for working capital. Such advance payment shall not relieve an Owner from making the regular monthly payments of the monthly common assessment as the same come due. Upon the sale of his Condominium Unit, an Owner shall be entitled to a credit from his grantee for any unused portion thereof, and the grantee shall deposit and maintain with the Association three times the amount of the then current monthly common assessment.

25. Insurance.

(a) The Association shall, on behalf of the Owners:

(i) keep all Buildings (including all of the Condominium Units and all fixtures therein, but not including furniture, furnishings or other personal property supplied or installed by Condominium Unit Owners) insured against loss or damage by fire, with extended coverage (including insurance against loss or damage by vandalism or malicious mischief), in at least the amount of the maximum replacement value thereof, determined in accordance with Subparagraph (c) herein;

(ii) provide and keep in force, for the protection of the Association, its officers and directors, and all the Owners and first lienors, general public liability and property damage insurance against claims for bodily injury or death or property damage occurring upon or in the General Common Elements, in limits of not less than \$1,000,000 for bodily injury or death to any number of persons arising out of one accident or disaster, or for damage to property, and if higher limits shall at any time be customary to protect against possible tort liability, such higher limits shall be carried.

(iii) at such time as Mountain Stream Condominiums shall consist of more than thirty-six (36) Condominium Units, provide and keep in force fidelity coverage, by fidelity bond or insurance, naming the Association as the insured, against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity coverage each year shall be in an amount equal to no less than one and one-half times the Association's estimated annual budget.

(iv) carry insurance in such amounts as the Association may consider necessary or advisable against such other insurable hazards as may from time to time be commonly

insured against in the case of similar property in similar locations elsewhere.

(v) carry directors and officers liability insurance in such amounts as the Association may consider necessary or advisable.

(b) All insurance required to be carried under this paragraph shall be carried in favor of the Association, the Owners and all first lienors, as their respective interests may appear. Each policy of insurance shall contain a standard mortgagee clause in favor of each first lienor of a Condominium Unit which shall provide that the loss, if any, thereunder shall be payable to such first lienor, as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All policies of insurance against damage to any Building and fixtures shall provide that losses shall be payable to and adjusted with the Association, as attorney-in-fact, for the Owners. The Association shall hold and apply the proceeds of such insurance as set forth in this Declaration. Each insurance policy shall provide that no cancellation thereof may be made by the insurance carrier without having first given thirty (30) days' prior written notice thereof to the Association, the Owners and all first lienors. Each insurance policy shall also contain a "severability of interest" endorsement, that provides in case of violation of any provision thereof by the Association or one or more (but less than all) of the Owners, the coverage of such policy shall be suspended or invalidated only as to the interest of the Association or the Owner or Owners committing the violation and not as to the interest of any other Owner. All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be furnished, upon request, to all first lienors at least ten (10) days prior to expiration of the then current policies.

(c) The maximum replacement value of the Buildings (which shall indicate the maximum replacement value of each Condominium Unit contained therein), without deduction for depreciation, shall be determined by the Association prior to obtaining any policy of fire insurance or any renewal thereof by means of one or more written appraisals made by competent, disinterested appraisers; however, appraisals need not be obtained more frequently than at one-year intervals. Copies of such appraisals shall be furnished, upon request, to each Owner and each first lienor of a Condominium Unit.

(d) Each Owner shall be responsible for all insurance covering loss or damage to personal property in his Condominium Unit and liability for injury, death or damage occurring inside his Condominium Unit. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

26. Appointment of Attorney-In-Fact. Each Owner by his acceptance of the deed or other conveyance vesting in him an interest in a Condominium Unit does irrevocably constitute and appoint (i) the Association, with full power of substitution, as his true and lawful attorney in his name, place and stead to deal with such interest upon damage to or destruction, obsolescence, or condemnation of any Building or real property as hereinafter provided, and (ii) Declarant, with full power of substitution, as his true and lawful attorney in his name, place and stead to deal with such interest in order to effectuate the reservation contained in Paragraph 34 herein, each with full power, right and authorization to execute, acknowledge and deliver any contract, deed, proof of loss, release or other instrument affecting the interests of such Owner, and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Declaration. If requested to do so by the Association or Declarant, each Owner shall

execute and deliver a written instrument confirming such appointment. The action of the Association in settling any damage or condemnation claim shall be final and binding on all Owners. No Owner shall have any rights against the Association or any of its officers or directors with respect thereto except in case of fraud or gross negligence.

27. Damage or Destruction. In case of damage or destruction of any Building or any part thereof by any cause whatsoever:

(a) If in the reasonable judgment of the Association the proceeds of insurance shall be sufficient to pay all the costs of repairing and restoring the Building, the Association (as attorney-in-fact for the Owners) shall cause the Building to be repaired and restored, applying the proceeds of insurance for that purpose.

(b) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the Building, and if the excess of such costs over the anticipated insurance proceeds are less than twenty percent (20%) of the maximum replacement value last determined under Paragraph 25(c) herein, then the Association (as attorney-in-fact for the Owners) shall promptly cause the Building to be repaired and restored, and the difference between the insurance proceeds and the costs of repair and restoration shall be a Common Expense to be assessed and paid as provided in Paragraph 19 herein.

(c) If in the reasonable judgment of the Association the anticipated proceeds of insurance are not sufficient to pay the costs of repairing and restoring the Building, and if the excess of such costs are twenty percent (20%) or more of the maximum replacement value last determined under Paragraph 25(c) herein, then the Association (as attorney-in-fact for the Owners) shall promptly cause the Building to be repaired and restored, and the difference between the insurance proceeds and the costs

of repair and restoration shall be a Common Expense, to be assessed and paid as provided in Paragraph 19 herein; provided however, that if within one hundred (100) days after the date of such damage or destruction a plan for repairing and restoring the Building shall be disapproved by and a sale of such Building is approved by the Owners of Condominium Units in such Building owning seventy-five percent (75%) or more of the Available Votes appurtenant to Condominium Units in such Building (not the Project) and by one hundred percent (100%) of all first lienors of such Condominium Units, the Association (as attorney-in-fact for the Owners of Condominium Units in such Building) shall execute and record in the Eagle County, Colorado, real estate records a notice of such facts, and thereafter shall sell the entire real property on which such Building was located (its "footprint"), as it was legally described on the Map and Declaration or supplements thereto subjecting the property to this Declaration together with reasonable easements and encroachments to and over the General Common Elements, other Buildings and the sold real property both to the public way and to the Eagle River for ingress and egress, installation of needed utilities to the site and for demolition and reconstruction as designated by the Association, free and clear of the provisions of this Declaration and the Condominium Map, which shall wholly terminate and expire with respect to such upon the closing of such sale. However, the Purchaser of the site must restore, rebuild or remove the damaged or destroyed building within a reasonable period of time. This Declaration and any map, however, shall remain in full force and effect with respect to all other property and Buildings, and the undivided interests in General Common Elements appurtenant to all Condominium Units remaining subject to this Declaration shall automatically be increased by the amount of the undivided interests in General Common Elements appurtenant to all Condominium Units in the Building sold free and clear of this Declaration, such increase to be allocated among Condominium Units in

accordance with each Unit's respective appurtenant interest in General Common Elements appurtenant to Condominium Units in the Building not being sold. The proceeds of insurance and the proceeds of such sale of the real property shall be allocated by the Association, applied first to the payment of expenses of the sale, and then divided among the Owners of Condominium Units in such Building and paid into separate accounts, each representing one Condominium Unit. The insurance proceeds shall be divided according to such Owners' respective undivided interest therein as shown by the insurance policies, if so shown, otherwise according to such Owners' respective interest in General Common Elements appurtenant to Condominium Units in the Building so sold, and the proceeds of sale shall be divided according to such Owner's respective undivided interests in the General Common Elements appurtenant to Condominium Units in the Building so sold. The funds in each account (without contribution from one account to another) shall be applied by the Association for the following purposes in the order indicated: (i) for payment of the balance of the lien of any first mortgage or deed of trust on the Condominium Unit; (ii) for payment of taxes and special assessment liens in favor of any assessing entity; (iii) for payment of unpaid Common Expenses; (iv) for payment of junior liens and encumbrances in the order of and to the extent of their priority and (v) the balance remaining, if any, shall be paid to the Owner. The provisions of this paragraph shall not be construed as limiting in any way the right of a first lienor (in case the proceeds allocated under (i) above shall be insufficient to pay the indebtedness secured by his lien) to assert and enforce the personal liability for such deficiency of the person or persons responsible for payment of such indebtedness. If within one hundred (100) days after the date of such damage or destruction a plan for repairing and restoring the damaged or destroyed Building is not disapproved pursuant to this Paragraph 27(c), the Association (as attorney-in-fact for such Owners)

shall promptly cause such repairs and restoration to be made according to such plan. All Owners of Condominium Units in such Building (and no others) shall be bound by the terms of such plan, and the difference, if any, between the amount of the insurance proceeds and the costs of repair and restoration shall be an expense of such Owners only and shall be assessed and paid by such Owners in the proportions of their Sharing Ratio.

(d) Nothing contained in this paragraph shall be construed as imposing any liability whatever on any first lienor to pay all or any part of the costs of repair or restoration.

28. Obsolescence.

(a) If at any time the Owners of seventy-five percent (75%) or more of the Available Votes appurtenant to Condominium Units in any Building covered by this Declaration and seventy-five percent (75%) of all first lienors with interests in such Building shall agree that such Building has become obsolete and shall approve a plan for its renovation or restoration, the Association (as attorney-in-fact for the Owners with interest in such Building) shall promptly cause such renovation or restoration to be made according to such plan. All Owners of Condominium Units in such Building shall be bound by the terms of such plan and the costs of the work shall be an expense to such Owners only and shall be assessed and paid by such Owners in the proportions of their Sharing Ratio. No Owner of a Condominium Unit in any other Building shall be required to pay any of the costs of such renovation or restoration on account of such ownership.

(b) If at any time the Owners of seventy-five percent (75%) or more of the Available Votes and seventy-five percent (75%) of all first lienors shall agree that any of the improvements constituting General Common Elements have become obsolete and shall approve a plan for their renovation or restoration, the Association (as attorney-in-fact for the Owners) shall promptly cause such renovation or restoration to be made according to such plan. All Owners shall be bound by the terms

of such plan, and the costs of the work shall be a Common Expense, to be assessed and paid as provided in Paragraph 19 herein.

(c) If at any time the Owners of seventy-five percent (75%) or more of the Available Votes and seventy-five percent (75%) of all first lienors shall agree that the Building has become obsolete and should be sold, the Association (as attorney-in-fact for the Owners) shall promptly record in the real estate records of Eagle County, Colorado, a notice of such facts, and shall sell the entire real property free and clear of the provisions of this Declaration and the map, which shall wholly terminate and expire upon the closing of such sale. The proceeds of such sale shall be collected, applied and divided among the Owners by the Association in the manner provided in Paragraph 27(c) herein.

29. Condemnation.

(a) If the entire real property shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by purchase in lieu thereof, or if any part of any Building covered by this Declaration shall be so taken, or if any part of the land shall be so taken and the part remaining shall be insufficient for purposes of Mountain Stream Condominiums, the Association (as attorney-in-fact for the Owners) shall collect the award made in such taking and shall sell the part of the land remaining after the taking, if any, free and clear of the provisions of this Declaration and the map. Such provisions shall wholly terminate and expire upon the recording of a notice by the Association setting forth all of the facts. The award and the proceeds of such sale, if any, shall be collected, applied and divided among the Owners by the Association in the manner provided in Paragraph 27(c) herein.

(b) If such taking shall be partial only, and if the remaining part of the land shall be sufficient for the purposes of Mountain Stream Condominiums, the Condominium

ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined under the following provisions:

(i) the total amount allocated to taking of or injury to the General Common Elements shall be apportioned among Owners on the basis of each Owner's respective undivided interest in the General Common Elements;

(ii) the total amount allocated to severance damages shall be apportioned to the Owners of those Condominium Units which were not taken or condemned on the basis of each such Owner's respective undivided interest in the General Common Elements;

(iii) the respective amounts allocated to the taking of or injury to a particular Condominium Unit or to improvements an Owner has made within his own Condominium Unit shall be apportioned to the Owner of that particular Condominium Unit involved; and,

(iv) the total amount allocated to consequential damages and any other taking or injuries shall be apportioned among the Owners in proportion to their respective undivided interests in the General Common Elements. If an allocation of the award is already established in negotiation, judicial decree, or otherwise, then in allocating the award the Association shall employ such allocation. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective first lienors.

(c) In the event a partial taking results in the taking of a Condominium Unit, the Owner thereof shall automatically cease to be a member of the Association, and his ownership interest in the General Common Elements shall terminate and vest in the Owners of the remaining Condominium Units. Thereafter, the Association shall reallocate the ownership of the General Common Elements determined in accordance with this Declaration according to the same principles employed in this

Declaration at its inception and shall submit such reallocation to the Owners of the remaining Condominium Units for the amendment of this Declaration.

(d) In the event that any portion of Mountain Stream Condominiums shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and first lienor.

30. Period of Condominium Ownership. The separate condominium estates created by this Declaration and by the map shall continue until this Declaration is revoked or terminated in the manner and as is provided in this Declaration.

31. Restrictive Covenants and Obligations.

(a) The Condominium Units are hereby restricted to residential use. All structures erected upon said premises shall be of new construction. No buildings or structures shall be moved from other locations onto said premises, and no improvements other than those depicted on the map shall be erected or constructed on the property except by vote of the majority of the Available Votes of the Condominium Unit Owners. No structures of a temporary character, trailer, tent, shack or garage shall be used or be permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently. In the event that Declarant, the Association or the Managing Agent deems one or more auxiliary structures (such as windcreens, storage sheds or buildings) to be necessary or desirable, such shall be of permanent construction and in harmony with the Building.

(b) Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant, its agents, employees and contractors to maintain during the period of construction and sales of the Condominium Units upon such portion of the properties described on Exhibits A and B as Declarant may choose, such facilities as in the sole

opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale or rental of Condominium Units and interests, including, but without limitation to, construction offices, trailer houses, parking areas and lighting and temporary parking facilities. This exemption shall terminate January 1, 1986.

(c) No animals, livestock or poultry of any kind shall be raised, bred or kept on the project, except that one dog or one cat may be kept per unit and other reasonable household pets; provided however, that the right to keep a household pet shall be coupled with all responsibility for any damage caused by a pet. Every Owner of a pet shall maintain strict control over his pet and shall prohibit the pet from making loud or disturbing noises. The Owner of a dog shall control and prohibit barking by his dog. The Association may adopt rules and regulations to supplement this covenant.

(d) No advertising signs (including "For Rent" or "For Sale" signs), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises. The premises shall not be used in any way or for any purpose which may endanger the health or unreasonably disturb the occupants of any Condominium Unit. No business activities of any kind shall be conducted; provided however, that the foregoing covenants shall not apply to signs identifying the Project itself, common areas or other improvements.

(e) No immoral, improper, offensive or unlawful use shall be permitted or made of the condominium property or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction and all covenants shall be observed.

(f) Rules and regulations may be adopted by the Board of Managers concerning and governing the use of the Units and the General and Limited Common Elements; provided however, that notice of such rules and regulations shall be furnished to

Unit Owners and that such rules and regulations shall be uniform and non-discriminatory.

(g) Any repairs, renovation or restoration of the real property of any Building covered by this Declaration by the Association as attorney-in-fact for the Owners shall be done in such manner as to make the real property or the Building at least as valuable after such work as it was immediately before the occurrence requiring the work to be done.

(h) The real property described on Exhibits A and B is subject to the Declaration of Protective Covenants for Eagle-Vail Subdivision, Filing No. 2, Eagle County, Colorado. Said Declaration establishes an Architectural Control Committee and no exterior additions or alterations to any exterior improvement or changes in fences, walls or other structures, shall be commenced, erected or maintained until and unless the plans and specifications showing the nature, kind, shape, heights, materials, floor plans, exterior color scheme and location of such structure and the grading plan and finished grade elevations of the site to be built upon shall have been submitted to and approved by the Architectural Control Committee and a copy thereof as finally approved lodged permanently with said Committee. No landscaping on any site shall be done until a landscaping plan shall have been submitted to and approved by such Committee. Such Committee shall have the right to refuse to approve any such plans or specifications or grading or landscaping the lands which are not suitable or desirable in the Committee's opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading and landscaping plans, the Committee shall have the right to take into consideration the suitability of the proposed building or other improvement and of the materials of which it is to be built, to the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, the topography of the land and the effect of the structure or other improvements as proposed on the

adjacent or neighboring property, and with the general residence plan of the properties.

32. Association May Acquire Additional Property. The Association may acquire and hold for the benefit of the Owners, real, tangible and/or intangible property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the Owners in the same proportions as their respective ownership interests in the General Common Elements, and such beneficial interest therein shall be transferable only as an appurtenance of a Condominium Unit. Conveyance of a Condominium Unit shall automatically vest in the grantee ownership of the grantor's beneficial interest in all such property interests associated with the Condominium Unit in question. The project, as now planned and approved by the County of Eagle, State of Colorado, has no recreational facilities.

33. Easement for Access to Condominium Units. Each of the Owners of the 54 Condominium Units, their guests and licensees shall have access to the public way across appropriate parts of the General Common Elements of the Project.

34. General Reservations.

(a) Declarant reserves for a period of seven (7) years from the date this Declaration is initially recorded, (i) the right to dedicate any access roads and streets serving this Condominium Project for and to public use; to establish easements, reservations, exceptions and exclusions consistent with the Condominium ownership of the Condominium Project and the best interests of the Owners and the Association, and (ii) an easement over, under and through improved and unimproved parts of the General Common Elements, to the extent necessary for construction of two (2) additional buildings and improvements on the land described on Exhibit B. The operating expenses of such improvements will be Common Expenses. However, Declarant has no obligations to construct additional improvements.

(b) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or By-Laws of the Association, Declarant reserves the right to exercise the rights, duties and functions of the Board of Managers of the Association until sixteen (16) of the Condominium Units have been sold, or January 1, 1981, whichever event occurs first.

(c) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, any Supplemental Declarations, Articles of Incorporation or By-Laws of the Association, Declarant, with regard to Units constructed upon the real estate described on Exhibits A and B, reserves the right until it sells a Unit, to pay the monthly assessment for Common Expenses based upon actual costs and need not include any estimated amount for contingencies, working capital reserves or sinking funds. Declarant shall pay its pro rata share thereof based on its ownership of Condominium Units; however, so long as Declarant controls the Board of Managers it shall pay any deficiencies incurred. Declarant's assessment rights under this paragraph (c) shall terminate as to any unsold units on January 1, 1986.

35. Reservation to Enlarge and Supplement Condominium Project.

(a) Declarant, for itself, its successors and assigns, expressly reserves until December 31, 1986, the right to enlarge this Condominium Project by submitting additional real property (which is described on Exhibit B attached hereto and incorporated herein by reference) and improvements. Such additions shall be expressed in and by a duly recorded Supplement to the Map. The reference to the Map and Declaration in any instrument shall be deemed to include any supplements to the Map and Declaration without specific reference thereto.

(b) Such Supplements to this Declaration shall provide for a division of such additionally submitted real

property and improvements into Condominium Units. Each Unit shall be separately designated, and each Building shall be identified by a symbol or designation dissimilar to any other Building in the Condominium Project. The undivided interest in and to the Common Elements appurtenant to each such Unit shall not be a part of the common elements of the Condominium Units described and initially created by this Declaration and the Map, or a part of the Common Elements of the Condominium Units described and initially created of subsequently submitted Condominium Units; provided, however, that all Owners of Condominium Units in the Condominium Project shall have a non-exclusive right in common with all of the other Owners to use the sidewalks, pathways, driveways, and all other Common Elements within this entire Condominium Project so designated on the Map and all amendments and supplements thereto.

(c) Except as may be otherwise provided by the provision of such Supplement(s) to this Declaration, all the provisions contained in this Declaration shall be applicable to such additional Condominium Units submitted to this Condominium Project.

(d) As additional Condominium Units are submitted to this Condominium Project and in order that the Common Expenses of this Condominium Project be shares proportionately and equitably by the Owners of the initially submitted Condominium Units and the Owners of all subsequently submitted additional Condominium Units, the Common Expenses for each Unit within the Project shall be determined by the Sharing Ratio in effect on the date such Common Expense is assessed. Further, each Condominium Unit, regardless of the number of Owners, shall be entitled to one (1) vote for all purposes hereunder and shall not change by the enlargement of the Condominium Project or otherwise.

(e) Each Owner shall have the non-exclusive right, together with all other Owners, to use all General Common Elements, open spaces, parking facilities, grass and landscaping

areas and all other areas in the Project which are not herein specifically dedicated to the use of less than all the Owners. This easement shall be irrevocable and shall be for the purposes of egress and ingress, recreational and social use and shall apply to all property hereafter committed to this Condominium Project.

(f) It is contemplated that additional lands reflected on Exhibit B will ultimately be committed to this Project, but the Declarant, its appointees successors and assigns, shall have no affirmative obligation to do so. The rights of the Declarant, its appointees, successors and assigns, as described in Section 34 hereof, shall apply to all properties which are added to this Project in accordance with these provisions relating to enlargement thereof.

36. Acceptance of Provisions of All Documents. A contract for purchase and any conveyance or encumbrance of a Condominium Unit shall be deemed to include the acceptance of all provisions of this Declaration, the Articles of Incorporation and Association By-Laws, rules and regulations, as from time to time amended, and shall be binding upon the purchaser, grantee or encumbrancer without the necessity of an express provision to such effect in the contract to purchase, instrument of conveyance or encumbrance.

37. General.

(a) If any of the provisions of this Declaration or any of its paragraphs, sentences, clauses, phrases or words, or if the application thereof in any circumstance be invalidated, such partial invalidity shall not affect the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

(b) "Declarant" as used herein includes the named Declarant, its successors, personal representatives and assigns.

(c) The provisions of this Declaration shall be supplemental and in addition to the Condominium Ownership Act of the State of Colorado, as amended, C.R.S. (1973) 38-33-101, et seq., and to all applicable provisions of law.

(d) Whenever used herein, unless the 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.

(e) Paragraph titles are for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

IN WITNESS WHEREOF, Declarant has duly executed this Condominium Declaration for Mountain Stream Condominiums at Vail, Colorado, this 16th day of November; 1979.

GFB, LTD.,
a Colorado Limited Partnership

By: [Signature]
General Partner

GFB, LTD.,
a Colorado Limited Partnership

By: [Signature]
General Partner

GFB, LTD.,
a Colorado Limited Partnership


By: [Signature]
General Partner

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 16th day of November, 1979, by STUART A. CANADA, JAMES C. POTTER, and JAMES C. CRAIG as General Partners of GFB, LTD., a Colorado Limited Partnership.

WITNESS my hand and official seal.

Carol A. Priest
Notary Public



My Commission expires:

11/24/80

EXHIBIT A

A PORTION OF TRACT B, AMENDED FINAL PLAT OF LOT 1A, BLOCK 2, EAGLE VAIL FILING NO. 2, IN EAGLE COUNTY, COLORADO, AS RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID TRACT B; THENCE N 26° 50' 00" E ALONG THE EASTERLY LINE OF SAID TRACT B 252.88 FEET TO ITS EASTERMOST CORNER; THENCE ALONG THE NORTHERLY LINE OF SAID TRACT, N 76° 00' 35" W 190.46 FEET AND N 61° 52' 35" W 50.32 FEET; THENCE S 26° 50' 00" W 211.68 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID TRACT B; THENCE S 63° 10' 00" E ALONG SAID SOUTHERLY LINE, 236.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 1.232 ACRES, MORE OR LESS.

EXHIBIT B

TRACT B, AMENDED FINAL PLAT, LOT 1-A, BLOCK 2, EAGLE-VAIL FILING NO. 2 IN EAGLE COUNTY, COLORADO AS RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO

EXCEPT:

A PORTION OF TRACT B, AMENDED FINAL PLAT OF LOT 1A, BLOCK 2, EAGLE VAIL FILING NO. 2, IN EAGLE COUNTY, COLORADO, AS RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID TRACT B; THENCE N 26° 50' 00" E ALONG THE EASTERLY LINE OF SAID TRACT B 252.88 FEET TO ITS EASTERNMOST CORNER; THENCE ALONG THE NORTHERLY LINE OF SAID TRACT, N 76° 00' 35" W 190.46 FEET AND N 61° 52' 35" W 50.32 FEET; THENCE S 26° 50' 00" W 211.68 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID TRACT B; THENCE S 63° 10' 00" E ALONG SAID SOUTHERLY LINE, 236.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 1.232 ACRES, MORE OR LESS.

EXHIBIT C
TO CONDOMINIUM DECLARATION FOR
MOUNTAIN STREAM CONDOMINIUMS

Building A

<u>Condominium Unit Designation</u>	<u>Appurtenant Undivided Ownership Interest in General Common Elements</u>
101	.0525
102	.0480
103	.0480
104	.0480
105	.0480
106	.0525
201	.0525
202	.0480
203	.0480
204	.0480
205	.0480
206	.0525
301	.0705
302	.0660
303	.0660
304	.0660
305	.0660
306	.0705
TOTAL:	1.0000

EXHIBIT D

FORMULA FOR CALCULATION OF SHARING RATIO

1. (A) = Assessment(s) as imposed by the Board of Managers or Managing Agent for the Project.
2. .6(A) = two-bedroom sharing ratio.
3. .4(A) = three-bedroom sharing ratio.
4. (2B) = number of two-bedroom Units in Project.
5. (3B) = number of three-bedroom Units in Project.
6. (2BA) = per unit assessment for two-bedroom Unit.
7. (3BA) = per unit assessment for three-bedroom Unit.

CALCULATIONS AS PER FORMULA

1. Two-Bedroom Assessment

$$(2BA) = \frac{.6(A)}{(2B)}$$

2. Three-Bedroom Assessment

$$(3BA) = \frac{.4(A)}{(3B)}$$

3. Assessments may be rounded to the nearest \$5.00

EXAMPLE OF ASSESSMENT CALCULATION

1. Facts

Assumed Yearly Project Budget Assessment imposed by Board, \$15,000.

Two-bedroom Units	12
Three-bedroom Units	6
Assessments payable monthly.	

2. Calculations (Sharing Ratio) :

Two-bedroom sharing ratio:

$.6(A)$ or $.6(\$15,000) = \$9,000$

Three-bedroom sharing ratio:

$.4(A)$ or $.4(\$15,000) = \$6,000$

3. Calculations (Per Unit Assessment Per Year)

\$9,000/12 = \$750 per two-bedroom Unit per year.

\$6,000/6 = \$1,000 per three-bedroom Unit per year.

4. Calculations (Per Unit Assessment Per Month)

\$750/12 = \$62.50 (\$65.00 rounded) per two-bedroom Unit per month.

\$1,000/12 = \$83.33 (\$85.00 rounded) per three-bedroom Unit per month.

FIRST SUPPLEMENTAL DECLARATION

TO

CONDOMINIUM DECLARATION

FOR

MOUNTAIN STREAM CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS;

THAT WHEREAS, GFB, Ltd., a Colorado Limited Partnership, hereinafter called "Declarant", has filed for record an instrument entitled "Mountain Stream Condominium Declaration", hereinafter referred to as the "Declaration", in Book 294, Page 747 of the records of the Clerk and Recorder of Eagle County, Colorado, and

WHEREAS, said Declaration, by the terms of Section 35, Page 34, reserves unto Declarant the express right to enlarge the Condominium Project by submitting additional real property (as described in Exhibit B of said Declaration) as additions to and subject to said Declaration, and

WHEREAS, said Declaration by the terms of Section 35, Page 34, limits said right to enlarge the Condominium Project to not later than December 31, 1986, and

WHEREAS, December 31, 1986 has not yet occurred, and

WHEREAS, Declarant is the owner of the real property which is described on the attached Exhibit A (all of which is within the boundaries of the property described on Exhibit B of the Declaration), which by this reference is made a part hereof, and

WHEREAS, Declarant desires to further enlarge the properties by submitting said land described on the attached Exhibit A to the Condominium Project subject to all of the terms and conditions of the Declaration filed for record except for as hereinafter provided, and

WHEREAS, this First Supplemental Declaration shall consist of the real property described on Exhibit A upon which has been constructed a building (designated Building B) consisting of 12 two-bedroom Units and 6 three-bedroom Units together comprising 18 separately designated Condominiums Units identical in configuration with Building A as described in the Declaration;

NOW THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the subject property and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the subject property and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Annexation of the Property Described on Exhibit A. Declarant does hereby annex to the Declaration the property described on Exhibit A and does by this instrument declare that said property shall be subject to all the provisions of the Declaration recorded at Book 294, Page 747 of the records of the Clerk and Recorder of Eagle County, Colorado.

2. Subdivision of the Property Described on Exhibit A into Condominium Units. The real property described on Exhibit A is hereby divided into 18 Condominium Units lettered and numbered Building B; 101 through 106, inclusive; 201 through 206, inclusive; and 301 through 306, inclusive; each consisting of a Unit and an undivided interest in the General Common Elements appurtenant to such Unit, which interest is set forth on Exhibit C attached hereto and made a part hereof. The undivided interest in and to the Common Elements appurtenant to each such Building B Unit shall not be a part of the common elements of the Condominium Units described and initially created by the Declaration and the Map, (Building A) or a part of the Common Elements of subsequently submitted Condominium Units (Building C); provided however, that all Owners of Condominium Units in the Condominium Project shall have a non-exclusive right in common with all of the other Owners to use the sidewalks, pathways, driveways, and all other Common Elements within this entire Condominium Project so designated on the Map and all amendments and supplements thereto.

3. Description of the Annexed and Subdivided Property. Subsequent to this Supplemental Declaration and the Supplemental Map being filed for record, every contract, deed, or other legal instrument may legally describe a Condominium Unit by its identifying Building and Unit designation, followed by Mountain Stream Condominiums, with further reference to the Map, Declaration and Supplement(s), filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the share in General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a perpetual non-exclusive easement for ingress to and egress from such Unit on, over and across the General Common Elements, exclusive use of the Limited Common Elements appurtenant to such Unit, and the non-exclusive right in common with all other Owners to use of sidewalks, pathways, driveways, parking spaces and other facilities and improvements intended for common use located within the Condominium Project.

4. Adoption by Reference. Except as otherwise provided herein, all of the terms, covenants, conditions, easements, restrictions, uses, limitation, reservations and obligations set forth in said Declaration recorded in Book 294, Page 747, records of the Clerk and Recorder of Eagle County, Colorado, are incorporated herein and made a part hereof.

5. Reservation. Declarant reserves the right to further enlarge this Condominium Project as provided in said Declaration.

6. General.

(a) As used herein, Declarant means GFB, Ltd., a Colorado Limited Partnership, its successors and assigns.

(b) If any of the provisions of this Supplement or any paragraph, sentence, clause, phrase or word, or the application thereto in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Supplement, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

(c) The provisions of this Supplement shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado, as amended, and to all other provisions of law.

EXHIBIT A

Beginning at the southwesterly corner of Mountain Stream Condominium Map, as recorded in Book 294, Page 746, in the office of the Clerk and Recorder, County of Eagle, State of Colorado; thence along the southerly line of said Tract B N. 63°10'00"W., 223.90 feet; thence N. 26°50'00" E., 88.40 feet; thence S. 78°34'29" E., 87.36 feet; thence N. 46°07'25" E., 108.50 feet, to a point on the northerly line of said Tract B; thence along said northerly line of Tract B S. 61°52'35" E., 103.86 feet, to the northwesterly corner of said Mountain Stream Condominium Map; thence along the westerly line of said Mountain Stream Condominium Map S. 26°50'00" W., 211.68 feet, to the point of beginning, containing 0.835 acres more or less.

EXHIBIT C
TO FIRST SUPPLEMENTAL DECLARATION
TO THE
MOUNTAIN STREAMS CONDOMINIUMS

Building B

<u>Condominium Unit Designation</u>	<u>Appurtenant Undivided Ownership Interest in General Common Elements</u>
101	.0525
102	.0480
103	.0480
104	.0480
105	.0480
106	.0525
201	.0525
202	.0480
203	.0480
204	.0480
205	.0480
206	.0525
301	.0705
302	.0660
303	.0660
304	.0660
305	.0660
306	.0705
TOTAL:	1.0000

401

SECOND SUPPLEMENTAL DECLARATION

TO

CONDOMINIUM DECLARATION

FOR

MOUNTAIN STREAM CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, GFB, Ltd., a Colorado Limited Partnership, hereinafter called "Declarant", has filed for record an instrument entitled "Mountain Stream Condominium Declaration", hereinafter referred to as the "Declaration", in Book 294, Page 747 of the records of the Clerk and Recorder of Eagle County, Colorado, and

WHEREAS, said Declaration, by the terms of Section 35, Page 34, reserves unto Declarant, its successors and assigns, the express right to enlarge the Condominium Project by submitting additional real property (as described in Exhibit B of said Declaration) as additions to and subject to said Declaration, and

WHEREAS, said Declaration by the terms of Section 35, Page 34, limits said right to enlarge the Condominium Project to not later than December 31, 1986, and

WHEREAS, December 31, 1986, has not yet occurred, and

WHEREAS, on April 28, 1981, GFB, Ltd. deeded the real property described on the attached Exhibit A and transferred all of its rights and interest in said property to CPC, Ltd., a Colorado Limited Partnership, herein referred to as "Successor Declarant", and

WHEREAS, Successor Declarant is the owner of the real property which is described on the attached Exhibit A (all of which is within the boundaries of the property described on Exhibit B of the Declaration), which by this reference is made a part hereof, and

WHEREAS, Successor Declarant desires to further enlarge the properties by submitting said land described on the attached Exhibit A to the Condominium Project subject to all of the terms and conditions of the Declaration filed for record except for as hereinafter provided, and

WHEREAS, this Second Supplemental Declaration shall consist of the real property described on Exhibit A upon which has been constructed a building (designated Building C) consisting of 12 two-bedroom Units and 6 three-bedroom Units together comprising 18 separately designated Condominium Units identical in configuration with Buildings A and B, as described in the Declaration;

NOW, THEREFORE, Successor Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the subject property and shall be a burden and a benefit to Successor Declarant, its successors and assigns, and any person acquiring or owning an interest in the subject property and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Annexation of the Property Described on Exhibit A. Successor Declarant does hereby annex to the Declaration the property described on Exhibit A and does by this instrument declare that said property shall be subject to all the provisions of the Declaration recorded at Book 294, Page 747, of the records of the Clerk and Recorder of Eagle County, Colorado.

2. Subdivision of the Property Described on Exhibit A into Condominium Units. The real property described on Exhibit A is hereby divided into 18 Condominium Units lettered and numbered Building C; 101 through 106, inclusive; 201 through 206, inclusive; and 301 through 306, inclusive; each consisting of a Unit and an undivided interest in the General Common Elements appurtenant to such Unit, which interest is set forth on Exhibit C attached hereto and made a part hereof. The undivided interest in and to the Common Elements appurtenant to each such Building C Unit shall not be a part of the common elements of the Condominium Units described and initially created by the Declaration, the Map, Building A, and amended by the First Supplemental Declaration recorded July 21, 1980, in Book 305 at Page 646, and the Map recorded in Book 305 at Page 647 of the records of the Clerk and Recorder of Eagle County, Colorado, (Building B); provided, however, that all Owners of Condominium Units in the Condominium Project shall have a non-exclusive right in common with all of the other Owners to use the sidewalks, pathways, driveways, and all other Common Elements within this entire Condominium Project so designated on the Map and all amendments and supplements thereto.

3. Description of the Annexed and Subdivided Property. Subsequent to this Second Supplemental Declaration and the Map being filed for record, every contract, deed, or other legal instrument may legally describe a Condominium Unit by its identifying Building and Unit designation, followed by Mountain Stream Condominiums, with further reference to the Map, Declaration and Supplement(s), filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the share in General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a perpetual non-exclusive easement for ingress to and egress from such Unit on, over and across the General Common Elements, exclusive use of the Limited Common Elements appurtenant to such Unit, and the non-exclusive right in common with all other Owners to use of sidewalks, pathways, driveways, parking spaces and other facilities and improvements intended for common use located within the Condominium Project.

4. Adoption by Reference. Except as otherwise provided herein, all of the terms, covenants, conditions, easements, restrictions, uses, limitations, reservations and obligations set forth in said Declaration recorded in Book 294, Page 747, records of the Clerk and Recorder of Eagle County, Colorado, are incorporated herein and made a part hereof.

5. General.

(a) As used herein, Successor Declarant means CPC, Ltd., a Colorado Limited Partnership, its successors and assigns.

(b) If any of the provisions of this Second Supplement or any paragraph, sentence, clause, phrase or word, or the application thereto in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Supplement, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

(c) The provisions of this Second Supplement shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado, as amended, and to all other provisions of law.

(d) That whenever used herein, unless the 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, Successor Declarant, by its authorized Managing Partner, has duly executed this Second Supplemental Declaration to Condominium Declaration for Mountain Stream Condominiums this 1st day of October, 1981.

CPC, LTD., a Colorado Limited Partnership

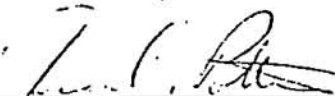
By: 
James C. Potter, Managing Partner

EXHIBIT A
TO SECOND SUPPLEMENTAL DECLARATION
TO THE
MOUNTAIN STREAM CONDOMINIUMS
BUILDING C

BEGINNING AT THE SOUTHWESTERLY CORNER OF MOUNTAIN STREAM CONDOMINIUM MAP BUILDING B, AS RECORDED IN BOOK 305, PAGE 647, IN THE OFFICE OF THE CLERK AND RECORDER, COUNTY OF EAGLE, STATE OF COLORADO; THENCE N 63°10'00" W 75.10'; THENCE N 26°50'00" E 236.02'; THENCE S 50°24'14" E 88.50'; THENCE S 61°52'35" E 108.88; THENCE S 46°07'25" W 108.50; THENCE N 78°34'29" W 87.36'; THENCE S 26°50'00" W, 88.40' TO THE POINT OF BEGINNING, CONTAINING HERE IN 0.66 ACRES MORE OR LESS.

EXHIBIT C
TO SECOND SUPPLEMENTAL DECLARATION
TO THE
MOUNTAIN STREAM CONDOMINIUMS
BUILDING C

<u>Condominium Unit Designation</u>	<u>Appurtenant Undivided Ownership Interest In General Common Elements</u>
101	.0525
102	.0480
103	.0480
104	.0480
105	.0480
106	.0525
201	.0525
202	.0480
203	.0480
204	.0480
205	.0480
206	.0525
301	.0705
302	.0660
303	.0660
304	.0660
305	.0660
306	.0705
TOTAL:	1.0000