

ARTICLE VIII.
Obligations of the Members.

1. **Assessments.** (a) Each Owner shall be obligated to pay and shall pay to the Resort Company the annual Common Assessment levied under Article IX with respect to such Owner's Site, and each Owner shall comply with any determinations made by the Board of Directors with respect to such assessments.

(b) Each Regular Member shall be obligated to and shall collect the Civic Assessment described in Article IX and pay the total amounts thereof regularly to the Resort Company, or see to it that the Civic Assessment is collected and that the total amounts thereof are paid regularly to the Resort Company as to any transaction with respect to which the Civic Assessment is applicable, and each member shall comply with any determinations made by the Board of Directors with respect to such assessments.

(c) The Mountain Special Member shall be obligated to pay and shall pay to the Resort Company, the Mountain Civic Assessment levied with respect to the Mountain Special Member's Assessable Income and shall comply with any determinations made by the Board of Directors with respect to such assessment.

(d) Each Regular Member and the Mountain Special Member shall be obligated to pay and shall pay to the Resort Company any Special Assessment imposed under Article IX hereof, as the amount of such Special Assessment applicable to each member is determined under the provisions of that Article. Each Regular Member and the Mountain Special Member shall comply with any determinations made by the Board of Directors with respect to such assessment.

(e) Each member shall pay all charges, fines, penalties, interest, or other amounts payable to the Resort Company in connection with the Common Assessments, Civic Assessments, Mountain Civic Assessments or Special Assessments, or otherwise payable under the Declaration, the Articles of Incorporation or these bylaws.

2. **Time for Payments.** The amount of any Assessment, charge, fine, penalty or other amount payable with respect to any member or such member's Guest or Site shall become due and payable as specified in Article IX hereof or by the Board of Directors, and any such amount which is delinquent shall bear interest at the rate of 18 percent per annum from the date due and payable.

3. **Lien for Assessments and Other Amounts.** In addition to the rights set forth in Article IX hereof, the Resort Company shall have a lien against each Site to secure payment of any assessment, charge, fine, penalty or other amount due and owing to the Resort Company with respect to the Owner of that Site or with respect to such Owner's Lessees, Guests or Site plus interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees. All liens granted pursuant to this Section 3 and Sections 1, 2, 3 and 4, Article IX, hereof shall be junior to any first lien or encumbrance on a Site taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of Eagle County, Colorado, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Site, and naming the Owner of the Site. Such lien may be foreclosed in the manner for foreclosures of mortgages in the State of Colorado.

4. **Compliance with the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations.** Each member shall comply with all provisions of the Declaration, Articles of Incorporation, these bylaws, and any rules and regulations issued by the Board of Directors as from time to time in force and effect. The membership rights and privileges, including, but not limited to, the right to vote and the right to use Facilities and Functions of any member or Guest, may be suspended by action of the Board of Directors during the period when any assessments or other amounts due relating to such member's Site remain unpaid; but, upon payment of such assessments or other amounts, such rights and privileges shall be automatically restored. If the

Board of Directors has adopted and published rules and regulations governing the use of Facilities or Functions and the personal conduct of any person related thereto, the directors or the officers of the Resort Company may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed 30 days, or if such person is in a continuous violation of such rules and regulations for a period until such time as the violation ceases. At the time such continuous violation ceases, the 30-day suspension may be applied to such person.

5. **Amendments.** This Article VIII may be amended only by the Affirmative Vote of a Majority of the Classes.

ARTICLE IX. Assessments

1. **Common Assessments.** The Board of Directors on or about May 1 of each year shall levy upon and subsequently collect from each Owner an annual assessment (the "Common Assessment") which shall be determined by multiplying (A) the assessed value of all real property located within and improvements located on or affixed to each of such Owner's Sites, as such value shall have been most recently determined by the Assessor of Eagle County, Colorado (the "Assessed Value"), by (B) the Common Assessment Rate determined by the Board of Directors in accordance with Section 7(a) of this Article IX. To determine the Assessed Value of each Site and the improvements thereon, the Board of Directors shall obtain a copy of the tax list and warrant covering and including all real property in Beaver Creek as soon as practicable after its publication by the Treasurer of Eagle County, Colorado on or about January 1 of each year. Notwithstanding the foregoing, if for any reason a current tax list and warrant is not available in a timely fashion or does not, in the judgment of the Board of Directors, provide sufficient information to determine the Assessed Values of one or more particular Sites and all of the improvements thereon, the Board of Directors may use any reasonable means available to it to determine such Assessed Values for purposes of levying Common Assessments, including without limitation reference to previous county assessed value determinations and other pertinent information and the employment of qualified appraisers. Identification of Owners for the purpose of levying Common Assessment shall be made in accordance with said tax list and warrant except to the extent that the Board of Directors shall send by first class mail, postage prepaid, a notice or notices to each Owner at the address shown on said tax list and warrant, or at such other address of which the Board of Directors may have notice, setting forth the Assessed Value, the Common Assessment Rate and the Common Assessment relative to each Site owned by such Owner. Payment of each Common Assessment shall become due and payable, in its entirety on or before June 30. Any portion of any Common Assessment not paid when due and payable shall become a lien on and against all of the real property owned by such Owner in Beaver Creek, including any Sites owned by such Owner other than the Site with respect to which the Common Assessment has not been fully paid. The Board of Directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Common Assessment which it deems sufficient to protect the interest of the Resort Company. Notwithstanding the foregoing, any Site which is exempt from taxation pursuant to Title 39, Article 3 of the Colorado Revised Statutes as amended (or any comparable statute), or any property, real or personal, of the State and its political subdivisions, may be granted an exemption from the Resort Company Common Assessment by the Board of Directors; provided that the Board of Directors specifically approves such exemption in each particular case.

2. **Civic Assessments.** The Board of Directors shall regularly levy upon and collect from each Regular Member an assessment (the "Civic Assessment") in regard to all sales of (a) tangible personal property made by such member or made, consummated, conducted, transacted or occurring within the geographical boundaries of Beaver Creek and services made, performed or rendered by or on behalf of such member within the geographical boundaries of Beaver Creek (all of which are referred to herein as "Local Sales") which are subject to the Colorado Emergency Retail Sales Tax Act of 1935 (Colorado Revised Statutes, 1973, Title 39, Article 26), as amended (the "Colorado Sales Tax"), and (b) other tangible personal property made, consummated,

conducted, transacted or occurring within the geographical boundaries of Beaver Creek. However, the Civic Assessment shall not apply to any gross receipts from sales (i) in connection with any event sponsored by the Resort Company, or (ii) in connection with any event sponsored by an organization exempt from Colorado Sales Tax, but, only to the extent such gross receipts relate to purchases by the organization for official organization business that are therefore exempt from Colorado Sales Tax, or (iii) where the property purchased is to be delivered to the purchaser outside of Beaver Creek by common carrier or by mail. Each such member's Civic Assessment shall be determined by multiplying such member's Local Sales that are included within such member's Net Taxable Sales (as defined for purposes of the computation of the Sales Tax) plus such member's gross receipts from the sale of tangible personal property not covered by the Sales Tax by the Civic Assessment Rate determined by the Board of Directors in accordance with Section 7(b) of Article IX. Each such member's Civic Assessment shall be due and payable without notice to the Resort Company each time and at such time as such member is required to remit or pay Colorado Sales Tax to the State of Colorado or would be required to make such payment if the property sold were covered by the Sales Tax. Each such member shall also deliver to the Resort Company without notice true and correct copies of all written reports, returns, statements, records and declarations, including any supplements or amendments thereto (all of which are referred to herein as "Reports") made or provided to the State of Colorado by such member in connection with any Local Sales under the provisions of said Act at such time as such Reports are required to be made to the State of Colorado. If any subsequent adjustments, additions, or modifications are made to any Colorado Sales Tax remitted or paid or Report made by any member to the State of Colorado, such member shall within 30 days thereafter so notify the Resort Company and provide it with true and complete copies of all Reports or other written material issued or received by such member in regard thereto. If any adjustment increases the amount of Colorado Sales Tax a member is required to remit or results in a refund of such tax, such member shall accordingly pay an appropriate additional Civic Assessment or receive an appropriate refund from the Resort Company of any excess Civic Assessments previously paid. Any portion of any Civic Assessment not paid by any member when due and payable shall become a lien on and against all of the real property owned or leased by such member in Beaver Creek. The Board of Directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Civic Assessments which it deems sufficient to protect the interests of the Resort Company.

3. Mountain Civic Assessments. The Board of Directors shall levy upon and collect from the Mountain Special Member (as well as any other member or entity selling products or services on the Mountain Facility) a special assessment (the "Mountain Civic Assessment") in regard to all sales of (a) tangible personal property made by such member or made, consummated, conducted, transacted or occurring on the Mountain Facility, and services made, performed or rendered by or on behalf of such member on the Mountain Facility (all of which are referred to herein as "Mountain Sales") which are subject to the Colorado Sales Tax (as defined in Section 2 above), (b) other tangible personal property made, consummated, conducted, transacted or occurring on the Mountain Facility, and (c) ski tow and lift tickets. The Mountain Civic Assessment is determined by multiplying (i) the sum obtained by adding the Mountain Sales that are included within such member's Net Taxable Sales (as defined for purposes of the computation of the Sales Tax), and such member's gross receipts from the sale of tangible personal property not covered by the Sales Tax and the sale of ski tow and lift tickets, by (ii) the Mountain Civic Assessment Rate determined by the Board of Directors in accordance with Section 7(c) of Article IX. With respect to the sale of ski tow and lift tickets, the "gross receipts" of the member shall mean the total amount of payments (whether made in cash or by check or credit card charge) actually received by the member from such sales, provided that the total amount of such payments received shall not include any related sales commissions paid to sales agents who are not employees of such member, or any sales, use, business, license, occupations or other excise taxes (other than income taxes) imposed by any governmental unit which are determined by reference to the amount of sales or gross receipts. The Mountain Civic Assessment is due and payable to the Resort Company, without notice, each time and at such time as the member is required to remit or pay Colorado Sales Tax to the State of Colorado or

would be required to make such payment if the property sold were covered by the Sales Tax. Each member responsible for paying a Mountain Civic Assessment shall deliver to the Resort Company, without notice, true and correct copies of all Reports (as defined in Section 2 above) made or provided to the State of Colorado by such member in connection with any Mountain Sales under the provisions of said Act at such time as such Reports are required to be made to the State of Colorado. If any subsequent adjustments, additions, or modifications are made to any Colorado Sales Tax remitted or paid or Report made by any member to the State of Colorado, such member shall within 30 days thereafter so notify the Resort Company and provide it with true and complete copies of all Reports or other written material issued or received by such member in regard thereto. If any adjustment increases the amount of Colorado Sales Tax a member is required to remit or results in a refund of such tax, such member shall accordingly pay an appropriate additional Mountain Civic Assessment or receive an appropriate refund from the Resort Company of any excess Mountain Civic Assessments previously paid. Any portion of any Mountain Civic Assessment not paid by any member when due any payable shall become a lien on and against all of the real property owned or leased by such member in Beaver Creek or the Mountain Facility. The Board of Directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Mountain Civic Assessments which it deems sufficient to protect the interests of the Resort Company.

4. Special Assessments. Special Assessments shall include Resort Assessments, Local Improvement Assessments, or Real Estate Transfer Assessments, and Recreation Assessments as those terms are used below. They shall be imposed as provided in this Section 4 and shall be collected by the Resort Company. Any portion of any Special Assessment not paid by any member when due and payable shall become a lien on and against all of the real property owned or leased by such member in Beaver Creek. The Board of Directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Special Assessments which it deems sufficient to protect the interests of the Resort Company.

(a) **Resort Assessments.** The Board of Directors may levy in any fiscal year one or more Resort Assessments, applicable to that year only, for any proper purpose of the Resort Company, provided that each such assessment shall be approved by the Affirmative Vote of a Majority of the Classes at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to all members at least 30 days in advance (unless each member waives such notice). Any such assessment which is so approved shall be levied in proportion to each member's total Common, Civic, Recreation, and Mountain Civic Assessment contribution to the Resort Company for the previous fiscal year; however, if no such contributions were made in the previous fiscal year, such Resort Assessment may be levied in such proportion as is determined by the Board of Directors and approved by the Affirmative Vote of a Majority of the Classes. The date or dates that any such Resort Assessment is due and payable shall be set forth in the resolution of the Board of Directors authorizing such Resort Assessment. However, no Resort Assessment shall be levied unless it has been approved by at least 75% of the Class A, B, C and D Directors.

(b) **Local Improvement Assessments.**

(i) **Local Improvements.** In the judgment of the Board of Directors, if certain improvements within Beaver Creek are desirable, if those improvements will especially benefit certain Sites, and if all or a part of the costs of those improvements should in fairness be paid for by the Owners of the benefited Sites, the Board of Directors may propose a Local Improvement Assessment. With respect to each proposed Local Improvement Assessment, the Board of Directors shall specify the nature of the proposed improvement, shall designate those Sites which will be especially benefited by the improvement (the "Benefited Sites"), and shall recommend a Local Improvement Assessment calculated to meet the costs applicable to the local improvement, with the board specifying the amounts of such assessments, the dates for payment of such assessments, and the portion, if any, of the costs of any improvement that will be borne by the Resort Company. The Local Improvement Assessment shall then be submitted to a vote of the Owners of the Benefited Sites, at a meeting duly called for such purpose upon written notice which

sets forth the purpose of the meeting and is sent to the Owners of the Benefited Sites at least 30 days in advance (unless each such Owner waives such notice). If the Owners of the Benefited Sites containing more than 50 percent of the area of the total Benefited Sites approve the Local Improvement Assessment at such a meeting, the Local Improvement Assessment shall take effect.

(ii) **Apportionment of Local Improvements Assessments.** Local Improvement Assessments shall be assessed in proportion to the benefits received. The Board of Directors shall make such assessments in proportion as the frontage of each Benefited Site is to the frontage of all the Benefited Sites, or in proportion as the area of each Benefited Site is to the area of all the Benefited Sites, or by any other method that the Board of Directors finds will result in assessments being equitable in proportion to benefits received.

(iii) **Disposition of Funds Raised Through Local Improvement Assessments.** All funds collected through the imposition of a Local Improvement Assessment shall be applied to the costs of making, constructing, and installing the local improvement for which such assessment was imposed, except that any funds remaining unspent upon completion of such improvement shall be returned to the Owners of the Benefited Sites in the proportion on which such Sites were assessed.