

FIRST SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Vail Racquet Club Condominiums, a Partnership, hereinafter called "Declarant," caused to be recorded a Condominium Declaration for Vail Racquet Club Condominiums in Book 232, Page 484 et seq., records of the Clerk and Recorder of Eagle County, Colorado; and

WHEREAS, Section 33 of the recorded Declaration provides for the enlargement of the Vail Racquet Club Condominiums condominium project by constructing additional condominium buildings and improvements on separate property which condominium units may be submitted to this condominium project, such submission to be expressed in a supplement to the Declaration and a supplement to the Condominium Map of Vail Racquet Club Condominiums; and

WHEREAS, Declarant has completed the construction of two additional buildings and other improvements on the separate real property situate in the County of Eagle, State of Colorado, which property is described on the attached Exhibit 1, which by this reference is made a part hereof and which property is depicted on the First Supplement to Map of Vail Racquet Club Condominiums; and

WHEREAS, Declarant does hereby submit to this condominium project such additionally constructed buildings, improvements and real property;

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 land, 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 and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Division of Property into Condominium Units. The real property described on Exhibit 1 consists of two parcels denominated Tracts C and D, on which are constructed, respectively, Buildings 11 and 12. The property devoted to Building 11 is Tract C as shown on the First Supplement to the Condominium Map and the property devoted to Building 12 is Tract D as shown thereon. Notwithstanding the fact that said Buildings 11 and 12 are depicted on the same Supplement to the Condominium Map, they shall nevertheless be considered separate from each other in the same sense as if each of such buildings had been submitted to the Condominium Declaration by a separate supplement thereto as provided in Section 33 of the Condominium Declaration.

1-1. The said real property denominated Tract C and the improvements constructed thereon are hereby divided into twenty-four separate fee simple estates, each such estate consisting of one unit together with an appurtenant undivided 1/24 interest in and to the general common elements. Each such condominium unit shall be identified by number as provided on said First Supplement to the Map of Vail Racquet Club Condominiums.

1-2. The said real property denominated Tract D and the improvements constructed thereon are hereby divided into sixteen separate fee simple estates, each such estate consisting of one unit together with an appurtenant undivided 1/16 interest in and to the general common elements. Each such condominium unit shall be identified by number as provided on said First Supplement to the Map of Vail Racquet Club Condominiums.

2. Limited Common Elements. Portions of the general common elements are reserved for the exclusive use of the owners of certain of the units, and such areas are referred to as "limited common elements." The limited common elements so reserved are as defined on Exhibit 1 hereto.

3. Supplement to Condominium Map. The Supplement to the Map depicting the location of each unit, both horizontally and vertically, together with the engineering and other data as is provided under Section 2 of the recorded Declaration shall not be filed for record until the building has been substantially completed in order to permit the location, both horizontally and vertically, of the units. Such Map shall be termed "First Supplement to Map of Vail Racquet Club Condominiums."

4. Description of Condominium Unit. Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit and building number followed by the words "Vail Racquet Club Condominiums" with further reference to the First Supplement to the Map thereof filed for record and the recorded Declaration and the First Supplement thereto. 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 general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress and use of all of the general common elements including easements together with the right to the exclusive use of the limited common elements.

5. Reservations, Easements, Declarant expressly reserves the following:

5-1. The right further to enlarge this condominium project as provided in Section 33 of the Condominium Declaration for Vail Racquet Club Condominiums;

5-2. Declarant expressly reserves to itself, its successors and assigns, the right to grant or otherwise create or define easements and rights-of-way over and across such portions of the property described on Exhibit 1 hereto as Declarant may from time to time determine to be necessary or convenient to the achievement of the following purposes:

5-2-1. Installation, maintenance and replacement of necessary utilities serving the improvements on the property described on Exhibit 1 or any other portion of the condominium project or elsewhere;

5-2-2. Reasonable pedestrian and vehicular travel and access from one portion of the condominium project to another, or to any of the Vail Racquet Club facilities.

5-2-3. The establishment of a bicycle and/or pedestrian way, not to exceed 10 feet in width along the southeasterly boundary line of Tract D, together with the use of such portion of said Tract D as may be necessary for construction, maintenance and replacement of a bridge over and across Gore Creek to serve said way.

6. Ingress and Egress.

6-1. Declarant hereby grants to each condominium unit owner a perpetual and non-exclusive easement for ingress and egress between Meadow Drive and Buildings 11 and 12, respectively over and across that portion of the existing private roadway (denominated as Vail Racquet Club Drive) constructed on the property described in Section 35-1 of the Condominium Declaration which portion lies outside the bounds of the tract on which the building in which such owner's unit is located is situated, for the use of such owner, his family, guests, tenants and invitees. Such easement shall be appurtenant to said condominium unit and the transfer or encumbrance of a condominium unit shall transfer to the transferee such easement without any reference thereto. Declarant, for itself, its successors and assigns, reserves the right to shift or relocate such roadway so long as reasonably comparable access to Buildings 11 and 12 is maintained.

6-2. Declarant expressly reserves to itself, its successor and assigns, the right hereafter to grant similar non-exclusive easements over and across those portions of the existing roadway (denominated as Vail Racquet Club Drive) lying within the bounds of the property described on Exhibit 1 hereto in connection with the development of the remainder of the condominium project.

7. Laundry Room. There is a one-story laundry room attached to Building 11, as depicted on the First Supplement to the Condominium Map for Vail Racquet Club Condominiums. Said laundry room shall be considered for general purposes as a part of the general common elements of said Building 11 but shall be maintained for the purpose of providing laundry facilities for the use primarily of the owners of units in Buildings 11 and 12 as well as to provide linen or other storage for use in connection with the rental and upkeep of such buildings.

8. Parking. Within the bounds of Tracts C and D, as depicted on the Condominium Map, are certain parcels denominated "Parking Area." Said area shall, in each case, be considered part of the general common elements appurtenant to the Condominium building constructed on such tract, but shall nevertheless be available for common parking for both buildings subject only to such reasonable regulations as may be imposed from time to time by the Association for the benefit of owners of all units in both buildings.

9. General.

9-1. The provisions of this instrument shall be in addition and supplemental to the provisions contained in the recorded Declaration of Vail Racquet Club Condominiums.

9-2. If any of the provisions of this instrument or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this instrument, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

9-3. The provisions of this instrument shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

8-4. 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, Declarant has duly executed this instrument this ____ day of December, 1974.

VAIL RACQUET CLUB CONDOMINIUMS,
a general partnership

BY: _____
Jay M. Utter, General Partner

BY: _____
Walter Kirch, General Partner

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument, including Exhibit 1 thereto, which also contains the signatures of Declarant for identification, was acknowledged before me this ____ day of December, 1974 by Jay M. Utter and Walter Kirch, as all of the general partners of Vail Racquet Club Condominiums, a general partnership.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT 1
TO
FIRST SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

1. Description.

The property covered by this Supplement to the Condominium Declaration shall be that part of the Town of Vail, Eagle County, Colorado, described as follows:

That part of the southeast quarter of Section 12, Township 5 South, Range 80 West of the 6th P.M., described as follows:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 12, T5S, R80W OF THE 6TH P.M., FROM WHICH THE SOUTHWEST CORNER OF THE SE 1/4 OF THE SE 1/4 OF SAID SECTION 12 BEARS N09°35'41"W (TRUE MERIDIAN), 1306.39 FEET; THENCE N50°36'51"W, 1762.68 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THAT TRACT OF LAND CONVEYED TO WALTER KIRCH AND JAY M. UTTER AS DESCRIBED IN WARRANTY DEED RECORDED IN BOOK 227 AT PAGE 320 OF THE RECORDS OF EAGLE COUNTY, COLORADO, BEING THE MOST EASTERLY CORNER OF TRACT B, "MAP OF VAIL RACQUET CLUB CONDOMINIUMS," ACCORDING TO THE RECORDED PLAT THEREOF, AND THE TRUE POINT OF BEGINNING;

THENCE S48°55'43"W, 215.48 FEET ALONG THE SOUTHEASTERLY LINE OF SAID TRACT B TO THE MOST SOUTHERLY CORNER THEREOF;

THENCE S41°04'17"E, 22.45 FEET;

THENCE S6°04'17"E, 90.07 FEET;

THENCE N83°55'43"E, 18.00 FEET;

THENCE S06°04'17"E, 68.87 FEET;

THENCE N86°18'50"E 108.09 FEET TO THE SOUTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320;

THENCE N37°41'45"E, 121.66 FEET ALONG THE SOUTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320 TO THE MOST EASTERLY CORNER THEREOF;

THENCE N14°39'29"W, 196.86 FEET ALONG THE NORTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320;

THENCE N42°51'00"W, 28.60 FEET ALONG THE NORTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320 TO THE TRUE POINT OF BEGINNING.

2. Limited Common Elements Building 11. The limited common elements for the units in Building 11 shall be as follows:

- (1) The patios adjacent to Units 1 through 6 in each

building shall be limited common elements to those units, respectively.

(2) The balconies adjacent to Units 7 through 24 in each building shall be limited common elements to those units, respectively.

(3) The stairways leading to the balconies adjacent to Units 7 through 12 in each building shall be limited common elements to the units so served.

(4) The stairways providing access to Units 13 through 24 in each building shall be limited common elements to the units so served.

(5) The entry hallways providing access to Units 13 through 24 in each building shall be limited common elements to the units so served.

3. Limited Common Elements Building 12. The limited common elements for units in Building 12 shall be as follows:

(1) The patios adjacent to Units 1 through 4 in each building shall be limited common elements to those units, respectively.

(2) The balconies adjacent to Units 5 through 16 in such building shall be limited common elements to those units, respectively.

(3) The stairways providing access to the balconies along the easterly side of Units 5 through 8 in such building shall be limited common elements to the units so served.

(4) The stairways providing access to Units 5 through 16 in such building along the westerly side thereof shall be limited common elements to the units so served.

The above Exhibit 1 to the First Supplement to Condominium Declaration for Vail Racquet Club Condominiums is hereby signed for the purpose of identifying it as said exhibit.

VAIL RACQUET CLUB CONDOMINIUMS

BY: Jay M. Utter, General Partner

BY: Walter Kirch, General Partner

SECOND SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Vail Racquet Club Condominiums, a Partnership, hereinafter called "Declarant," caused to be recorded a Condominium Declaration for Vail Racquet Club Condominiums in Book 232, Page 484 et seq., of the records of the Clerk and Recorder of Eagle County, Colorado; and

WHEREAS, Section 33 of the recorded Declaration provides for the enlargement of the Vail Racquet Club Condominiums condominium project by constructing additional condominium buildings and improvements on separate property which condominium units may be submitted to this condominium project, such submission to be expressed in a supplement to the Declaration and a supplement to the Condominium Map of Vail Racquet Club Condominiums; and

WHEREAS, by the First Supplement to Condominium Declaration for Vail Racquet Club Condominiums, recorded in Book 237, Page 51 et seq. of the records of the Clerk and Recorder of Eagle County, Colorado, Declarant submitted two additional buildings to said Declaration; and

WHEREAS, Declarant has completed the construction of an additional building and other improvements on the separate real property situate in the County of Eagle, State of Colorado, which property is described on the attached Exhibit 1, which by this reference is made a part hereof and which property is depicted on the Second Supplement to Map of Vail Racquet Club Condominiums; and

WHEREAS, Declarant does hereby submit to this condominium project such additionally constructed building, improvements and real property, in accordance with the following terms and conditions;

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 land, 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 and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Division of Property into Condominium Units. The real property described on Exhibit 1 consists of one parcel denominated Tract E on which is constructed Building 8. The property devoted to Building 8 is Tract E as shown on the Second Supplement to the Condominium Map. The said real property denominated Tract E and the improvements constructed thereon are hereby divided into sixteen separate fee simple estates, each such estate consisting of one apartment unit and its appurtenant limited common elements together with an appurtenant undivided 1/16 interest in and to the general common elements. Each such condominium unit shall be identified by number as provided on said Second Supplement to the Map of Vail Racquet Club Condominiums.

2. Limited Common Elements. Portions of the general common elements are reserved for the exclusive use of the owners of certain of the units, and such areas are referred to as "limited common elements." The limited common elements so reserved are as defined on Exhibit 1 hereto.

3. Supplement to Condominium Map. The Supplement to the Map depicting the location of each unit, both horizontally and vertically, together with the engineering and other data as is provided under Section 2 of the recorded Declaration shall not be filed for record until the building has been substantially completed in order to permit the location, both horizontally and vertically, of the units. Such Map shall be termed "Second Supplement to Map of Vail Racquet Club Condominiums."

4. Description of Condominium Unit. Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit and building number followed by the words "Vail Racquet Club Condominiums" with further reference to the Second Supplement to the Map thereof filed for record and the recorded Declaration and the Second Supplement thereto. 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 general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress and use of all of the general common elements including easements together with the right to the exclusive use of the limited common elements.

5. Reservations, Easements. Declarant expressly reserves the following:

5-1. The right further to enlarge this condominium project as provided in Section 33 of the Condominium Declaration for Vail Racquet Club Condominiums;

5-2. Declarant expressly reserves to itself, its successors and assigns, the right to grant or otherwise create or define easements and rights-of-way over and across such portions of the property described on Exhibit 1 hereto as Declarant may from time to time determine to be necessary or convenient to the achievement of the following purposes:

5-2-1. Installation, maintenance and replacement of necessary utilities serving the improvements on the property described on Exhibit 1 or any other portion of the condominium project or elsewhere;

5-2-2. Reasonable pedestrian and vehicular travel and access from one portion of the condominium project to another, or to any of the Vail Racquet Club facilities.

6. Ingress and Egress.

6-1. Declarant hereby grants to each condominium unit owner a perpetual and non-exclusive easement for ingress and egress between Meadow Drive and Building 8 over and across that portion of the existing private roadway (denominated as Vail Racquet Club Drive) constructed on the property described in Section 35-1 of the Condominium Declaration, which portion lies outside the bounds of the tract on which Building 8 is situate, for the use of such owner, his family, guests, tenants and invitees. Such easement shall be appurtenant to said condominium unit and the transfer or encumbrance of a condominium unit shall transfer to the transferee such easement without any reference thereto. Declarant, for itself, its successors and assigns, reserves the right to shift or relocate such roadway so long as reasonably comparable access to Building 8 is maintained.

6-2. Declarant expressly reserves to itself, its successors and assigns, the right hereafter to grant similar non-exclusive easements over and across those portions of the existing roadway (denominated as Vail Racquet Club Drive) lying within the bounds of the property described on Exhibit 1 hereto in connection with the development of the remainder of the condominium project.

7. General.

7-1. The provisions of this instrument shall be in addition and supplemental to the provisions contained in the recorded Declaration of Vail Racquet Club Condominiums.

7-2. If any of the provisions of this instrument or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this instrument, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

7-3. The provisions of this instrument shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

7-4. 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.

8. Partition. The provisions of section 7 of the Condominium Declaration shall not be construed to permit the owner or owners of any condominium unit to partition said unit, and each unit shall always be and remain a single unit, although owned in undivided interests as permitted by the Condominium Declaration.

9. Easements for Encroachments. The provisions of section 9 of the Condominium Declaration are intended and shall be construed to provide easements for any future encroachments due to repair or maintenance of the general common elements or any portion thereof.

10. Indemnification - Mortgages. The provisions of section 10 of the Condominium Declaration shall not be construed to require that the holder of a first mortgage or first deed of trust be required to indemnify the owners of other units against liability arising from the acts of the owner of the unit encumbered by said mortgage or deed of trust.

11. Assessments - Advances by Mortgages. The last two lines of section 18-1 of the Condominium Declaration, reading as follows:

"additional advances made thereon prior to the dates such assessment lien becomes choate, as hereinafter provided."

shall be so construed that the lien of additional advances made in good faith prior to the date that the holder of such first mortgage or first deed of trust is notified in writing that assessments have not been paid shall nevertheless be prior to the lien of such assessments.

12. Unpaid Assessments - Mortgages. The provisions of section 19-2 of the Condominium Declaration shall not be construed to make the holder of a first mortgage or first deed of trust liable for unpaid assessments accruing against the unit encumbered by its lien prior to the date that such lienholder shall acquire title to such unit, whether by foreclosure of such lien or by deed in lieu of foreclosure.

13. Enlargement of Project - Assessments. Section 33 of the Condominium Declaration provides for enlargement of the condominium project through the construction of additional condominium buildings and other improvements. Pursuant thereto assessments are made for common expenses of the project as thereby enlarged from time to time. Section 33-3 provides that common expenses for items peculiar to such additional units shall be separately assessed. For other common expenses, however, there shall be common assessments made against all condominium units in the project. Section 33 is intended and shall be so construed that, so long as the several buildings in the condominium project are similar in size and construction, to the earlier buildings, assessments thereon shall be substantially equal regardless of when any building has been added to the project. Assessments within a given building shall then be based upon the proportion of the common elements applicable to each unit therein. The Board of Managers shall be empowered to make the necessary determinations required hereunder, and its determinations, if reasonable and if made in good faith, shall bind all owners of units in the condominium project.

14. Insurance. Section 17 of the Condominium Declaration provides for insurance to be maintained against various hazards. In complying therewith the Board of Managers shall observe the following additional provisions.

(a) To the extent obtainable, policies shall involve standard premium rates, established by the Colorado Insurance Commissioner, and be written with companies licensed to do

(Paragraph 14 - Insurance - continued)

business in Colorado and having a Best's insurance report rating of AAA or better. No policy shall be obtained where: (i) under the terms of the insurance carrier's charter, by-laws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (ii) by the terms of carrier's charter, by-laws or policy, loss payment are contingent upon action by the company's Board of Directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds.

(1) Fire insurance shall be maintained with extended coverage and all risk endorsements, which endorsements shall include endorsements for vandalism, malicious mischief, boiler explosion and machinery with a minimum endorsed amount of \$50,000 per accident per location, insuring the entire condominium project and any other property, the nature of which is a common element (including all of the units, fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by unit owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation, and which shall contain a standard non-contributory mortgage clause in favor of each mortgagee of a condominium unit which shall provide that the loss, if any, thereunder, shall be payable to the Racquet Club Owners Association for the use and benefit of mortgagees as their interests may appear.

(2) If the condominium project is located in an area hereafter identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the mortgages on the condominium units comprising the condominium project.

(3) Public liability and property damage insurance shall be maintained in such limits as the Board of Managers may from time to time determine, but not in an amount less than \$300,000 per injury, per person, per occurrence and umbrella liability limits of \$1,000,000 per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest endorsement."

(4) Workmen's Compensation and employer's liability insurance and all other similar insurance in respect to employees of the Association in the amount and in the forms now or hereafter required by law.

(5) The Association shall purchase, and thereafter maintain fidelity coverage against

(Paragraph 14 - Insurance - continued)

dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit owner and shall provide that such policies may not be cancelled or modified without at least 10 days prior written notice to all of the insureds, including mortgagees. The insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the condominium unit owners, which policy or policies shall identify the interest of each condominium unit owner (owner's name and unit number designation).

(c) Determination of maximum replacement value shall be made annually. In no event shall the insurance policy contain a co-insurance clause for less than 90% of the full replacement cost. Determination of maximum replacement value shall be made by one or more written appraisals to be furnished by a person knowledgeable of replacement cost.

(d) Unit owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any unit owner. Insurance coverage on furnishings, including carpet, draperies, and other items of personal or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the Board of Managers, the Association and the Managing Agent shall have no responsibility therefor.

VAIL RACQUET CLUB CONDOMINIUMS,
a general partnership

By: [Signature]
Jay M. Utter, General Partner

By: [Signature]
Walter Kirch, General Partner

STATE OF COLORADO)
County of Eagle) : SS

The foregoing instrument, including Exhibit 1 thereto, which also contains the signatures of Declarant for identification, was acknowledged before me this 31st day of December, 1975 by Jay M. Utter and Walter Kirch, as all of the general partners of Vail Racquet Club Condominiums, a general partnership.

Witness my hand and official seal.

My commission expires: March 16, 1979



EXHIBIT 1
TO
SECOND SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

1. Description.

The property covered by this Supplement to the Condominium Declaration shall be that part of the Town of Vail, Eagle County, Colorado, described as follows:

That part of the southeast quarter of Section 12, Township 5 South, Range 80 West of the 6th P.M., described as follows:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 12, T5S, R80W OF THE 6TH P.M., FROM WHICH THE SOUTHWEST CORNER OF THE SE 1/4 OF THE SE 1/4 OF SAID SECTION 12 BEARS N89°35'41"W (TRUE MERIDIAN), 1306.39 FEET; THENCE N50°36'51"W, 1762.68 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THAT TRACT OF LAND CONVEYED TO WALTER KIRCH AND JAY M. UTTER AS DESCRIBED IN WARRANTY DEED RECORDED IN BOOK 227 AT PAGE 320 OF THE RECORDS OF EAGLE COUNTY, COLORADO, BEING THE MOST EASTERLY CORNER OF TRACT B, "MAP OF VAIL RACQUET CLUB CONDOMINIUMS," ACCORDING TO THE RECORDED PLAT THEREOF, THENCE N42°51'00"W, 127.48 FEET ALONG THE NORTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320; THENCE N58°45'20"W, 134.16 FEET ALONG THE NORTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320 TO THE MOST NORTHERLY CORNER OF TRACT A OF SAID "MAP OF VAIL RACQUET CLUB CONDOMINIUMS," AND THE TRUE POINT OF BEGINNING;

THENCE S40°25'43"W, 199.66 FEET ALONG THE NORTHWESTERLY LINE OF SAID TRACT A TO THE MOST WESTERLY CORNER THEREOF;

THENCE N49°34'17"W, 36.46 FEET;

THENCE N58°34'17"W, 72.14 FEET;

THENCE N31°25'43"E, 191.05 FEET TO THE NORTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320;

THENCE S58°45'20"E, 139.39 FEET ALONG THE NORTHEASTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 227 AT PAGE 320 TO THE TRUE POINT OF BEGINNING.

2. Limited Common Elements - Building 8. The limited common elements for units in Building 8 shall be as follows:

(1) The patios adjacent to Units 1 through 4 in each building shall be limited common elements to those units, respectively.

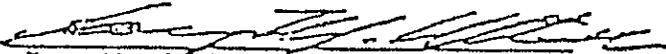
(2) The balconies adjacent to Units 5 through 16 in such building shall be limited common elements to those units, respectively.

(3) The stairways providing access to the balconies along the northeasterly side of Units 5 through 8 in such building shall be limited common elements to the units so served.

(4) The stairways providing access to Units 5 through 16 in such building along the southwesterly side thereof shall be limited common elements to the units so served.

The above Exhibit 1 to the Second Supplement to Condominium Declaration for Vail Racquet Club Condominiums is hereby signed for the purpose of identifying it as said exhibit.

VAIL RACQUET CLUB CONDOMINIUMS

By 
Jay M. Utter, General Partner

By 
Walter Kirch, General Partner

THIRD SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Vail Racquet Club Condominiums, a general partnership, and predecessor in interest to Vail Racquet Club Condominiums, a limited partnership, which latter is hereinafter called "Declarant," caused to be recorded a Condominium Declaration for Vail Racquet Club Condominiums in Book 232, Page 484 et seq., of the records of the Clerk and Recorder of Eagle County, Colorado; and

WHEREAS, Section 33 of the recorded Declaration provides for the enlargement of the Vail Racquet Club Condominiums condominium project by constructing additional condominium buildings and improvements on separate property, which condominium units may be submitted to this condominium project, such submission to be expressed in a supplement to the Declaration and a supplement to the Condominium Map of Vail Racquet Club Condominiums; and

WHEREAS, by the First Supplement to Condominium Declaration for Vail Racquet Club Condominiums, recorded in Book 237, Page 931 et seq. of the records of the Clerk and Recorder of Eagle County, Colorado, said general partnership submitted two additional buildings to said Declaration; and

WHEREAS, by the Second Supplement to Condominium Declaration for Vail Racquet Club Condominiums, recorded in Book 243, Page 933 et. seq. of the records of the Clerk and Recorder of Eagle County, Colorado, said general partnership submitted an additional building to said Declaration; and

WHEREAS, Declarant has completed the construction of an additional building and other improvements on the separate real property situate in the County of Eagle, State of Colorado, which property is described on the attached Exhibit 1, which by this reference is made a part hereof and which property is depicted on the Third Supplement to Map of Vail Racquet Club Condominiums; and

WHEREAS, Declarant does hereby submit to this condominium project such additionally constructed building, improvements and real property, in accordance with the following terms and conditions;

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 land, 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 and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Division of Property into Condominium Units. The real property described on Exhibit 1 consists of one parcel denominated Tract F on which is constructed Building 7. The property devoted to Building 7 is Tract F as shown on the Third Supplement to the Condominium Map. The said real property denominated Tract F and the improvements constructed thereon are hereby divided into twenty-four separate fee simple estates, each such estate consisting of one apartment unit and its appurtenant limited common elements together with an appurtenant undivided 1/24 interest in and to the general common elements. Each such condominium unit shall be identified by number as provided on said Third Supplement to the Map of Vail Racquet Club Condominiums.

2. Limited Common Elements. Portions of the general common elements are reserved for the exclusive use of the owners of certain of the units, and such areas are referred to as "limited common elements." The limited common elements so reserved are as defined on Exhibit 1 hereto.

3. Supplement to Condominium Map. The Supplement to the Map depicting the location of each unit, both horizontally and vertically, together with the engineering and other data as is provided under Section 2 of the recorded Declaration shall not be filed for record until the building has been substantially completed in order to permit the location, both horizontally and vertically, of the units. Such Map shall be termed "Third Supplement to Map of Vail Racquet Club Condominiums."

4. Description of Condominium Unit. Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit and building number followed by the words "Vail Racquet Club Condominiums" with further reference to the Third Supplement to the Map thereof filed for record and the recorded Declaration and the Third Supplement thereto. 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 general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress and use of all of the general common elements, including easements, together with the right to the exclusive use of the limited common elements.

5. Reservations, Easements. Declarant expressly reserves the following:

5-1. The right further to enlarge this condominium project as provided in Section 33 of the Condominium Declaration for Vail Racquet Club Condominiums;

5-2. Declarant expressly reserves to itself, its successors and assigns, the right to grant or otherwise create or define easements and rights-of-way over and across such portions of the property described on Exhibit 1 hereto as Declarant may from time to time determine to be necessary or convenient to the achievement of the following purposes:

5-2-1. Installation, maintenance and replacement of necessary utilities serving the improvements on the property described on Exhibit 1 or any other portion of the condominium project or elsewhere;

5-2-2. Reasonable pedestrian and vehicular travel and access from one portion of the condominium project to another, and to other property adjacent to or in the vicinity of the condominium project which is developed in conjunction therewith, or to any of the Vail Racquet Club facilities.

6. Ingress and Egress.

6-1. Declarant hereby grants to each condominium unit owner a perpetual and non-exclusive easement for ingress and egress between Meadow Drive and Building 7 over and across that portion of the existing private roadway (denominated as Vail Racquet Club Drive) constructed on the property described in Section 35-1 of the Condominium Declaration, which portion lies outside the bounds of the tract on which Building 7 is situate, for the use of such owner, his family, guests, tenants and invitees. Such easement shall be appurtenant to said condominium unit and the transfer or encumbrance of a condominium unit shall transfer to the transferee such easement without any reference thereto. Declarant, for itself, its successors and assigns, reserves the right to shift or relocate such roadway so long as reasonably comparable access to Building 7 is maintained.

6-2. Declarant expressly reserves to itself, its successors and assigns, the right hereafter to grant similar non-exclusive easements over and across those portions of the existing roadway (denominated as Vail Racquet Club Drive) lying within the bounds of the property described on Exhibit 1 hereto in connection with the development of the remainder of the condominium project.

7. General.

7-1. The provisions of this instrument shall be in addition and supplemental to the provisions contained in the recorded Declaration of Vail Racquet Club Condominiums.

7-2. If any of the provisions of this instrument or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this instrument, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

7-3. The provisions of this instrument shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

7-4. 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.

8. Partition. The provisions of Section 7 of the Condominium Declaration shall not be construed to permit the owner or owners of any condominium unit to partition said unit, and each unit shall always be and remain a single unit, although owned in undivided interests as permitted by the Condominium Declaration.

9. Easements for Encroachments. The provisions of Section 9 of the Condominium Declaration are intended and shall be construed to provide easements for any future encroachments

due to repair or maintenance of the general common elements or any portion thereof.

10. Indemnification - Mortgages. The provisions of Section 10 of the Condominium Declaration shall not be construed to require that the holder of a first mortgage or first deed of trust be required to indemnify the owners of other units against liability arising from the acts of the owner of the unit encumbered by said mortgage or deed of trust.

11. Assessments - Advances by Mortgages. The last two lines of Section 18-1 of the Condominium Declaration, reading as follows:

"additional advances made thereon prior to the date such assessment lien becomes choate, as hereinafter provided.",

shall be so construed that the lien of additional advances made in good faith prior to the date that the holder of such first mortgage or first deed of trust is notified in writing that assessments have not been paid shall nevertheless be prior to the lien of such assessments.

12. Unpaid Assessments - Mortgages. The provisions of Section 19-2 of the Condominium Declaration shall not be construed to make the holder of a first mortgage or first deed of trust liable for unpaid assessments accruing against the unit encumbered by its lien prior to the date that such lienholder shall acquire title to such unit, whether by foreclosure of such lien or by deed in lieu of foreclosure.

13. Enlargement of Project - Assessments. Section 33 of the Condominium Declaration provides for enlargement of the condominium project through the construction of additional condominium buildings and other improvements. Pursuant thereto assessments are made for common expenses of the project as thereby enlarged from time to time. Section 33-3 provides that common expenses for items peculiar to such additional units shall be separately assessed. For other common expenses, however, there shall be common assessments made against all condominium units in the project. Section 33 is intended and shall be so construed that, so long as the several buildings in the condominium project are similar in size and construction, to the earlier buildings, assessments thereon shall be substantially equal regardless of when any building has been added to the project. Assessments within a given building shall then be based upon the proportion of the common elements applicable to each unit therein. The Board of Managers shall be empowered to make the necessary determinations required hereunder, and its determinations, if reasonable and if made in good faith, shall bind all owners of units in the condominium project.

14. Insurance. Section 17 of the Condominium Declaration provides for insurance to be maintained against various hazards. In complying therewith the Board of Managers shall observe the following additional provisions.

- (a) To the extent obtainable, policies shall involve standard premium rates, established by the Colorado Insurance Commissioner, and be written with companies licensed to do business in Colorado and having a Best's insurance report rating of AAA or better. No policy shall be obtained where:
 - (i) under the terms of the insurance carrier's charter, by-

laws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (ii) by the terms of carrier's charter, by-laws or policy, loss payments are contingent upon action by the company's Board of Directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds.

(1) Fire insurance shall be maintained with extended coverage and all risk endorsements, which endorsements shall include endorsements for vandalism, malicious mischief, boiler explosion and machinery with a minimum endorsed amount of \$50,000 per accident per location, insuring the entire condominium project and any other property, the nature of which is a common element (including all of the units, fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by unit owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation, and which shall contain a standard non-contributory mortgage clause in favor of each mortgagee of a condominium unit which shall provide that the loss, if any, thereunder, shall be payable to the Racquet Club Owners Association for the use and benefit of mortgagees as their interests may appear.

(2) If the condominium project is located in an area hereafter identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balance of the mortgages on the condominium units comprising the condominium project shall be maintained.

(3) Public liability and property damage insurance shall be maintained in such limits as the Board of Managers may from time to time determine, but not in an amount less than \$300,000 per injury, per person, per occurrence and umbrella liability limits of \$1,000,000 per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest endorsement."

(4) Workmen's Compensation and employer's liability insurance and all other similar insurance in respect to employees of the Association shall be maintained in the amount and in the forms now or hereafter required by law.

(5) The Association shall purchase and thereafter maintain fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit owner and shall provide that such policies may not be cancelled or modified without at least 10 days prior written notice to all of the insureds, including mortgagees. The insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the condominium unit owners, which policy or policies shall identify the interest of each condominium unit owner (owner's name and unit number designation).

(c) Determination of maximum replacement value shall be made annually. In no event shall the insurance policy contain a co-insurance clause for less than 90% of the full replacement cost. Determination of maximum replacement value shall be made by one or more written appraisals to be furnished by a person knowledgeable of replacement cost.

(d) Unit owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any unit owner. Insurance coverage on furnishings, including carpet, draperies, and other items of personal or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the Board of Manager, the Association and the Managing Agent shall have no responsibility therefor.

15. Laundry Room. There is what is depicted as "Laundry Room" on the Third Supplement to Condominium Map for Vail Racquet Club Condominiums. Said room is reserved to Declarant but the portion which may be devoted by it to laundry facilities shall be available for the use of owners of units in Building 7 and adjacent buildings. Such portion of said room as may not be devoted to laundry facilities shall be usable by Declarant for storage and other purposes as Declarant may determine from time to time.

VAIL RACQUET CLUB CONDOMINIUMS,
a limited partnership

By Walter Kirch
Walter Kirch, General Partner.

STATE OF COLORADO)
 : SS.
COUNTY OF EAGLE)

The foregoing instrument, including Exhibit 1 thereto, which also contains the signature of Declarant for identification, was acknowledged before me this _____ day of _____, 1976, by Walter Kirch, as the general partner of Vail Racquet Club Condominiums, a limited partnership.

Witness my hand and official seal.

My commission expires: _____

[SEAL]

Notary Public

EXHIBIT 1
TO
THIRD SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

1. Description.

The property covered by this Supplement to the Condominium Declaration shall be that part of the Town of Vail, Eagle County, Colorado, described as follows:

That part of the southeast quarter of Section 12, Township 5 South, Range 80 West of the 6th P.M., described as follows:

Commencing at the Southeast Corner of Section 12, T5S, R80W of the 6th P.M., from which the Southwest corner of the SE1/4 of the SE1/4 of said Section 12 bears N89°35'41"W, (True Meridian), 1306.39 feet; thence N50°36'51"W, 1762.68 feet to a point on the Northeasterly line of that tract of land conveyed to Walter Kirch and Jay M. Utter as described in Warranty Deed recorded in Book 227 at Page 320 of the records of Eagle County, Colorado, being the most Easterly corner of Tract B, "Map of Vail Racquet Club Condominiums," according to the recorded plat thereof; thence N42°51'00"W, 127.48 feet along the Northeasterly line of that tract of land as described in said Book 227 at Page 320; thence N58°45'20"W, 273.55 feet along the Northeasterly line of that tract of land as described in said Book 227 at Page 320 to the most Northerly corner of Tract E, "Second Supplement to Map of Vail Racquet Club Condominiums," according to the recorded plat thereof, and the TRUE POINT OF BEGINNING; thence S31°25'43"W, 191.05 feet along the Northwesterly line of said Tract E to the most Westerly corner thereof; thence N61°49'00"W, 117.69 feet; thence N31°25'43"E, 197.34 feet to the Northeasterly line of that tract of land as described in said Book 227 at Page 320; thence S58°45'20"E, 117.50 feet along the Northeasterly line of that tract of land as described in said Book 227 at Page 320 to the TRUE POINT OF BEGINNING.

2. Limited Common Elements - Building 7. The limited common elements for units in Building 7 shall be as follows:

(1) The patios adjacent to Units 1 through 6 in such building shall be limited common elements to those units, respectively.

(2) The balconies adjacent to Units 7 through 24 in such building shall be limited common elements to those units, respectively.

(3) The stairways providing access to the balconies along the northeasterly side of Units 7 through 12 in such building shall be limited common elements to the units so served.

(4) The stairways providing access to Units 7 through 24 in such building along the southwesterly side thereof shall be limited common elements to the units so served.

The above Exhibit 1 to the Third Supplement to Condominium Declaration for Vail Racquet Club Condominiums is hereby signed for the purpose of identifying it as said exhibit.

VAIL RACQUET CLUB CONDOMINIUMS,
a limited partnership

By Walter Kirch
Walter Kirch, General Partner

FOURTH SUPPLEMENT
TO
CONDOMINIUM DECLARATION
FOR
VAIL RACQUET CLUB CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Vail Racquet Club Condominiums, a general partnership, and predecessor in interest to Vail Racquet Club Condominiums, a limited partnership, which latter is hereinafter called "Declarant," caused to be recorded a Condominium Declaration for Vail Racquet Club Condominiums in Book 232, page 484 et seq., of the records of the Clerk and Recorder of Eagle County, Colorado; and

WHEREAS, Section 33 of the recorded Declaration provides for the enlargement of the Vail Racquet Club Condominiums condominium project by constructing additional condominium buildings and improvements on separate property, which condominium units may be submitted to this condominium project, such submission to be expressed in a supplement to the Declaration and a supplement to the Condominium Map of Vail Racquet Club Condominiums; and

WHEREAS, by the First Supplement to Condominium Declaration for Vail Racquet Club Condominiums, recorded in Book 237, page 931 et seq. of the records of the Clerk and Recorder of Eagle County, Colorado, said general partnership submitted two additional buildings to said Declaration; and

WHEREAS, by the Second Supplement to Condominium Declaration for Vail Racquet Club Condominiums, recorded in Book 243, page 933 et seq. of the records of the Clerk and Recorder of Eagle County, Colorado, said general partnership submitted an additional building to said Declaration; and

WHEREAS, by the Third Supplement to Condominium Declaration for Vail Racquet Club Condominiums, recorded in Book 250, page 293 et seq. of the records of the Clerk and Recorder of Eagle County, Colorado, Declarant submitted an additional building to said Declaration; and

WHEREAS, Declarant has completed the construction of an additional building and other improvements on the separate real property situate in the County of Eagle, State of Colorado, which property is described on the attached Exhibit 1, which by this reference is made a part hereof and which property is depicted on the Fourth Supplement to Map of Vail Racquet Club Condominiums; and

WHEREAS, Declarant does hereby submit to this condominium project such additionally constructed building, improvements and real property, in accordance with the following terms and conditions;

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 land, 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 and improvements, their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. Division of Property into Condominium Units. The real property described on Exhibit 1 consists of one parcel denominated Tract H on which is constructed Building 5. The property devoted to Building 5 is Tract H as shown on the Fourth Supplement to the Condominium Map. The said real property denominated Tract H and the improvements constructed thereon are hereby divided into sixteen separate fee simple estates, each such estate consisting of one apartment unit and its appurtenant limited common elements together with an appurtenant undivided 1/16 interest in and to the general common elements. Each such condominium unit shall be identified by number as provided on said Fourth Supplement to the Map of Vail Racquet Club Condominiums.

2. Limited Common Elements. Portions of the general common elements are reserved for the exclusive use of the owners of certain of the units and such areas are referred to as "limited common elements." The limited common elements so reserved are as defined on Exhibit 1 hereto.

3. Supplement to Condominium Map. The Supplement to the Map depicting the location of each unit, both horizontally and vertically, together with the engineering and other data as is provided under Section 2 of the recorded Declaration shall not be filed for record until the building has been substantially completed in order to permit the location, both horizontally and vertically, of the units. Such Map shall be termed "Fourth Supplement to Map of Vail Racquet Club Condominiums."

4. Description of Condominium Unit. Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit and building number followed by the words "Vail Racquet Club Condominiums" with further reference to the Fourth Supplement to the Map thereof filed for record and the recorded Declaration and the Fourth Supplement thereto. 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 general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a nonexclusive easement for ingress and egress and use of all of the general common elements, including easements, together with the right to the exclusive use of the limited common elements.

5. Reservations, Easements. Declarant expressly reserves the following:

5-1. The right further to enlarge this condominium project as provided in Section 33 of the Condominium Declaration for Vail Racquet Club Condominiums;

5-2. Declarant expressly reserves to itself, its successors and assigns, the right to grant or otherwise create or define easements and rights-of-way over and across such portions of the property described on Exhibit 1 hereto as Declarant may from time to time determine to be necessary or convenient to the achievement of the following purposes:

5-2-1. Installation, maintenance and replacement of necessary utilities serving the improvements on the property described on Exhibit 1 or any other portion of the condominium project or elsewhere;

5-2-2. Reasonable pedestrian and vehicular travel and access from one portion of the condominium project to another and to other property adjacent to or in the vicinity of the condominium project which is developed in conjunction therewith, or to any of the Vail Racquet Club facilities.

6. Ingress and Egress.

6-1. Declarant hereby grants to each condominium unit owner a perpetual and nonexclusive easement for ingress and egress between Meadow Drive and Building 5 over and across that portion of the existing private roadway (denominated as Vail Racquet Club Drive) constructed on the property described in Section 35-1 of the Condominium Declaration, as well as those portions of said Vail Racquet Club Drive crossing Tracts E and F as depicted, respectively, in the said Second and Third Supplements to Map of Vail Racquet Club Condominiums, and in addition, that portion of said Vail Racquet Club Drive lying between the northwesterly boundary of said Tract F and the northerly boundary of the southerly portion of Tract H, as depicted on Fourth Supplement to Map of Vail Racquet Club Condominiums, for the use of such owner, his family, guests, tenants and invitees. Such easement shall be appurtenant to said condominium unit and the transfer or encumbrance of a condominium unit shall transfer to the transferee such easement without any reference thereto. Declarant, for itself, its successors and assigns, reserves the right to shift or relocate such roadway so long as reasonably comparable access to Building 5 is maintained.

6-2. Declarant expressly reserves to itself, its successors and assigns, the right hereafter to grant similar nonexclusive easements over and across those portions of the existing roadway (denominated as Vail Racquet Club Drive) lying within the bounds of the property described on Exhibit 1 hereto and lying between Tracts F and H as described in Section 6-1 hereof in connection with the development of the remainder of the condominium project.

6-3. In order to confirm the right of ingress and egress to the owners of units in Building 7, situate on Tract F, added to the condominium project by the Third Supplement to the Declaration and to the Map, as recited on page 1 hereof, across Tract E, added to the condominium project by the Second Supplement to the Declaration and to the Map, also as recited on page 1 hereof, Declarant hereby grants to each condominium unit owner in said Building 7 a perpetual and nonexclusive easement for ingress and egress over and across that portion of the existing private roadway (denominated as Vail Racquet Club Drive) constructed on said Tract E, for the use of such owner, his family, guests, tenants and invitees. Such easement shall be appurtenant to said condominium unit and the transfer or encumbrance of a condominium unit shall transfer to the transferee such easement without any reference thereto. Declarant, for itself, its successors and assigns, reserves the right to shift or relocate such roadway so long as reasonably comparable access to Building 7 is maintained.

7. General.

7-1. The provisions of this instrument shall be in addition and supplemental to the provisions contained in the recorded Declaration of Vail Racquet Club Condominiums.

7-2. If any of the provisions of this instrument or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated,

such invalidity shall not affect the validity of the remainder of this instrument, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

7-3. The provisions of this instrument shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

7-4. 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.

8. Partition. The provisions of Section 7 of the Condominium Declaration shall not be construed to permit the owner or owners of any condominium unit to partition said unit, and each unit shall always be and remain a single unit, although owned in undivided interests as permitted by the Condominium Declaration.

9. Easements for Encroachments. The provisions of Section 9 of the Condominium Declaration are intended and shall be construed to provide easements for any future encroachments due to repair or maintenance of the general common elements or any portion thereof.

10. Indemnification - Mortgages. The provisions of Section 10 of the Condominium Declaration shall not be construed to require that the holder of a first mortgage or first deed of trust be required to indemnify the owners of other units against liability arising from the acts of the owner of the unit encumbered by said mortgage or deed of trust.

11. Assessments - Advances by Mortgages. The last two lines of Section 18-1 of the Condominium Declaration, reading as follows:

"additional advances made thereon prior to the date such assessment lien becomes choate, as hereinafter provided",

shall be so construed that the lien of additional advances made in good faith prior to the date that the holder of such first mortgage or first deed of trust is notified in writing that assessments have not been paid shall nevertheless be prior to the lien of such assessments.

12. Unpaid Assessments - Mortgages. The provisions of Section 19-2 of the Condominium Declaration shall not be construed to make the holder of a first mortgage or first deed of trust liable for unpaid assessments accruing against the unit encumbered by its lien prior to the date that such lienholder shall acquire title to such unit, whether by foreclosure of such lien or by deed in lieu of foreclosure.

13. Enlargement of Project - Assessments. Section 33 of the Condominium Declaration provides for enlargement of the condominium project through the construction of additional condominium buildings and other improvements. Pursuant thereto assessments are made for common expenses of the project as thereby enlarged from time to time. Section 33-3 provides that common expenses for items peculiar to such additional units shall be separately assessed. For

other common expenses, however there shall be common assessments made against all condominium units in the project. Section 33 is intended and shall be so construed that, so long as the several buildings in the condominium project are similar in size and construction, to the earlier buildings, assessments thereon shall be substantially equal regardless of when any building has been added to the project. Assessments within a given building shall then be based upon the proportion of the common elements applicable to each unit therein. The Board of Managers shall be empowered to make the necessary determinations required hereunder, and its determinations, if reasonable and if made in good faith, shall bind all owners of units in the condominium project.

14. Insurance. Section 17 of the Condominium Declaration provides for insurance to be maintained against various hazards. In complying therewith the Board of Managers shall observe the following additional provisions.

(a) To the extent obtainable, policies shall involve standard premium rates, established by the Colorado Insurance Commissioner, and be written with companies licensed to do business in Colorado and having a Best's insurance report rating of AAA or better. No policy shall be obtained where: (i) under the terms of the insurance carrier's charter, by-laws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (ii) by the terms of carrier's charter, by-laws or policy, loss payments are contingent upon action by the company's Board of Directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds.

(1) Fire insurance shall be maintained with extended coverage and all risk endorsements, which endorsements shall include endorsements for vandalism, malicious mischief, boiler explosion and machinery with a minimum endorsed amount of \$50,000 per accident per location, insuring the entire condominium project and any other property, the nature of which is a common element (including all of the units, fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by unit owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation, and which shall contain a standard noncontributory mortgage clause in favor of each mortgagee of a condominium unit which shall provide that the loss, if any, thereunder, shall be payable to the Racquet Club Owners Association for the use and benefit of mortgagees as their interests may appear.

(2) If the condominium project is located in an area hereafter identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balance of the mortgages on the condominium units comprising the condominium project shall be maintained.

(3) Public liability and property damage insurance shall be maintained in such limits as the Board of Managers may from time to time determine, but not in an amount less than \$300,000 per injury, per person, per

occurrence and umbrella liability limits of \$1,000,000 per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest endorsement."

(4) Workmen's Compensation and employer's liability insurance and all other similar insurance in respect to employees of the Association shall be maintained in the amount and in the forms now or hereafter required by law.

(5) The Association shall purchase and thereafter maintain fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit owner and shall provide that such policies may not be cancelled or modified without at least 10 days prior written notice to all of the insureds, including mortgagees. The insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the condominium unit owners, which policy or policies shall identify the interest of each condominium unit owner (owner's name and unit number designation).

(c) Determination of maximum replacement value shall be made annually. In no event shall the insurance policy contain a co-insurance clause for less than 90% of the full replacement cost. Determination of maximum replacement value shall be made by one or more written appraisals to be furnished by a person knowledgeable of replacement cost.

(d) Unit owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any unit owner. Insurance coverage on furnishings, including carpet, draperies, and other items of personal or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the Board of Manager, the Association and the Managing Agent shall have no responsibility therefor.

VAIL RACQUET CLUB CONDOMINIUMS,
a limited partnership,

By

Walter Kirch, General Partner

STATE OF COLORADO)

: SS.

COUNTY OF EAGLE)

The foregoing instrument, including Exhibit 1