Recorded with the Clerk and Recorder of Eagle County, Colorado on December 31, 1980. Reception No. 212006. Book 315, Page 632.

AMENDMENT OF THE SUPPLEMENTAL DECLARATION OF LAND USE RESTRICTIONS

Pertaining To Tracts I, F (Block 2), and J (Block 2) Beaver Creek Subdivision

WHEREAS, Vail Associates, Inc., a Colorado corporation (hereinafter referred to as "VAI"), recorded Supplemental Declaration of Land Use Restrictions Pertaining to Tracts I, F (Block 2), and J (Block 2), Beaver Creek Subdivision Fourth Filing, on July 1, 1980, in Book 304 at Page 874 of the records of the County Clerk and Recorder of Eagle County, Colorado (the "Supplemental Declaration");

WHEREAS, VAI is the Owner of all of the sites in Tract I, Tract F (Block 2) and Tract J (Block 2), being more than one-half of the Sites within the Affected Property;

WHEREAS, as the Owner of all the sites within Tract I, Tract F (Block 2) and Tract J (Block 2), VAI is entitled to amend the Supplemental Declaration pursuant to Section 6.2 thereof; and

WHEREAS, VAI has determined that the Supplemental Declaration should be amended in its entirety by making certain revisions thereto.

NOW, THEREFORE, the Supplemental Declaration is amended in its entirety as follows:

I. INTRODUCTION & PURPOSE

1.1 This 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, and (b) affects only Tracts I, F (Block 2) and J (Block 2) of Beaver Creek Subdivision, Fourth Filing, according to the recorded plat thereof and any amendments thereto (the "Affected Property").

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 Affected Property in order to preserve the natural beauty of 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 Affected Property.

II. DEFINITIONS

2.1 "Living Unit" shall mean one or more rooms designed for or which may readily be occupied exclusively by one family or group of people living independently from any other family or group of people, and having not more than one cooking facility.

2.2 "Single Family Structure" shall mean a detached building which contains one Living Unit.

2.3 "Primary/Secondary Structure" shall mean a detached building (a) which contains two Living Units, and (b) in which the Gross Residential Floor Area of one of the Living Units contains no more than 25% of the Gross Residential Floor Area of the entire building.

2.4 "Gross Residential Floor Area" shall mean the total floor area within the enclosed walls of the Living Unit or building (whichever is applicable), including closets, service areas and interior walls within the unit or building, but excluding balconies, hallways, corridors, stairwells, garages and service areas outside the Living Unit or building, and uninhabitable heating or mechanical equipment areas.

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

2.6 "Building Envelope" shall mean each area designated as a "building envelope" on the recorded subdivision plat for the lots within the Affected Property.

2.7 "Building Improvements" shall mean any material improvement of any of the Affected Property 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 Living Units.

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

III.
LIMITATION ON BUILDING IMPROVEMENTS

3.1 Lots 1 through 24, (both inclusive) Tract I; Tract F (Block 2); and Lots 1 through 23 (both inclusive) and 27 through 44 (both inclusive), Tract J (Block 2) may not contain any building improvements except:

(1) A Single Family Structure; or

(2) A Primary/Secondary Structure; plus

(3) A garage of a size and at a location approved in writing by the Review Board, which may be within or without the Building Envelope for such lot; and

(4) Such enclosed service areas for garbage, trash, utilities, clothes lines and other maintenance facilities as may be approved in writing by the Review Board; and

(5) Such fences, walls, driveways and parking areas as may be approved in writing by the Review Board; and

(6) Landscaping improvements approved in writing by the Review Board; and

(7) Swimming pools, hot tubs, tennis courts, solar devices and green houses approved in writing by the Review Board.

3.2 Notwithstanding paragraph 3.1, if the original deed conveying any lot within the Affected Property from Vail Associates, Inc. to a third party shall specify that only one dwelling unit is allocated to such lot, a Primary/Secondary Structure may not be constructed or maintained on such lot.

3.3 Any Single Family Structure or Primary/Secondary Structure built upon any lot within the Affected Property must be built entirely within the building envelope for such lots; however, with the prior written approval of the Review Board, minor encroachments outside such building envelope may be permitted for roof overhangs, balconies, service areas, porches, patios and carports.

3.4 Each Owner of a lot within the Affected Property agrees that he will not apply to Eagle County, Colorado, or any other governmental authority for permission to construct building improvements on such Owner's lot other than those permitted by this Article III, without the prior express written authorization of the Resort Company and the Declarant.

3.5 No Primary/Secondary Structure shall be approved by the Review Board if the exterior appearance of the structure is such that it appears that two substantially similar Living Units are contained in such structure.

3.6 Lot 25, Tract I and Lot 47, Tract J (Block 2) of the Affected Property have been designated "road right-of-way" in the Plat. No Building Improvement shall be built on, over, under or through any of such lots except a road and related roadway improvement (such as road shoulders, road signs, streetlights, fences, bicycle and skier paths and walkways), underground utilities, and overpasses allowing at least twleve feet of clearance over the finished grade thereof, if approved in writing by the Resort Company and Declarant.

3.7 Lots 24, 25 and 26, Tract J (Block 2) may not contain any Building Improvement except a Building Improvement which would be permitted under Paragraph 3.1 or 3.6, it being the intention hereof that such lots may be used either as road right-of-way or for residential purposes.

3.8 Lots 45 and 46, Tract J (Block 2) of the Affected Property have been designated "Open Space" in the Plat. Except as set forth below, no Building Improvements may be constructed or maintained on such lot unless the prior written approval of the Resort Company has been obtained, which may be withheld in the Resort Company's sole and absolute discretion. Such approval shall be evidenced by a permit signed by the president or a vice-president of the Resort Company identifying the lot upon which the Building Improvement may be constructed, and specifying the nature of the Building Improvement. All permits for Building Improvements on such lots shall be revocable at any time with or without cause by the Resort Company in its sole and absolute discretion. Notwithstanding the

foregoing, the Resort Company may construct, operate and maintain Building Improvements on such lots including but not limited to parks, picnic areas, playing fields, gardens, pools, streams, ponds, tennis courts, parking facilities, concession stands and underground facilities.

3.9 Lot 26, Tract I of the Affected Property has been designated "Golf Facilities Easement" in the Plat. Except as set forth below, no building improvement may be constructed or maintained on such lot except a Building Improvement which would be permitted under Paragraph 3.10.

3.10 Except as set forth below, no Building Improvements may be constructed on, over, under, through or within an area designated as an easement (whether it be utility, skier, drainage, equestrian, golf or otherwise) or within any area designated as a flood plain on the Plat without the prior written approval of the Resort Company, which (a) may be withheld by the Resort Company in its sole and absolute discretion, and (b) may be subject to such charges and conditions as the Resort Company in its sole and absolute discretion deems appropriate. Each such aproval shall be revocable by the Resort Company in its sole and absolute discretion with or without cause. Notwithstanding the foregoing, the Resort Company may construct and maintain Building Improvements on, over, under, through or within such easements or flood plain of a kind and nature reasonably related to the use of the easement granted. Any Building Improvements constructed on such area pursuant to written approval of the Resort Company shall be maintained in good order and repair by the Owner of the property upon which such Building Improvements are constructed.

3.11 No fireplace may be constructed within the Affected Property except a fireplace meeting the requirements and limitations set forth in Paragraph 7.13 of the Declaration. 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 No Lot within the Affected Property may be used otherwise than for residential purposes with customary accessory uses (including but not limited to long or short term rentals to persons who use such improvements for residential or lodging purposes) except as permitted under paragraph 4.5, and except:

(a) Lot 25, Tract I and Lot 47, Tract J (Block 2), which may be used for road right-of-way purposes and customary acessory uses such as those listed in Paragraph 3.6 hereof, underground utilities and overpasses permitted under Paragraph 3.6 hereof. In addition, Lots 24, 25 and 26, Tract J (Block 2) may be used either for residential purposes or as road right-of-way.

(b) Lots 45 and 46, Tract J (Block 2) which may be used for purposes consistent with its open space designation; and

(c) Lot 26, Tract I, which may be used for purposes consistent with its designation as a golf facilities easement.

4.2 No Owner of any lot within the Affected Property may apply to Eagle County, Colorado, or any governmental jurisdiction to change the zoning applicable to such Owner's lot, or to subdivide such lot, without the prior written approval of the Resort Company and the Declarant.

4.3 No Owner of any lot within the Affected Property shall dedicate or submit such Owner's lot to a condominium form of ownership without the prior written approval of the Resort Company and the Declarant.

4.4 No Owner of any lot within the Affected Property shall offer or sell any such lot 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 a vice president of the Resort Company identifying the portion of the Affected Property 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.

4.5 No lot within the Affected Property may be used for any commercial activity unless the Resort Company has issued a written permit for such activity; however, this provision shall not prohibit the use of any lot for skiing and ski related activities. The Resort Company may refuse to issue a permit in its sole and absolute discretion, and it will not issue a permit for any commercial activity if, in the Resort Company's reasonable judgment, such activity would:

(i) create additional vehicular traffic to or from such lot;

(ii) employ persons at such lot other than those residing at such lot;

(iii) require storage of any significant materials, machinery, inventory or other items at such lot;

(iv) require processing of materials into finished products or the assembly of parts produced off site;

(v) require additional parking at such lot, whether for customers, delivery or otherwise; and

(vi) otherwise violate the provisions of Article VII or VIII of the Declaration.

4.6 Any permit for commercial activity issued by the Resort Company shall be limited to a two-year period, and may be revoked without cause by the Resort Company.

4.7 At such time as any building improvements are completed on any lot within the Affected Property, such building improvements must provide a minimum of two parking spaces per dwelling unit constructed on such lot. In addition, (a) with respect to building improvements containing more than 3,000 square feet of Gross Residential Floor Area, the Review Board may require additional parking spaces to be provided, and (b) the Review Board may require additional off street parking within any lot in cases where, in the Review Board's opinion, there is insufficient off street parking available near such lot.

4.8 No building improvement on any lot within the Affected Property may have a building height of more than 35 feet, or such lower limit as set forth in Exhibit A attached hereto. The building height shall be determined by measuring the vertical distance from the finished grade at the midpoint between the front and rear walls of a building to the top of a flat roof or mansard roof or the midpoint between the eave line and peak of a gable, gambrel, hip, shed or similar pitched roof, and measured to a slope not to exceed 24:12. For complex structures, building heights shall be determined by computing the average height around the perimeter of the building. This average height shall be determined by measuring from the finished grade to the roof line as defined previously, at a series of points at regular intervals around the building. No owner of a lot within the Affected Property shall significantly increase the finished grade of such lot without the prior written approval of the Resort Company.

4.9 No lot within the Affected Property shall be improved in a manner such that more than 30% of such lot is covered by all building improvements thereon, or that 20% of such lot is covered by all other impervious materials.

4.10 No lodging accommodations shall be permitted in any detached garage built on any lot within the Affected Property.

V.
BUILDING GUIDELINES

5.1 All building improvements on any lot within the Affected Property must be built strictly in accordance with the provisions of the Design Guidelines adopted by the Review Board.

5.2 By acquiring any interest in a lot within the Affected Property, the owner of such lot consents to and accepts the authority of the Review Board to review and approve the plans and specifications for any building improvement on such lot in accordance with Design Guidelines 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.

VI.
MISCELLANEOUS

6.1 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 Jack Marshall, Charles R. Gardner and Robert W. Parker, 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 Declaration shall continue and remain in full force and effect until January 1 in the year 2000 A.D., and thereafter for successive periods of 10 years each; unless at least 1 year prior to January 1, 2000 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).

6.2 Any provision contained in this Supplemental Declaration may be amended or repealed, upon receiving the written approval of the Resort Company and the Declarant as follows:

(a) Any provision pertaining to Tract I, upon the affirmative vote of the Owners of Sites within Tract I owning at least one-half of the Sites within Tract I;

(b) Any provision pertaining to Tract J (Block 2), upon the affirmative vote of the Owners of Sites within Tract J (Block 2) owning at least one-half of the Sites within Tract J (Block 2); and

(c) Any provision pertaining to Tract F (Block 2) upon the affirmative vote of the Owner of Tract F.

Such amendment or repeal shall be 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.

6.3 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 of the Affected Property is granted, devised or conveyed, (ii) shall by virtue of acceptance of any right, title or interest in any of the Affected Property by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner and shall be binding on such Owner and 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 of the Affected Property, which lien shall be deemed a lien in favor of the Resort Company and Declarant, jointly and severally, as their respective interests may appear.

6.4 Each provision of this Supplemental Declaration with respect to an owner shall 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.

6.5 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 occured 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.

6.6 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.

6.7 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 and the respective heirs, personal representatives, successors and assigns of each.

6.8 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 of this Supplemental Declaration.

6.9 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, the plural, and vice versa.

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

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the 30th day of December, 1980.

ATTEST:

VAIL ASSOCIATES, INC.
a Colorado corporation

/s/ Jean A. Dennison
Asst. Secretary

By: /s/ Jack Marshall
President

ATTEST:

BEAVER CREEK RESORT COMPANY
a Colorado non-profit corporation

/s/ Leslie J. Allen
Secretary

By: /s/ John S. Gee
President

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 30th day of December, 1980, by Jack Marshall as ______ President and Jean A. Dennison as Assistant Secretary of VAIL ASSOCIATES, INC., a Colorado corporation, on behalf of such corporation.

Witness my hand and official seal.

/s/ Roxanne J. Belmont
Notary Public

My commission expires: January 21, 1984.

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 30th day of December, 1980, by John Gee as Vice President and Leslie J. Allen as ______ Secretary of BEAVER CREEK RESORT COMPANY, a Colorado non-profit corporation, on behalf of such corporation.

Witness my hand and official seal.

/s/ Roxanne J. Belmont
Notary Public

My commission expires: January 21, 1984.

EXHIBIT A

(Attached to and forming part of Amendment of Supplemental Declaration of Land Use Restrictions Pertaining to Tracts I, F (Block 2) & J (Block 2) Beaver Creek Subdivision)

BUILDING HEIGHT LIMITATIONS

The building height limitation pertaining to Lots 21, 22 and 23, Tract J (Block 2) is 25′ determined as set forth in Paragraph 4.8 of the Supplemental Declaration to which this exhibit is attached.