AMENDED AND RESTATED SUPPLEMENTAL DECLARATION OF LAND USE RESTRICTIONS

Pertaining to Tract E
Beaver Creek Subdivision

I. INTRODUCTION & PURPOSE

1.1 This Amended and Restated Supplemental Declaration (the "Supplemental Declaration") (a) is filed pursuant to Paragraph 7.2 of the Amended and Restated General Declaration for Beaver Creek (the "Declaration") recorded December 27, 1979 in Book 296 at Page 446 of the real property records of Eagle County, Colorado, (b) affects only Tract E of Beaver Creek Subdivision, according to the then current recorded plat thereof and any amendments thereto (the "Premises"), and (c) constitutes an amendment to and restatement of, in its entirety, the Supplemental Declaration of Land Use Restrictions Pertaining to Tract E, Beaver Creek Subdivision (Scott Hill Townhouses) recorded on March 12, 1981 in Book 319 at Page 779 of the real property records of Eagle County, Colorado.

1.2 The purposes of this Supplemental Declaration are to set forth additional limitations and restrictions with respect to the use, density and design of improvements on the Premises in order to preserve the natural beauty of Beaver Creek and its setting, to maintain Beaver Creek as a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of the Premises.

II. DEFINITIONS

2.1 "Dwelling Unit" shall have the meaning specified in the Amended and Restated Guide to the Beaver Creek Planned Unit Development recorded in Book 499 at Page 512 in the records of the Eagle County, Colorado, Clerk and Recorder, as amended from time to time (the "Guide").

2.2 "Cooking Facility" shall mean fixtures and equipment for food storage and preparation of meals, including at least a sink, oven and refrigerator.

2.3 "Plat" shall mean the Thirteenth Amendment to the Fifth Filing, Beaver Creek Subdivision, recorded in the real property records of Eagle County, Colorado, and any amendments thereto.

2.4 "Building Improvements" shall mean any material improvement within the Premises including but not limited to landscaping, site preparation, paving, fencing, building construction, exterior changes, or interior changes which would change the use of any interior space to an unauthorized use or which would change the number of Dwelling Units.

2.5 Other capitalized terms used herein shall have the meanings set forth in the Declaration or in this Supplemental Declaration.

III. LIMITATION ON BUILDING IMPROVEMENTS

3.1 No Building Improvements may be constructed, operated or maintained on the Premises except Building Improvements which:

(a) contain a number of Dwelling Units which shall be no greater than (i) the maximum number of Dwelling Units allocated to the Premises in the first deed from Declarant to the Owner of the Premises, or (ii) such greater number of Dwelling Units as may be designated for the Premises by Declarant in an instrument recorded in the real property records of Eagle County, Colorado;

(b) has received prior written approval of the Review Board, which approval must cover all aspects of the Building Improvements including but not limited to approval of garages, parking areas, service areas for garbage, trash, utilities, clothes lines, and maintenance facilities, fences, walls, driveways, landscaping improvements, swimming pools, hot tubs, tennis courts, greenhouses, and solar devices.

3.2 Any Building Improvement built upon the Premises must be built entirely within the boundaries of the Premises, and shall not encroach upon any easement shown on the Plat without the prior written permission of
the Resort Company. Such approval shall be evidenced by a permit signed by the president or vice-president of the Resort Company identifying the site within the Premises upon which the Building Improvement may be constructed and specifying the nature of the Building Improvement. Such permit may only be revoked or suspended for “cause” in accordance with the procedures set forth in Article V hereof.

3.3 Each Owner of any property within the Premises agrees that he will not apply to Eagle County, Colorado, or any other governmental authority for permission to construct Building Improvements on the Premises other than those permitted by this Article III, without the prior express written authorization of Resort Company and Declarants.

3.4 No fireplaces may be constructed on the Premises except fireplaces meeting the requirements and limitations set forth (i) in Paragraph 7.13 of the Declaration and (ii) in the Guide. All fireplaces are subject to regulation under the rules and regulations of the Resort Company from time to time in force and effect.

IV.

USE OF RESTRICTED LOTS

4.1 Property within the Premises may be used only as set forth below:

(a) All uses shall be in accordance with the provisions and restrictions for the applicable land use designation of the Premises set forth in the Guide; and

(b) The portions of the Premises which are within any easement may be used for purposes set forth for the easement on the Plat.

Except as stated above, no property within the Premises may be used for any purpose or purposes unless a Permit for such use has been issued by the Resort Company pursuant to Paragraph 4.2 hereof.

4.2 Each Permit issued by the Resort Company pursuant to Paragraph 4.1 shall only be issued upon the written request of all of the Owners of the property for which the Permit is being requested, and shall (a) specify the property to which it pertains, (b) identify such use permitted on such property and the area within such property or any structure at which such use can be carried out, and (c) be signed by the president or any vice-president of the Resort Company. The Resort Company may make reasonable charges for any Permit. Such Permits may be amended only at the request of all of the Owners of the property to which the Permit pertains and may be revoked or suspended only for “cause” and after notice to all of the Owners of such property and a hearing held in accordance with Article V hereof.

4.3 No Owner of any property within the Premises may apply to Eagle County, Colorado, or any governmental jurisdiction to change the land use designation applicable to such Owner's property, or to subdivide such property without the prior written approval of the Resort Company and the Declarant.

4.4 No Owner of any property within the Premises shall dedicate or submit such property to a condominium form of ownership without the specific prior written approval of the Resort Company and the Declarant. Such approval shall be evidenced by a written approval of the Resort Company and the Declarant on the Condominium Map identifying the portion of the Premises upon which the condominiums may be constructed and maintained and specifying the number of condominiums which may be constructed and maintained on such portion of the Premises.

4.5 No Owner of any property within the Premises shall offer or sell any such property subject to a “timesharing” or “interval ownership” plan, or any similar plan, without the specific prior written approval of the Resort Company and the Declarant. Such approval shall be evidenced by a permit signed by the president or vice-president of the Resort Company identifying the portion of the Premises to which the “timesharing,” “interval ownership” or other plan pertains, and giving such other information with respect to such plan as the Resort Company or Declarant shall reasonably require.

4.6 No Building Improvements on any property within the Premises may have a building height greater than the building height limitations set forth in the Guide for the land use designation applicable to the Premises. In determining building height, a vertical distance shall be taken at a series of points at equal intervals around the perimeter of the building. The intervals may be of any equal distances less than 30 feet each. Within each interval, the height of any roof with a horizontal projection of 10 feet or greater shall be measured from finished grade to the respective mid-point.
between the eave and ridge. These heights shall then be averaged to
determine the height for that specific interval of the building. The height
of the building shall be determined by averaging the heights of all intervals
around the building. Finish grade for purposes of these height calculations
shall be the final elevation of the surface material (soil, paving, decking,
or plaza) adjacent to the building at the specific interval point as shown
on the architect’s site plan. No Owner of any property within the Premises
shall significantly increase the finished grade of such property without the
prior written approval of the Resort Company.

V.
PERMIT REVOCATION PROCEDURES

5.1 The Resort Company may revoke or suspend a permit granted
pursuant to Article III or IV hereof, or a portion of such permit, for cause
at any time by following the procedures set forth in Paragraphs 5.2, 5.3
and 5.4 hereof. For purposes of this Supplemental Declaration, “cause”
shall mean (a) any material violation of the Declaration, these Supplemental
Declarations, the Design Regulations, or any other rules or regulations
issued by the Resort Company which violation continues for a period of
at least 30 days after written notice of such violation has been given to
all of the Owners of the site upon which such violation has occurred and
any party holding a first lien on such site and of which the Resort Company
has notice; or (b) any material violation of laws, rules, requirements, orders,
directions, ordinances and regulations of the United States of America,
the State of Colorado, Eagle County, Colorado, or any municipality
governing the Premises or appurtenances or any part thereof, and of all
their departments, bureaus or officials, whether such requirements relate
to (i) structural or other alterations, changes, additions or improvements,
or (ii) repairs, inside or outside, ordinary or extraordinary, or (iii) the manner
in which the site may be used or occupied, or (iv) any other matter affecting
such site.

5.2 A proceeding to revoke or suspend a permit may be initiated only
by the president or any vice-president of the Resort Company filing a written
request for revocation or suspension with the secretary of the Resort
Company. The request shall specify in reasonable detail the reasons for
which the suspension or revocation is requested. The secretary of the
Resort Company shall promptly set a date for a hearing on such matter
and shall promptly mail a copy of such request and a notice of the hearing
date to all of the Owners of the site for which the permit has been issued,
to any Lessee of all or a portion of such site of which the Resort Company
has notice, to the holder of any first lien on the site for which the permit
has been issued and of which the Resort Company has notice, and to each
director of the Resort Company. The hearing shall be held not less than
30 or more than 60 days after the mailing of the request and notice of
hearing.

5.3 The hearing shall be held before the Board of Directors of the
Resort Company, whose decision shall be based upon the evidence
presented to them at the hearing. The Affirmative Vote of a Majority of the
Directors of the Resort Company in office shall be required to revoke
or suspend a permit.

5.4 The Board of Directors may vote to revoke or suspend a permit
or a specified portion of a permit if they find that “cause” for such
suspension or revocation exists or existed. A permit may be suspended
for any reasonable period established by the board, or until the violation
which resulted in the suspension has been cured. At the hearing, evidence
may be presented by any interested party including but not limited to the
Resort Company’s staff, the Review Board staff, the owner or any
Lessee or Sublessee of the site for which the subject permit has been
issued, and any member of the Resort Company. A transcript of the hearing
shall be taken and made available to the owner or any Lessee or Sublessee
affected by the action of the Board of Directors with respect to such matter.
The rules of evidence shall not apply to hearings held pursuant to the Article V.

VI.
BUILDING GUIDELINES

6.1 All Building Improvements on any property within the Premises
must be built strictly in accordance with the provisions of the Design
Regulations adopted by the Review Board.

6.2 By acquiring any interest in any portion of the Premises, the
Owner of such interest consents to and accepts the authority of the Review
Board to review and approve the plans and specifications for any Building
Improvement in accordance with the Design Regulations in effect from time
to time. In particular, such Owner recognizes that certain of the judgments
which will be made by the Review Board are subjective in nature, and such
Owner agrees not to contest such subjective judgments unless they are
made in bad faith or in an arbitrary and capricious manner.
VII. MISCELLANEOUS

7.1 Each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of 21 years following the death of the survivor of Harry H. Frampton, III, Jack Acuff, and Larry E. Lichliter, of Vail, Colorado, and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. All other provisions contained in this Supplemental Declaration shall continue and remain in full force and effect until January 1 in the year 2010 A.D., and thereafter for successive periods of 10 years each; unless at least 1 year prior to January 1, 2010 A.D., or at least 1 year prior to the expiration of any such 10 year period of extended duration, this Supplemental Declaration is terminated by recorded instrument, directing termination, signed by the Declarant and the Mountain Special Member and the Resort Company upon the Affirmative Vote of a Majority of the Classes (as that term is defined in the Articles of Incorporation of the Resort Company).

7.2 Any provision contained in this Supplemental Declaration may be amended or repealed, upon the Affirmative Vote of the Owners of Sites owning at least one-half of the Sites within the Premises, and the written approval of the Resort Company and the Declarant, as evidenced by the recording of a written instrument or instruments specifying the amendment or the repeal, executed by at least the required number of Owners, and by the Declarant and the Resort Company.

7.3 Each provision of this Supplemental Declaration, and a promise, covenant and undertaking to comply with each such provision, (i) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any portion of the Premises is granted, devised or conveyed, (ii) shall by virtue of acceptance of any right, title or interest in any property within the Premises by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner and shall be binding on such owner or his respective heirs, personal representatives, successors or assigns, to, with and for the benefit of the Resort Company and the Declarant, and (iii) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to all of such Owner’s right, title and interest to any property within the Premises, which lien shall be deemed a lien in favor of the Resort Company and Declarant, jointly and severally, as their respective interests may appear.

7.4 Each provision of this Supplemental Declaration with respect to an Owner may be enforced by Declarant or the Resort Company by a proceeding for prohibitive or mandatory injunction or by a suit or action to recover damages or, in the discretion of the Resort Company, for so long as such Owner fails to comply with any of such provisions, by exclusion of such Owner and such Owner’s Lessees and Guests from use of any Facility and from enjoyment of any Function. If court proceedings are instituted in connection with the rights of enforcement or remedies provided in this Supplemental Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys’ fees.

7.5 No violation or breach of, or failure to comply with, any provision of this Supplemental Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on any property 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 of recording in said office of an instrument describing such property and listing the name or names of the Owner or Owners of fee simple title to the property and giving notice of such violation, breach, or failure to comply; nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such mortgage, deed of trust, or other lien or title or interest acquired by any purchaser upon foreclosure of any such mortgage, deed of trust or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Supplemental Declaration with the exception of violations or breaches of, or failures to comply with, any provisions of this Supplemental Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

7.6 Neither Declarant, the Resort Company, the Review Board, the board of directors of the Resort Company nor any member, agent or employee of any of the same shall be liable to any party for any action
or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice.

7.7 Except as otherwise provided herein, this Supplemental Declaration shall be binding upon and shall inure to the benefit of Declarant, the Resort Company, and each Owner of property within the Premises and the respective heirs, personal representatives, successors and assigns of each.

7.8 Invalidity or unenforceability of any provision of this Supplemental Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Supplemental Declaration.

7.9 When necessary for proper construction, the masculine of any word used in this Supplemental Declaration shall include the feminine or neuter gender, and the singular shall include the plural, and vice versa.

7.10 Failure to enforce any provision of this Supplemental Declaration shall not operate as a waiver of any such provision or of any other provision of this Supplemental Declaration.

IN WITNESS WHEREOF, Declarant and Beaver Creek Resort Company of Colorado have executed this Supplemental Declaration the 27th day of September, 1989.

ATTEST: (Corporate Seal) VAIL ASSOCIATES, INC., a Colorado corporation
By: /s/ Nola S. Dyal
Secretary
By: /s/ Gerald E. Flynn
Vice President

ATTEST: (Corporate Seal) BEAVER CREEK RESORT COMPANY OF COLORADO, a Colorado nonprofit corporation
By: /s/ Jack Hunn
Asst. Secretary
By: /s/ Richard D. MacCutchion
Vice President

STATE OF COLORADO) ss.
COUNTY OF EAGLE )

The foregoing instrument was acknowledged before me this 29th day of September, 1989, by Gerald E. Flynn as Vice President and Nola S. Dyal as Secretary of VAIL ASSOCIATES, INC., a Colorado corporation, on behalf of such corporation.

Witness my hand and official seal.

/s/ Gerald Arnold
Notary Public

STATE OF COLORADO) ss.
COUNTY OF EAGLE )

The foregoing instrument was acknowledged before me this 29th day of September, 1989, by Richard D. MacCutchion as Vice President and Jack Hunn as Assistant Secretary of BEAVER CREEK RESORT COMPANY OF COLORADO, a Colorado nonprofit corporation, on behalf of such corporation.

Witness my hand and official seal.

/s/ Gerry Arnold
Notary Public