DECLARATION OF COVENANTS,

CONDITIONS AND RESTRICTIONS

FOR

THE NEIGHBOURHOODS AT KEYSTONE

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Doris L Brill - Summit County Recorder

JCFKK-448-3

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE (this "Declaration") is made as of November 30, 1995, by Keystone/Intrawest L.L.C., a Delaware limited liability company ("Declarant").

RECITALS

A. Declarant owns the real property located in Summit County, Colorado, that is described on Exhibit A attached hereto and made a part hereof ("Declarant's Property").

B. Ralston Resorts, Inc., a Colorado corporation ("Ralston"), owns the real property located in Summit County, Colorado, that is described on Exhibit B attached hereto and made a part hereof ("Ralston's Property").

C. Declarant desires to create a large planned community on Declarant's Property and Ralston's Property pursuant to the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

D. Ralston desires that Declarant include Ralston's Property in such large planned community.

E. Declarant deems it necessary and desirable to subject Declarant's Property and Ralston's Property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

F. Ralston desires to subject Ralston's Property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

DECLARATION

In consideration of the foregoing, Declarant hereby declares as follows:

ARTICLE I
DECLARATION

1.01 Declaration.

Declarant hereby creates a large planned community named "The Neighbourhoods at Keystone" on the Property (as such term is defined below) and declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration.

1.02 Covenants Running With the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, Ralston, the Owners (as such term is defined below), all other parties having any right, title or interest in the Property or any portion thereof and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

1.03 Exemptions from the Act.

The Neighbourhoods at Keystone is a large planned community and is exercising certain exemptions from the Act (as such term is defined below) as a large planned community.

ARTICLE II
DEFINITIONS

2.01 Basic Definitions.

As used in this Declaration, the following terms shall have the meanings given to them in this Section 2.01, unless the context expressly requires otherwise.

(a) "Act" means the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

(b) "Additional Property" means the real property described on Exhibit C attached hereto and made a part hereof.

(c) "Annual Real Estate Assessment" has the meaning given to that term in Section 6.03 below.

(d) "Annual Real Estate Assessment Rate" has the meaning given to that term in Section 6.03 below.

(e) "Articles" means the Articles of Incorporation of the Neighbourhood Company, as the same may be amended from time to time.

(f) "Assessed Value" has the meaning given to that term in Section 6.03 below.

(g) "Assessment" means an Annual Real Estate Assessment, a Sales Assessment, a Recreation Assessment, a Real Estate Transfer Assessment, a Vacation Club Transfer Assessment, a Neighbourhood Company Assessment, a Special Assessment or a Default Assessment levied pursuant to Article VI below.

(h) "Assessment Lien" means the lien of the Neighbourhood Company on a Site described in Section 6.12 below.

(i) “Association” has the meaning given to that term in the Act.

(j) "At-Large Director" has the meaning given to that term in Section 5.02 below.

(k) "At-Large Commercial Director" has the meaning given to that term in Section 5.02 below.

(l) “At-Large Residential Director” has the meaning given to that term in Section 5.02 below.

(m) "Bylaws" means the Bylaws of the Neighbourhood Company, as the same may be amended from time to time.

(n) "Colorado Sales Tax Act" has the meaning given to that term in Section 6.04 below.

(o) "Commercial Director" has the meaning given to that term in Section 5.02 below.

(p) "Commercial Space" means a Site or any portion of any Site in which:

(i) a wholesale, retail or service business is operated;

(ii) an office is operated or an administrative function is conducted;

(iii) a maintenance or service facility is operated; or

(iv) a Resort Support Facility is operated,

including, without limitation, any space within a Lodge, other than a Lodge Room, that is used for any of the foregoing purposes. Notwithstanding the foregoing, neither Lodge Rooms, Employee Housing Units nor Community Facilities shall be deemed Commercial Spaces.

(q) "Common Elements" means any real estate within The Neighbourhoods at Keystone and any improvements or fixtures located on such real estate, that are:

(i) owned by the Neighbourhood Company; or

(ii) owned by a Person other than the Neighbourhood Company, but in which the Neighbourhood Company has rights of use or possession pursuant to (A) this Declaration, or (B) a lease, license, easement or other agreement.

(r) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Neighbourhood Company, including, without limitation, costs, expenses and liabilities for (A) acquiring, owning, leasing, selling, encumbering, managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements or any other property of the Neighbourhood Company; (B) carrying out any of the purposes of, and exercising any of the powers of, the Neighbourhood Company as described in any Neighbourhood Company Document, including, without limitation, those purposes and powers described in Section 3.02 below; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the assessments, charges and liens imposed pursuant hereto; (E) promoting The Neighbourhoods at Keystone as part of the Keystone Resort; (F) maintaining and enhancing property values within The Neighbourhoods at Keystone; (G) taking any action it deems necessary or appropriate to protect the general welfare of Owners, Guests and the general public; (H) regulating and managing The Neighbourhoods at Keystone; and (I) operating the Neighbourhood Company; and

(ii) reserves for any such costs, expenses and liabilities.

(s) “Common Interest Community” has the meaning given to that term in the Act.

(t) “Community Facility" means any facility that is operated by a nonprofit, not-for-profit, governmental or quasi-governmental entity and that provides athletic, cultural, recreational, entertainment or other services to Owners, Guests or the general public. "Community Facilities" include, without limitation, all:

(i) theatres;

(ii) libraries;

(iii) conference and meeting facilities;

(iv) chapels;

(v) schools;

(vi) community centers;

(vii) recreational facilities, athletic facilities, parks, playing fields, nature centers, trails, open spaces and wetlands;

(viii) child care facilities and teen centers; and

(ix) medical and emergency service facilities,

that are operated by a nonprofit, not-for-profit, governmental or quasi-governmental entity.

(u) "Community Facilities Fund" has the meaning given to that term in Section 6.01 below.

(v) “Condominium” has the meaning given to that term in the Act.

(w) “Condominium Unit” means a Unit within a Condominium.

(x) "Consideration" means any combination of:

(i) the money paid or to be paid;

(ii) the value of property delivered or to be delivered;

(iii) the value of any services delivered or to be delivered; and

(iv) the amount of any debt assumed or to be assumed,

by a Transferee in exchange for the Transfer of a Site, a Time Share Estate in a Site or Vacation Club Points.

(y) “Cooperative” has the meaning given to that term in the Act.

(z) “Cooperative Unit” means a Unit within a Cooperative.

(aa) "Declarant" means Keystone/Intrawest L.L.C., a Delaware limited liability company, and its successors and assigns.

(bb) "Declarant Control Period" has the meaning given to that term in Section 5.05 below.

(cc) "Declarant's Property" means the real property located in Summit County, Colorado, that is described on Exhibit A attached hereto and made a part hereof.

(dd) “Declarant Rights” means any rights reserved to Declarant under this Declaration or any other Neighbourhood Company Document, including, without limitation, all Special Declarant Rights.

(ee) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone, as the same may be amended or supplemented from time to time, together with all Plats for The Neighbourhoods at Keystone.

(ff) "Default Assessment" has the meaning given to that term in Section 6.09 below.

(gg) "Design Review Board" has the meaning given to that term in Section 8.01 below.

(hh) "Director" means a duly elected or appointed member of the Executive Board.

(ii) "Employee Housing Unit" means any Residential Site, or any portion of any other Site, that is restricted to use as housing for:

(i) one or more "employees" as such term is defined in the Keystone Resort PUD; or

(ii) any other person employed at the Keystone Resort,

by a covenant, condition or restriction recorded in the Summit County Records.

(jj) "Equivalent Unit" is used in this Declaration as that term is used in the Keystone Resort PUD.

(kk) "Executive Board" means the Board of Directors of the Neighbourhood Company.

(ll) "Fair Market Value," means the greater of:

(i) the Consideration given by the Transferee to the Transferor in exchange for the Transfer of a Site, a Time Share Estate or Vacation Club Points; or

(ii) the price that a Transferee would pay to a Transferor for a Site, a Time Share Estate or Vacation Club Points in a bona fide arms-length Transfer between unrelated Persons, as determined by the Neighbourhood Company pursuant to paragraph 6.06(f) or paragraph 6.07(d) below, as applicable.

(mm) "First Mortgage" means any Mortgage which is not subordinate to any other lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

(nn) "First Mortgagee" means a Mortgagee with respect to a First Mortgage.

(oo) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(pp) "Keystone Resort" means the four-season destination resort located in the Snake River Basin in Summit County, Colorado, that is now owned by Ralston, as the same may be expanded or contracted from time to time.

(qq) "Keystone Resort PUD" means the Keystone Resort Planned Unit Development Designation, dated March 27, 1995, as the same may be amended from time to time.

(rr) "Local Sales" has the meaning given to that term in Section 6.04 below.

(ss) "Lodge" means:

(i) any Site or any portion of a Site that is used as a hotel, motel, inn or lodge; or

(ii) any Site, other than a Residential Site, in which short-term overnight accommodations are provided.

Notwithstanding the foregoing, in no event shall a Vacation Club Facility be considered a Lodge.

(tt) Lodge Director" has the meaning given to that term in Section 5.02 below.

(uu) "Lodge Room" means a room or suite in a Lodge designated for separate overnight occupancy by one or more Guests.

(vv) "Majority," whether or not capitalized means any percentage greater than 50 percent.

(ww) "Mortgage" means any mortgage, deed of trust or other document pledging any Site or any interest in a Site as security for payment of a debt or obligation.

(xx) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under a Mortgage.

(yy) "Mountain House Neighbourhood" means the neighbourhood located on the real property described on Exhibit D attached hereto and made a part hereof.

(zz) "Mountain House Residential Director" has the meaning given to that term in Section 5.04 below.

(aaa) "Neighbourhood Company" means The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(bbb) "Neighbourhood Company Assessment" has the meaning given to that term in Section 6.10 below.

(ccc) "Neighbourhood Company Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

(ddd) "Officer" means a duly elected or appointed officer of the Neighbourhood Company.

(eee) "Owner" means the record holder of legal title to the fee simple interest in any Site or portion thereof, including a Time Share Estate. If there is more than one record holder of legal title to a Site, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in any Site.

(fff) "Person" means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other person or entity recognized as being capable of owning real property under the laws of the State of Colorado.

(ggg) “Planned Community” has the meaning given to that term in the Act.

(hhh) “Planned Community Unit” means a Unit within a Planned Community.

(iii) "Plat" means the plat of The Neighbourhoods at Keystone attached hereto and made a part hereof as Exhibit E, as the same may be amended and supplemented from time to time.

(jjj) "Property" means:

(i) Declarant's Property;

(ii) Ralston's Property; and

(iii) any other real property that is later made subject to this Declaration.

(kkk) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Site or portion thereof.

(lll) "Ralston" means Ralston Resorts, Inc., a Colorado corporation.

(mmm) "Ralston's Property" means the real property located in Summit County, Colorado, that is described on Exhibit B attached hereto and made a part hereof.

(nnn) "Real Estate Transfer Assessment" has the meaning given to that term in Section 6.06 below.

(ooo) "Real Estate Transfer Assessment Rate" has the meaning given to such term in Section 6.06 below.

(ppp) "Recreation Assessment" has the meaning given to that term in Section 6.05 below.

(qqq) "Recreation Income" has the meaning given to that term in Section 6.05 below.

(rrr) "Residential Director" has the meaning given to that term in Section 5.02 below.

(sss) "Residential Site" means any Site that contains:

(i) one single-family dwelling for which a final certificate of occupancy has been issued by the appropriate governmental authority; or

(ii) a multi-family dwelling, that is not a Common Interest Community for which a final certificate of occupancy has been issued by the appropriate governmental authority.

The term "Residential Site" includes, without limitation, a residential Condominium Unit, a residential Cooperative Unit and a residential Planned Community Unit.

(ttt) "Resort Director" has the meaning given to that term in Section 5.02 below.

(uuu) "Resort Parcel" means that parcel of real property located within the Property that is described as Parcel I on Exhibit B attached hereto and made a part hereof.

(vvv) "Resort Support Facility" means any amenity or facility that is located on a Site, operated by the owner of the Keystone Resort, and used in connection with the operation of a destination resort, but which does not otherwise qualify as Commercial Space. "Resort Support Facilities" include, without limitation:

(i) office and administrative facilities;

(ii) maintenance and repair facilities;

(iii) information facilities;

(v) operational facilities;

(vi) employee child care facilities; and

(vii) facilities that provide services to Guests of the Keystone Resort, such as ski facilities, conference facilities, child care facilities, cultural facilities, recreational facilities, athletic facilities and other entertainment facilities,

that meet the criteria described in the preceding sentence.

(www) “River Run Commercial Director" has the meaning given to that term in Section 5.02 below.

(xxx) "River Run Residential Director" has the meaning given to that term in Section 5.02 below.

(yyy) "River Run Village" means the village within The Neighbourhoods at Keystone designated as such on the Plat.

(zzz) "Rules and Regulations" means any instrument adopted by the Neighbourhood Company or the Design Review Board for the regulation and management of The Neighbourhoods at Keystone, as the same may be amended from time to time.

(aaaa) "Sales Assessment" has the meaning given to such term in Section 6.04 below.

(bbbb) "Sales Assessment Rate" has the meaning given to that term in Section 6.04 below.

(cccc) "Site" means any one of the following parcels of real property:

(i) a Condominium Unit;

(ii) a Cooperative Unit;

(iii) a Planned Community Unit;

(iv) a platted lot that is not within a Common Interest Community; or

(v) an unplatted parcel of real property that is not within a Common Interest Community, the fee simple interest of which may be conveyed in its entirety to another Person without violating the subdivision regulations of Summit County, Colorado, as in effect from time to time,

that is located within The Neighbourhoods at Keystone. Notwithstanding the foregoing, any such parcel of real property owned, held or used in its entirety (A) by the Neighbourhood Company, (B) as common elements for the Association for another Common Interest Community located within The Neighbourhoods at Keystone, (C) by any governmental or quasi-governmental entity, (D) solely for or in connection with the distribution of electricity, gas, water, sewer, telephone, cable television or any other utility service, or (E) solely for access to or through any property within The Neighbourhoods at Keystone, shall not be considered a Site. A single unplatted parcel of real property containing thirty-five or more contiguous acres shall be considered one Site, even though various parts thereof can be conveyed without violating the subdivision regulations of Summit County, Colorado.

(dddd) "Ski Tip Neighbourhood" means the neighbourhood within The Neighbourhoods at Keystone designated as such on the Plat.

(eeee) "Ski Tip Residential Director" has the meaning given to that term in Section 5.02 below.

(ffff) "Special Assessment" has the meaning given to that term in Section 6.08 below.

(gggg) "Special Declarant Rights" means the rights reserved by Declarant in Article XIV below.

(hhhh) "Successor Declarant" means any Person who succeeds to any rights of Declarant hereunder.

(iiii) "Summit County Records" means the Office of the Clerk and Recorder for Summit County, Colorado.

(jjjj) "Supplemental Declaration" means additional covenants, conditions and restrictions which may be placed on the Property or any portion thereof by one or more instruments recorded in the Summit County Records prior to the time Declarant transfers or conveys said property to the Neighbourhood Company or any other Person which further restrict the use, density or design of the applicable property.

(kkkk) “The Neighbourhoods at Keystone” means the large planned community created on the Property by this Declaration.

(llll) “Time Share Estate” has the meaning given to that term in Section 38-33-110 of the Colorado Revised Statutes.

(mmmm) "Transfer," when capitalized and used in connection with the Real Estate Transfer Assessment or the Vacation Club Transfer Assessment, means any sale, conveyance, assignment, lease or other transfer of legal or beneficial ownership of all or any portion of a Site, a Time Share Estate or Vacation Club Points whether in one transaction or in a series related of transactions. The term "Transfer" includes, without limitation:

(i) the conveyance of any fee simple interest in a Site or a Time Share Estate;

(ii) the transfer of more than 50 percent of the outstanding shares of the voting stock of a corporation that owns, directly or indirectly, a Site, a Time Share Estate or Vacation Club Points; and

(iii) the transfer of more than 50 percent of the interest in net profits or net losses of any limited liability company, partnership, joint venture or other entity that owns, directly or indirectly, a Site, a Time Share Estate or Vacation Club Points.

(nnnn) "Transferee," when capitalized and used in connection with the Real Estate Transfer Assessment or the Vacation Club Transfer Assessment, means all Persons to whom an interest passes by a Transfer.

(oooo) "Transferor," when capitalized and used in connection with the Real Estate Transfer Assessment or the Vacation Club Transfer Assessment, means all Persons from whom an interest passes by a Transfer.

(pppp) "Undeveloped Land" means any Site or any portion of a Site that does not contain a building for which a certificate of occupancy has been issued by the appropriate governmental authority.

(qqqq) “Unit” has the meaning given to that term in the Act.

(rrrr) "Vacation Club" means a corporation, limited liability company, partnership, joint venture or other entity that is owned by members, whose ownership/membership interests in the corporation, limited liability company, partnership, joint venture or other entity are evidenced by points, shares or other interests that entitle the members to overnight accommodations within a Vacation Club Facility.

(ssss) "Vacation Club Facility" means a building:

(i) that is owned by a Vacation Club; and

(ii) in which overnight accommodations are provided to members of the Vacation Club on the basis of the members' Vacation Club Points.

(tttt) “Vacation Club Points” are points, shares or other ownership/membership interests in a Vacation Club that entitle the owner thereof to overnight accommodations within a Vacation Club Facility.

(uuuu) “Vacation Club Transfer Assessment” has the meaning given to that term in Section 6.07 below.

(vvvv) "Vacation Club Transfer Assessment Rate" has the meaning given to that term in Section 6.07 below.

2.02 Gender and Number.

Whenever the context of this Declaration so requires:

(a) words used in the masculine gender shall include the feminine and neuter genders;

(b) words used in the neuter gender shall include the masculine and feminine genders;

(c) words used in the singular shall include the plural; and

(d) words used in the plural shall include the singular.

2.03 Definitions that Reference Statutes.

If a capitalized term used in this Declaration is defined as having the meaning given to that term in a particular Colorado statute, the meaning given to that term in this Declaration shall be the meaning given to that term in the particular Colorado statute as of the date of this Declaration, regardless of any later amendments to that particular Colorado statute.

ARTICLE III
THE NEIGHBOURHOOD COMPANY

3.01 Formation of the Neighbourhood Company.

On or before the date on which Declarant first conveys a Site within The Neighbourhoods at Keystone to a Purchaser, Declarant shall form the Neighbourhood Company.

3.02 Purposes and Powers.

(a) The Neighbourhood Company's purposes are:

(i) to acquire, own, lease, sell, transfer, grant easements over, encumber, manage, operate, insure, improve, repair, replace and maintain the Common Elements and all other property of the Neighbourhood Company;

(ii) to provide certain facilities and services to Owners, Guests and the general public;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) to promote The Neighbourhoods at Keystone as a four-season destination resort community;

(vi) to maintain and enhance property values within The Neighbourhoods at Keystone;

(vii) to take any action it deems necessary or appropriate to protect the general welfare of Owners, Guests and the general public;

(viii) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with other Common Interest Community Associations and with governmental and quasi-governmental entities, which provide for the sharing of expenses among the Neighbourhood Company and such other Persons for improvements, facilities and services that serve the Neighbourhood Company and such other Persons; and

(ix) to regulate and manage The Neighbourhoods at Keystone.

(b) Unless expressly prohibited by law or any of the Neighbourhood Company Documents, the Neighbourhood Company may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes, including, without limitation, the hiring and termination of employees, agents and independent contractors;

(ii) exercise any powers conferred by the Act or any Neighbourhood Company Document; and

(iii) exercise all powers that may be exercised in Colorado by nonprofit corporations including, without limitation, the power to borrow money and to secure any such borrowing with the Common Elements and the Neighbourhood Company's other assets.

(c) Without in any way limiting the powers of the Neighbourhood Company as described in paragraph 3.02(b) above, the Neighbourhood Company may, but is not obligated to, provide the following facilities and services to Owners, Guests and the general public:

(i) safety facilities and services, such as security, fire protection, traffic control, waste control and disposal and rodent, pest, mosquito and other animal control facilities and services;

(ii) medical facilities and services;

(iii) roads and road maintenance and construction services;

(iv) transportation facilities and services;

(v) parking facilities and services;

(vi) lighting and signage facilities and services;

(vii) utility facilities and services, such as electric, natural gas, water, sewer, telephone, and cable television facilities and services;

(viii) environmental management facilities and services, including those related to forest management, wildlife management, water management, air quality management, wetland management, flood plain management and environmental cleanup and remediation;

(ix) family facilities and services, including child care centers and teen centers;

(x) cultural facilities and services, such as chapel, library, theatre, art, music, community center and special events facilities and services;

(xi) athletic facilities and services, such as aquatic, golf, tennis, gym, spa, exercise, hiking, biking, skiing, skating, snowshoeing and equestrian facilities and services;

(xii) other recreational facilities and services, such as nature centers, parks, open spaces, picnic grounds, public fountains and squares and botanical gardens;

(xiii) conference and meeting facilities and services;

(xiv) marketing, travel and reservation facilities and services;

(xv) property management facilities and services, including central billing, reservation, landscaping, snow removal and maintenance facilities and services; and

(xvi) information facilities and services.

(d) Without in any way limiting the powers of the Neighbourhood Company as described in paragraph 3.02(b) above, the Neighbourhood Company may, but is not obligated to, charge use fees for the use of any Common Elements and for the use of any facilities or services provided by the Neighbourhood Company.

(e) Without in any way limiting the powers of the Neighbourhood Company as described in paragraph 3.02(b) above, the Neighbourhood Company may, but is not obligated to, make capital improvements to the Common Elements.

(f) The Neighbourhood Company may provide facilities and services itself or it may contract with private, governmental and quasi-governmental Persons to provide facilities or services.

3.03 Neighbourhood Company Documents.

(a) This Declaration creates the large planned community known as The Neighbourhoods at Keystone and creates certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to The Neighbourhoods at Keystone. The Articles create the Neighbourhood Company. The Bylaws provide for the regulation and management of the Neighbourhood Company, and the Rules and Regulations provide for the regulation and management of The Neighbourhoods at Keystone.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions to the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

3.04 Books and Records.

Upon reasonable prior written request, the Neighbourhood Company shall allow Owners, Mortgagees, and their respective agents to inspect current copies of the Neighbourhood Company Documents and the books, records, budgets and financial statements of the Neighbourhood Company during normal business hours and under other reasonable circumstances. The Neighbourhood Company may charge a reasonable fee for copying such materials.

ARTICLE IV
MEMBERSHIP AND VOTING

4.01 Membership.

Every Owner shall be a member of the Neighbourhood Company, and a Person who is not an Owner may not be a member of the Neighbourhood Company.

4.02 Voting in General.

(a) The votes in the Neighbourhood Company shall be allocated as described in this Section 4.02 and Sections 4.03 through 4.07 below.

(b) There shall be five classes of voting in the Neighbourhood Company:

(i) votes allocated to Residential Sites;

(ii) votes allocated to Commercial Spaces;

(iii) votes allocated to Lodges;

(iv) votes allocated to the Resort Parcel; and

(v) votes allocated to Undeveloped Land.

(c) The votes allocated to a Residential Site, a Commercial Space, a Lodge, the Resort Parcel or an Undeveloped Land shall be held by the Owner(s) of such Residential Site, Commercial Space, Lodge, Resort Parcel or Undeveloped Land, as the case may be, and may not be separated from the Residential Site, Commercial Space, Lodge, Resort Parcel or Undeveloped Land to which the votes are allocated. The votes allocated to a Residential Site, a Commercial Space, a Lodge, a Resort Parcel or an Undeveloped Land may be transferred or encumbered only in connection with the conveyance or encumbrance of the fee simple interest in such Residential Site, Commercial Space, Lodge, Resort Parcel or Undeveloped Land. Any transfer or encumbrance of votes in the Neighbourhood Company, other than as permitted in this paragraph 4.02(c), shall be void and have no force or effect.

(d) Notwithstanding the terms and conditions of paragraph 4.02(c) above, the Owner of a Residential Site, a Commercial Space, a Lodge, a Resort Parcel or an Undeveloped Land, may appoint an agent to vote the votes allocated to the Owner's Residential Site, Commercial Space, Lodge, Resort Parcel or Undeveloped Land by a duly executed proxy, in such form as the Neighbourhood Company may reasonably require, timely delivered to the Neighbourhood Company.

(e) Class voting shall be allowed for the election of Residential Directors, Commercial Directors, the Lodge Director and the Resort Director pursuant to Article V below, but for no other purpose.

(f) Cumulative voting shall not be allowed in the election of Directors or for any other purpose.

(g) There shall be no votes allocated to that portion of any Site that is a Community Facility or an Employee Housing Unit.

4.03 Residential Voting.

(a) Each Residential Site shall be allocated one vote, regardless of the number of Owners of that Residential Site. Except as provided in paragraph 4.03 (b) below, fractional voting shall not be allowed for a vote allocated to a Residential Site. If the Owners of a Residential Site cannot agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Residential Site casts the vote for that Residential Site, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Residential Site, unless an Owner of that Residential Site makes an objection thereto to the Person presiding over the

meeting when the vote is cast. If more than one vote is cast for any Residential Site, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) Notwithstanding the terms and conditions of paragraph 4.03 (a) above, if a Residential Site is owned in Time Share Estates, fractional voting shall be allowed for the vote allocated to that Residential Site. In that case, the vote allocated to a Residential Site shall be allocated among the Time Share Estates on the basis of the duration of the Time Share Estates. Accordingly, each owner of a Time Share Estate in a Residential Site shall be entitled to a fraction of the vote allocated to that Residential Site, the numerator of which is the number of days in the Owner's Time Share Estate in a calendar year, and the denominator of which is 365.

(c) Except as set forth in paragraph 4.03(d) below, in any election of Directors, the Owner of a Residential Site shall have a number of votes equal to the number of Directors for which that Owner may vote by virtue of its ownership of that Residential Site.

(d) If a Residential Site is owned in Time Share Estates, the Owner of a Time Share Estate shall have, in any election of Directors, a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to that Time Share Estate pursuant to paragraph 4.03(b) above; by

(ii) the number of Directors for which the Owner may vote by virtue of its ownership of the Time Share Estate.

4.04 Commercial Voting.

(a) Each Commercial Space shall be allocated a number of votes equal to the quotient (rounded to the nearest 1/100th) obtained by dividing:

(i) the number of square feet of area within that Commercial Space (as determined by The Neighbourhood Company in its sole discretion); by

(ii) 1,000,

regardless of the number of Owners of that Commercial Space.

(b) The Owner of a Commercial Space may appoint one or more of its lessees in that Commercial Space as its agent to vote all or any portion of the votes allocated to that Commercial Space by proxy in accordance with the terms and conditions of paragraph 4.02(d) above. In that regard, fractional voting shall be allowed for the votes allocated to a Commercial Space. Notwithstanding the foregoing, if more votes are cast for a Commercial Space than are allocated to that Commercial Space, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Directors, the Owner of a Commercial Space shall have a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to that Commercial Space; by

(ii) the number of Directors for which Owner may vote by virtue of its ownership of that Commercial Space.

4.05 Lodge Voting.

(a) Each Lodge shall be allocated a number of votes equal to the quotient obtained by dividing:

(i) the number of Lodge Rooms within the Lodge (as determined by The Neighbourhood Company in its sole discretion); by

(ii) three,

regardless of the number of Owners of the Lodge.

(b) Fractional voting shall not be allowed for votes allocated to a Lodge. If the Owners of a Lodge cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Lodge casts the votes for that Lodge, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Lodge, unless an Owner of that Lodge makes an objection thereto to the Person presiding over the meeting when the votes are cast. If at any meeting more votes are cast for a Lodge than are allocated to that Lodge, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Directors, the Owner of a Lodge shall have a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to the Lodge, by

(ii) the number of Directors for which the Owner may vote by virtue of its ownership of the Lodge.

4.06 Resort Voting.

(a) The Resort Parcel shall be allocated 1,000 votes, regardless of the number of Owners of the Resort Parcel. If the Owners of the Resort Parcel cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on that matter. If any Owner of the Resort Parcel casts the votes for the Resort Parcel, it will thereafter be presumed for all purposes that the Owner was acting with the consent and authority of all other Owners of the Resort Parcel, unless an Owner of the Resort Parcel makes an objection thereto to the Person presiding over the meeting when the votes are cast. If the Owners

of the Resort Parcel cast for more votes for the Resort Parcel than are allocated to the Resort Parcel, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) In any election of Directors, the Owner of the Resort Parcel shall have a number of votes equal to the product obtained by multiplying:

(i) 1,000; by

(ii) the number of Directors for which the Owner of the Resort Parcel may vote by virtue of its ownership of the Resort Parcel.

4.07 Undeveloped Land Voting.

(a) Undeveloped Land shall be allocated a number of votes equal to the number of Equivalent Units allocated to the Undeveloped Land pursuant to paragraph 4.07(b) below, regardless of the number of Owners of the Undeveloped Land. Accordingly, Undeveloped Land that has no Equivalent Units allocated to it shall have no votes allocated to it.

(b) The number of Equivalent Units allocated to an Undeveloped Land shall be determined by the Neighbourhood Company from time to time consistent with:

(i) the allocations of Equivalent Units for such Undeveloped Land set forth in the Keystone Resort PUD;

(ii) the allocations of Equivalent Units for such Undeveloped Land made by Summit County, Colorado, from time to time; and

(iii) transfers of Equivalent Units in connection with transfers of the Undeveloped Land.

(c) In connection with the Transfer of any Undeveloped Land, the Transferor shall record in the Summit County Records, either in the deed by which the Transfer is made or in a separate instrument, as the Transferor elects, a statement of the number of Equivalent Units transferred by the Transferor to the Transferee with such Undeveloped Land.

(d) If the Owners of a Site containing Undeveloped Land cannot agree among themselves as to how to cast the votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Site containing Undeveloped Land casts the votes for that Undeveloped Land, it will thereafter be presumed for all purposes that the Owner was acting with the consent and authority of all other Owners of the Site that contains that Undeveloped Land, unless an Owner of the Site containing that Undeveloped Land makes an objection thereto to the Person presiding over the meeting when the votes are cast. If the Owners of a Site containing Undeveloped Land cast more votes for that Undeveloped Land than are allocated to that Undeveloped Land, none of such votes shall be counted and all of such votes shall be deemed null and void.

(e) In any election of Directors, the Owner of Undeveloped Land shall have a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to the Undeveloped Land; by

(ii) the number of Directors for which the Owner may vote by virtue of its ownership of the Undeveloped Land.

ARTICLE V
EXECUTIVE BOARD

5.01 Powers of the Executive Board.

(a) Except as provided in this Declaration, the Articles and the Bylaws, the Executive Board may act on behalf of the Neighbourhood Company in all instances.

(b) The Executive Board may not act on behalf of the Neighbourhood Company to:

(i) amend this Declaration;

(ii) terminate the Neighbourhood Company, this Declaration or the large planned community created by this Declaration;

(iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of a Director's term; or

(iv) determine the qualifications, powers and duties, or terms of office of Directors.

5.02 Number of Directors.

The Executive Board shall consist of the following nine Directors:

(a) three Directors elected by and representing Owners of Residential Sites (the "Residential Directors"), of which:

(i) one Residential Director shall be elected by and represent the Owners of Residential Sites located in River Run Village (the "River Run Residential Director");

(ii) one Residential Director shall be elected by and represent the Owners of Residential Sites located in the Ski Tip Neighbourhood (the "Ski Tip Residential Director"); and

(iii) one Residential Director shall be elected by and represent all Owners of Residential Sites located in The Neighbourhoods at Keystone (the “At-Large Residential Director”); and

(b) two Directors elected by and representing the Owners of Commercial Spaces (the "Commercial Directors"), of which:

(i) one Commercial Director shall be elected by and represent Owners of Commercial Spaces located in River Run Village (the "River Run Commercial Director"); and

(ii) one Commercial Director shall be elected by and represent all Owners of Commercial Spaces located in The Neighbourhoods at Keystone (the "At-Large Commercial Director"); and

(c) one Director elected by and representing Owners of Lodges (the "Lodge Director"); and

(d) one Director appointed by and representing the Owners of the Resort Parcel (the "Resort Director"); and

(e) two Directors elected by and representing all Owners within The Neighbourhoods at Keystone (the "At-Large Directors").

5.03 Election of Directors.

(a) Subject to the terms and conditions of Sections 5.04, 5.05 and 5.06 below, the Residential Directors shall be elected as follows:

(i) The initial River Run Residential Director will hold office until the election or appointment of his successor at the 1997 annual meeting. Thereafter, the River Run Residential Director will hold office for a term of two years and the Owners of Residential Sites located in River Run Village shall elect the River Run Residential Director at the annual meetings held in years ending in an odd number.

(ii) The initial Ski Tip Residential Director will hold office until the election or appointment of his successor at the 1996 annual meeting. Thereafter, the Ski Tip Residential Director will hold office for a term of two years and the Owners of Residential Sites located in the Ski Tip Neighbourhood shall elect the Ski Tip Residential Director at the annual meetings held in years ending in an even number.

(iii) The initial At-Large Residential Director will hold office until the election or appointment of his successor at the 1997 annual meeting. Thereafter, the At-Large Residential Director will hold office for a term of two years and all Owners of Residential Sites located in The Neighbourhoods at Keystone shall elect the At-Large Residential Director at the annual meetings held in years ending in an odd number.

(b) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the Commercial Directors shall be elected as follows:

(i) The initial River Run Commercial Director will hold office until the election or appointment of his successor at the 1996 annual meeting. Thereafter, the River Run Commercial Director will hold office for a term of two years and the Owners of Commercial Spaces located within River Run Village shall elect the River Run Commercial Director at the annual meetings held in years ending in an even number.

(ii) The initial At-Large Commercial Director will hold office until the election or appointment of his successor at the 1997 annual meeting. Thereafter, the At-Large Commercial Director will hold office for a term of two years and all Owners of Commercial Spaces located in The Neighbourhoods at Keystone shall elect the At-Large Commercial Director at the annual meetings held in years ending in an odd number.

(c) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the initial Lodge Director will hold office until the election or appointment of his successor at the 1996 annual meeting. Thereafter, subject to the terms and conditions of Sections 5.05 and 5.06 below, the Lodge Director will hold office for a term of two years and the Owners of Lodges shall elect the Lodge Director at the annual meetings held in years ending in an even number.

(d) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the Owners of the Resort Parcel may appoint, remove and replace the Resort Director at any time by providing prior written notice thereof to The Neighbourhood Company.

(e) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the initial At-Large Directors will hold office until the election or appointment of their successors at the 1997 annual meeting. Thereafter, subject to the terms and conditions of Sections 5.05 and 5.06 below, the At-Large Directors will hold office for a term of two years and all Owners within The Neighbourhoods at Keystone shall elect the At-Large Directors at the annual meetings held in years ending in an odd number.

(f) Owners of Undeveloped Land may cast the votes allocated to their Undeveloped Land in the elections of the At-Large Directors, but not in the election of any other Director.

5.04 Mountain House Residential Director.

(a) Notwithstanding the terms and conditions of Sections 5.02 and 5.03 above, if the Mountain House Neighbourhood is later made subject to this Declaration and included within The Neighbourhoods at Keystone, the At-Large Residential Director shall be removed and replaced by a Residential Director elected by and representing the Owners of Residential Sites located in the Mountain House Neighbourhood (the "Mountain House Residential Director").

(b) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the initial Mountain House Residential Director will be elected at the first annual meeting following inclusion of the Mountain House Neighbourhood within The Neighbourhoods at Keystone, and will hold office until the election or appointment of his successor at the next annual meeting held in a year ending in an odd number. Thereafter, subject to the terms and conditions of Sections 5.05 and 5.06 below, the Mountain House Residential Director will hold office for a term of two years and the owners of Residential Sites located in the Mountain House Neighbourhood shall elect the Mountain House Residential Director at the annual meetings held in years ending in an odd number.

5.05 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 5.05(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Neighbourhood Company Document, Declarant shall have the exclusive right to appoint and remove all Officers and Directors during the Declarant Control Period. The term "Declarant Control Period" means the period commencing on the date on which Declarant forms the Neighbourhood Company and ending on the earlier of:

(i) the date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Equivalent Units allocated to the Property under the Keystone Resort PUD or any other zoning or other governmental development approvals in effect for The Neighbourhoods at Keystone at any given time;

(ii) the date that is six years after the last conveyance of a Site by Declarant to a Purchaser in the ordinary course of business; and

(iii) the date that is twenty years after the date on which this Declaration was recorded in the Summit County Records.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Neighbourhood Company or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in paragraph 5.05(a) above, not later than sixty days after the conveyance to Purchasers of 25 percent of the maximum number of Equivalent Units allocated to the Property under the Keystone Resort PUD or any other zoning or other governmental development approvals in effect for The Neighbourhoods at Keystone at any given time:

(i) the River Run Residential Director appointed by Declarant shall be replaced with a River Run Residential Director elected by the Owners of Residential Sites located in River Run Village, other than Declarant;

(ii) the Ski Tip Residential Director appointed by Declarant shall be replaced with a Ski Tip Residential Director elected by Owners of Residential Sites located in the Ski Tip Neighbourhood, other than Declarant; and

(iii) the At-Large Residential Director, or the Mountain House Residential Director, as the case may be, appointed by Declarant shall be replaced with an At-Large Residential Director, or a Mountain House Residential Director, as the case may be, elected by the Owners of all Residential Sites located in The Neighbourhoods at Keystone or by the Owners of Residential Sites located in the Mountain House Neighbourhood, as the case may be, other than Declarant.

(e) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of nine Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant.

5.06 Removal of Directors.

(a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.

(b) Each Residential Director, other than Residential Directors appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all votes allocated to the Residential Sites that are entitled to vote for that Residential Director and that are represented at a meeting of the Owners of those Residential Sites at which a quorum is present.

(c) Each Commercial Director, other than Commercial Directors appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all votes allocated to the Commercial Spaces that are entitled to vote for that Commercial Director and that are represented at a meeting of the Owners of those Commercial Spaces at which a quorum is present.

(d) The Lodge Director, other than the Lodge Director appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all votes allocated to the Lodges represented at a meeting of the Owners of the Lodges at which a quorum is present.

(e) The Resort Director, other than the Resort Director appointed by Declarant, may be removed, with or without cause, by the Owners of the Resort Parcel.

(f) Each At-Large Director, other than At-Large Directors appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of the votes in the Neighbourhood Company represented at a meeting at which a quorum is present.

(g) Directors may not be removed, except as provided in paragraphs 5.06(a) through (f) above.

5.07 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) Except with respect to a Resort Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of the Resort Director shall be filled by a Director appointed by the Owner of the Resort Parcel.

(c) Except with respect to a Residential Director, a Commercial Director, the Lodge Director or an At-Large Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Residential Director, a Commercial Director, the Lodge Director or an At-Large Director shall be filled by a Director elected by a majority of the Directors then holding office, even if less than a quorum.

(d) Any Director elected or appointed pursuant to this Section 5.07 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

ARTICLE VI
ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

6.01 Obligations for Assessments and Other Charges.

(a) Each Owner, by accepting a deed to a Site or a Time Share Estate (whether or not it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed, to pay to the Neighbourhood Company all Assessments and other charges that the Neighbourhood Company is required or permitted to levy or impose on such Owner or such Owner's Site or Time Share Estate pursuant to this Declaration or any other Neighbourhood Company Document.

(b) Notwithstanding the definition of the term "Owner":

(i) a Person who acquires a Site or Time Share Estate in a foreclosure sale shall be personally liable for all Assessments and other charges that the Neighbourhood Company is required or permitted to levy or impose on that Site or Time Share Estate or on the Owner of that Site or Time Share Estate commencing on the date of the foreclosure sale; and

(ii) a Person who acquires a Site or Time Share Estate by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Neighbourhood Company is required or permitted to levy or impose on that Site or Time Share Estate or on the Owner of that Site or Time Share Estate commencing on the date on which the Owner of the Site or Time Share Estate executes the deed-in-lieu of foreclosure.

(c) No Owner shall be exempt from liability for any Assessment or other charges by waiving the use or enjoyment of any Common Element or by abandoning a Site or Time Share Estate against which such Assessments or other charges are made.

(d) Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Site or Time Share Estate during the period of such Owner's ownership of the Site or Time Share Estate. If there is more than one Owner of a Site or Time Share Estate, each Owner shall be jointly and severally liable with the other Owners of the Site or Time Share Estate for all Assessments and other charges levied on the Site or any Owner of the Site or Time Share Estate.

(e) Each Assessment or other charge, together with interest thereon and all costs and expenses incurred by the Neighbourhood Company to collect such Assessment or other charge, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Neighbourhood Company in connection therewith, may be recovered by a suit for a money judgment by the Neighbourhood Company without foreclosing or waiving any Assessment Lien securing the same.

(f) Ten percent of all funds that the Neighbourhood Company actually collects each year through the Annual Real Estate Assessment shall be deemed contributions of capital from the Owners to the Neighbourhood Company. The Neighbourhood Company shall deposit such 10 percent of such funds into an account (the "Community Facilities Fund") that the Neighbourhood Company maintains separate from all of its other accounts. The Neighbourhood Company shall use the funds deposited in the Community Facilities Fund to facilitate the construction and financing of Community Facilities, as it deems appropriate. Permitted uses of funds maintained in the Community Facilities Fund include, without limitation:

(i) payments for purchases of parcels of real property to be used for Community Facilities, including, without limitation, purchases of parcels of real property from Declarant;

(ii) payments for the development, design, review, approval or construction of Community Facilities;

(iii) payments for purchases of equipment, furniture and fixtures to be used in connection with Community Facilities;

(iv) payments to secure the obligation of The Neighbourhood Company or another Person to construct a Community Facility, such as payments (A) to fund an account that secures a loan, or (B) to purchase performance or payment bonds;

(v) pledging funds as collateral for any of the foregoing purposes;

(vi) loans to other Persons, with or without interest, where the funds loaned will be used for any of the foregoing purposes; and

(vii) payments for the benefit of other Persons for any of the foregoing purposes.

(g) Except as set forth in paragraph 6.01(h) below, but notwithstanding anything else to the contrary contained in this Declaration, The Neighbourhood Company may not levy or collect:

(i) any Annual Real Estate Assessment with respect to (A) the Assessed Value of any Site that is used exclusively as Employee Housing Units or one or more Community Facilities, or (B) the Assessed Value of that portion of any Site that is used as an Employee Housing Unit or a Community Facility;

(ii) any Sales Assessment, Recreation Assessment, Vacation Club Transfer Assessment, Neighbourhood Company Assessment or Special Assessment with respect to any Employee Housing Unit or any Community Facility; or

(iii) any Real Estate Transfer Assessment with respect to (A) the Fair Market Value of any Site that is used exclusively as Employee Housing Units or one or more Community Facilities, or (B) the Fair Market Value of that portion of any Site that is used as an Employee Housing Unit or Community Facility.

(h) Notwithstanding anything to the contrary contained in paragraph 6.01(g) above, if, after a Transfer, a Transferee ceases to use as an Employee Housing Unit or as a Community Facility a Site or a portion of a Site that was used as an Employee Housing Unit or as a Community Facility prior to the Transfer, then the Neighbourhood Company may levy and collect, and the Transferee of the Site shall be liable for:

(i) Annual Real Estate Assessments with respect to the Assessed Value of the Site or the portion of the Site that the Transferee no longer uses as an Employee Housing Unit or as a Community Facility, commencing on the date on which the Transferee ceases such use;

(ii) Sales Assessments, Recreation Assessments, Neighbourhood Company Assessments and Special Assessments with respect to the Site or portion of the Site that the Transferee no longer uses as an Employee Housing Unit or as a Community Facility, commencing on the date on which the Transferee ceases such use; and

(iii) a Real Estate Transferee Assessment with respect to the Fair Market Value of the Site or the portion of the Site that the Transferee no longer uses as an Employee Housing Unit or as a Community Facility, which will be due and payable to the Neighbourhood Company within five days following the date on which the Transferee ceases such use.

(i) Notwithstanding anything else to the contrary contained in this Declaration, the Neighbourhood Company shall be exempt from all Assessments.

6.02 Budgets.

(a) Prior to the first levy of an Assessment, and, thereafter, on or before October 1st of each calendar year, the Executive Board shall adopt a proposed annual budget for the Neighbourhood Company for the following calendar year that sets forth:

(i) the Executive Board's estimates of Common Expenses for the next calendar year; and

(ii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through all Assessments.

(b) Within thirty days after adopting a proposed annual budget, the Executive Board shall deliver a summary of the proposed annual budget to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed annual budget. The date of such meeting shall not be less than fourteen days, nor more than sixty days, after the delivery of the summary of the proposed annual budget to the Owners. Unless at that meeting 67 percent of all votes within the Neighbourhood Company, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. In the event that the proposed annual budget is rejected, the annual budget last ratified by the Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent annual budget proposed by the Executive Board.

(c) If the Executive Board deems it necessary or advisable to amend an annual budget that has been ratified by the Owners under paragraph 6.02(b) above, the Executive Board may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen days, nor more than sixty days, after the delivery of the summary of the proposed amendment. Unless at that meeting 67 percent of all votes within the Neighbourhood Company, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

6.03 Annual Real Estate Assessments.

(a) On or about May 1 of each year the Neighbourhood Company shall levy and collect from each Owner an annual assessment (the "Annual Real Estate Assessment") in an amount equal to the product obtained by multiplying:

(i) 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 Summit County, Colorado (the "Assessed Value"); by

(ii) the Annual Real Estate Assessment Rate.

(b) To determine the Assessed Value of a Site and the improvements thereon, the Neighbourhood Company shall obtain a copy of the tax list and warrant covering and including all real property in The Neighbourhoods at Keystone as soon as practicable after its publication by Summit County, Colorado. Payment of each Annual Real Estate Assessment shall become due and payable in its entirety on or before June 30 of each year.

(c) If a portion of any Site is used as an Employee Housing Unit or a Community Facility, the Neighbourhood Company shall determine what percentage of the Assessed Value of the Site is attributable to that Employee Housing Unit or that Community Facility.

(d) If a Site is owned in Time Share Estates, the Neighbourhood Company shall allocate the Annual Real Estate Assessment payable with respect to such Site among the Owners of the Time Share Estates on the basis of the duration of such Time Share Estates. Accordingly, each Owner of a Time Share Estate in a Site shall be responsible for that portion of the Annual Real Estate Assessment payable with respect to such Site equal to the product obtained by multiplying:

(i) the Annual Real Estate Assessment payable with respect to that Site; by

(ii) a fraction, the numerator of which is the number of days in the Owner’s Time Share Estate in a calendar year, and the denominator of which is 365.

(e) Based on budget estimates and the most recently available Assessed Values of the Sites and improvements thereon, the Neighbourhood Company shall determine and set forth in its annual budget, the "Annual Real Estate Assessment Rate" required to produce the total Annual Real Estate Assessments set forth in such budget. The Neighbourhood Company may not establish an Annual Real Estate Assessment Rate in excess of 20 mills per dollar of Assessed Value , unless approved by at least 67 percent of the Directors. Notwithstanding the foregoing, if the State of Colorado or Summit County, Colorado, makes any material change in the manner in which real property taxes in The Neighbourhoods at Keystone are assessed or collected or if any court of competent jurisdiction renders any judgment or ruling which would affect the manner in which the Annual Real Estate Assessments are levied or collected, and such change, judgment or ruling diminishes the amount the Neighbourhood Company would raise through Annual Real Estate Assessments, the Neighbourhood Company may establish an Annual Real Estate Assessment Rate in excess of 40 mills to the extent necessary to raise the same

amount of money through Annual Real Estate Assessments as would have been raised at the 20 mill levy rate if such change, judgment or ruling had not occurred or been issued.

(f) Notwithstanding anything to the contrary set forth above, the Neighbourhood Company may grant an exemption from the Annual Real Estate Assessment for any Site that is exempt from taxation pursuant to Article 3, Title 39 of the Colorado Revised Statutes, as the same may be amended from time to time, or any comparable statute.

6.04 Sales Assessments.

(a) The Neighbourhood Company shall regularly levy upon and collect from each Owner an assessment (the "Sales Assessment") on all sales ("Local Sales") that are:

(i) subject to the Colorado Emergency Retail Sales Tax Act of 1935, Colorado Revised Statutes, 1973, Title 39, Article 26, (as amended or replaced from time to time, together with all regulations promulgated thereunder, the "Colorado Sales Tax Act"); and

(ii) made from any of the Owner's Sites or made by businesses operated within or from any of the Owner's Sites.

(b) Each Owner's Sales Assessment shall be determined by multiplying:

(i) the amount of the Local Sales made from any of the Owner's Sites or made by businesses operated within or from any of the Owner's Sites; by

(ii) the Sales Assessment Rate.

(c) Notwithstanding anything to the contrary contained in this Section 6.04, the Neighbourhood Company may not levy or collect any Sales Assessment with respect to any Local Sales made by an organization that is exempt from Colorado state sales tax under the Colorado Sales Tax Act.

(d) Each Owner's Sales Assessment shall be due and payable without notice from the Neighbourhood Company each time and at such time as such Owner or such Owner's lessee is required to remit or pay tax to the State of Colorado under the Colorado Sales Tax Act. Each such Owner shall also deliver to the Neighbourhood Company without notice true and complete 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 Owner or such Owner's lessees in connection with any Local Sales at such time as such reports are required to be made to the State of Colorado. To the extent that an Owner leases Commercial Space to a lessee, the Owner shall cause the lease between the Owner and its lessee to provide that the lessee must deliver its reports to the Owner and to the Neighbourhood Company and that the Neighbourhood Company may inspect and

audit the lessee's books and records. If any subsequent adjustments, additions or modifications are made to any tax remitted or paid or report made by any Owner or its lessees to the State of Colorado under the Colorado Sales Tax Act, such Owner shall within thirty days thereafter so notify the Neighbourhood Company and provide it with true and complete copies of all reports or other written material issued or received by such Owner or its lessees in regard thereto. If any adjustment increases the amount of tax that an Owner or one of its lessees is required to remit or pay to the State of Colorado under the Colorado Sales Tax Act or results in a refund, such Owner shall pay an appropriate additional Sales Assessment or receive an appropriate refund from the Neighbourhood Company of any excess Sales Assessments previously paid.

(e) Notwithstanding anything to the contrary contained in this Section 6.04, if:

(i) the Colorado Sales Tax Act is amended; or

(ii) any court of competent jurisdiction renders a judgment or ruling that affects the Colorado Sales Tax Act, in a manner that decreases the amounts that the Neighbourhood Company can collect through the Sales Assessment under paragraph 6.04(a) above, then, the Neighbourhood Company may levy and collect the Sales Assessment without regard to such amendment, judgment or ruling, and may adopt such Rules and Regulations with respect thereto as the Executive Board deems necessary or appropriate, including, without limitation Rules and Regulations that provide reporting requirements, inspection rights and audit rights.

(f) The Sales Assessment Rate shall be 1/2 of 1 percent, unless and until the Executive Board adopts a different rate. In no event shall the Sales Assessment Rate exceed 6 percent or such greater rate as the Act may allow.

6.05 Recreation Assessments.

(a) The Neighbourhood Company shall regularly levy and collect from each Owner an assessment (the "Recreation Assessment") equal to the product obtained by multiplying:

(i) the Recreation Income from the Owner's Sites; by

(ii) the Sales Assessment Rate.

(b) "Recreation Income" means all gross receipts from:

(i) the operation of any (A) commercial athletic facility or function, such as any aquatic, golf, tennis, gym, spa, exercise, hiking, biking, skiing, skating, snowshoeing or equestrian facility or function, or (B) other commercial recreational or entertainment facility or function, such as a movie theatre, performing arts theatre, fair, carnival or festival;

(ii) the lease of any athletic or other recreational equipment within The Neighbourhoods at Keystone, if not covered by the Sales Assessment; and

(iii) the sale of lessons, instructions, or guide services relating to any athletic or other recreational activities.

Notwithstanding anything to the contrary contained in the foregoing, (A) gross receipts that are subject to the Sale Assessment, and (B) gross receipts from the sale of lift tickets, shall be excluded from Recreation Income.

(c) For the purpose of determining an Owner's Recreation Income, "gross receipts" means the total amount of payments (whether made in cash, by check or by credit card) actually received with respect to any sales or leases made from any of such Owners' Sites, or made by businesses operated within or from any of such Owner's Sites, excluding any amounts collected as sales, use, business, license, occupational or other excise taxes (other than income taxes) that are imposed with respect thereto and that are determined by the amount of such sales or leases.

(d) Each Owner shall pay the Recreation Assessment to the Neighbourhood Company on or before the twentieth day of each calendar month for Recreation Income received during the preceding calendar month.

(e) Each Owner shall maintain, and shall require its lessees to maintain, true and complete records regarding all of the Recreation Income from the Owner's Sites in such forms as the Neighbourhood Company may require from time to time. Each Owner shall deliver to the Neighbourhood Company true and complete copies of such records on or before the twentieth day of each calendar month for Recreation Income from the Owner's Sites received during the prior calendar month. To the extent that an Owner leases all or any portion of a Site to a lessee, the Owner shall cause the lease between the Owner and its lessee to provide that the lessee must maintain such records and deliver true and complete copies of the same to the Owner and to the Neighbourhood Company as described above, and that the Neighbourhood Company may inspect and audit the lessee's books and records.

(f) Notwithstanding anything to the contrary contained in this Section 6.05, the Neighbourhood Company may not levy or collect any Recreational Assessment with respect to any Recreation Income received by any organization exempt from federal income taxation pursuant to section 501(c)(iii) of the Internal Revenue Code of 1986, as the same may be amended from time to time.

6.06 Real Estate Transfer Assessments.

(a) Subject to the terms and conditions of paragraph 6.06(c) below, upon the occurrence of any Transfer of any Site or Time Share Estate, the Transferee shall pay to the

Neighbourhood Company an assessment (a "Real Estate Transfer Assessment") in an amount equal to the product obtained by multiplying:

(i) the Fair Market Value of the Site or Time Share Estate transferred; by

(ii) the Real Estate Transfer Assessment Rate .

(b) Each Person included within the term "Transferee" shall have joint and several liability for the Real Estate Transfer Assessment owed by the Transferee.

(c) Notwithstanding anything to the contrary contained in this Section 6.06, the Neighbourhood Company shall not levy or collect a Real Estate Transfer Assessment for any of the Transfers described below, unless the Transfer was made for the purpose of avoiding the Real Estate Transfer Assessment.

(i) Any Transfer to (A) the United States or any agency or instrumentality thereof, or (B) the State of Colorado or any county, city and county, municipality, district or other political subdivision of the State of Colorado.

(ii) Any Transfer to the Neighbourhood Company or its successors.

(iii) Any Transfer, whether outright or in trust, that is for the benefit of the Transferor or the Transferor's relatives, but only if the Consideration for the Transfer is no greater than 10 percent of the Fair Market Value of the Site, Time Share Estate or portion thereof transferred. For the purposes of this exclusion, (A) the relatives of a Transferor shall include all lineal descendents of any grandparent of the Transferor, and the spouses of the descendants, and (B) stepchildren and adopted children shall be considered lineal descendants . A distribution from a trust shall be treated as a Transfer made by the grantors of the trust to the beneficiaries of the trust.

(iv) Any Transfer arising solely from the termination of a joint tenancy of a Site or Time Share Estate or the partition of a Site or Time Share Estate held under common ownership, except to the extent that additional Consideration is given in connection therewith.

(v) Any Transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution, except for a sale of a Site or Time Share Estate by the estate of an Owner.

(vi) Any Transfer made by (A) a subsidiary to a parent corporation that owns more than 50 percent of the outstanding stock of the subsidiary, or (B) by a parent corporation to a subsidiary in which the parent corporation owns more than 50 percent of the

outstanding stock, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of the subsidiary's stock.

(vii) Any Transfer made by (A) a partner, joint venturer or member to a partnership, joint venture or limited liability company in which the partner, joint venturer or member has not less than a 50 percent interest, or (B) by a partnership, joint venture or limited liability company to a partner, joint-venturer or member holding not less than a 50 percent interest in the partnership, joint venture or limited liability company, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of equity interests in the partnership, joint venture or limited liability company.

(viii) Any Transfer made by a corporation to its shareholders in connection with the liquidation of the corporation or other distribution or dividend in kind to its shareholders, on the condition that the Site, Time Share Estate or portion thereof is transferred generally pro rata to its shareholders and no Consideration is paid for the Transfer, other than the cancellation of such corporation's stock.

(ix) Any Transfer made by a partnership, joint venture or limited liability company to its partners, joint venturers, or members in connection with the liquidation of the partnership, joint venture or limited liability company or other distribution of property to the partners, joint venturers or members, on the condition that the Site, Time Share Estate or portion thereof is transferred generally prorata to its partners, joint venturers or members and no Consideration is paid for the Transfer, other than the cancellation of the partners', joint venturers' or members' interests in the partnership, joint venture or limited liability company.

(x) Any Transfer made by a Person owning a Site, Time Share Estate or portion thereof to a corporation, partnership, joint venture, limited liability company or other entity, on the conditions that (A) the corporation, partnership, joint venture, limited liability company or other entity is owned in its entirety by the Person transferring the Site, Time Share Estate or portion thereof, (B) such Person has the same relative interest in the Transferee as they had in the Site, Time Share Estate or portion thereof immediately prior to such Transfer, and (C) no Consideration is paid for the Transfer, other than the issuance of each such Person’s respective stock or other ownership interests in the Transferee.

(xi) Any Transfer made by any Person to any other Person, whether in a single Transfer or a series of transactions where the Transferor and the Transferee are and remain under common ownership and control as determined by the Executive Board, on the condition that no such Transfer or series of transactions shall be exempt, unless the Executive Board finds that such Transfer or series of transactions (A) is for no Consideration, other than the issuance, cancellation or surrender of stock or other ownership interest in the Transferor or the Transferee, as appropriate, (B) is not inconsistent with the intent and meaning of this paragraph 6.06(c), and (C) is for a valid business purpose and is not for the purposes of avoiding the obligation to pay the Real Estate Transfer Assessment.

(xii) Any Transfer made solely for the purpose of confirming, correcting, modifying or supplementing a Transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses, and any exchange of Sites or Time Share Estate between Declarant and any original Purchaser from Declarant of the one or more Sites or Time Share Estate being Transferred to Declarant in such exchange. To the extent that Consideration in addition to previously purchased Sites or Time Share Estate is paid to Declarant in such an exchange, the additional Consideration shall be subject to the Real Estate Transfer Assessment. To the extent that Declarant, in acquiring by exchange Sites or Time Share Estate previously purchased from Declarant, pays Consideration in addition to transferring Sites or Time Share Estate, the original Purchaser shall be entitled to a refund from the Neighbourhood Company in an amount equal to the product obtained by multiplying (A) the amount of the additional Consideration, by (B) the Real Estate Transfer Assessment Rate that was in effect as of the date of the original Transfer.

(xiii) Any Transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but only where such decree or order would otherwise have the effect of causing the occurrence of a second Transfer subject to the Real Estate Transfer Assessment in a series of transactions which includes only one effective Transfer of the right to use or enjoy a Site or Time Share Estate.

(xiv) Any lease of any Site or portion thereof (or assignment or transfer of any interest in any such lease) for a period of less than thirty years.

(xv) Any Transfer solely of minerals or interests in minerals.

(xvi) Any Transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation.

(xvii) Any Transfer in connection with (A) the foreclosure of a deed of trust or mortgage, or (B) a deed given in lieu of foreclosure.

(xviii) The Transfer of a Site or Time Share Estate or portion thereof to a qualified intermediary in connection with a tax deferred exchange of real property under Section 1031 of the Internal Revenue Code, on the condition that the Transferee of the qualified intermediary pays the Real Estate Transfer Assessment.

(xix) Any Transfer made by a corporation or other entity, for Consideration, (A) to any other corporation or entity which owns, directly or indirectly, 100 percent of the Transferor's equity securities, or (B) to a corporation or entity whose equity securities are owned, directly or indirectly, 100 percent by the corporation or entity that owns 100 percent of the Transferor's equity securities.

(xx) Any Transfer from a partially owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where Consideration is paid for, or in connection with, such Transfer, on the condition that, unless such Transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the Transferee in the Transferor immediately prior to the Transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and corporation C conveys a Site to corporation A for $2 million, 60% of the Real Estate Transfer Assessment would be exempt and a Real Estate Transfer Assessment would be payable only on $800,000 (i.e., 40 percent of the $2 million Consideration).

(d) For purposes of subparagraph 6.06(c) above, a Transfer shall be deemed to be without Consideration only if:

(i) the only Consideration is a book entry made in connection with an intercompany transaction in accordance with generally accepted accounting principles, or no Person which does not own a direct or indirect equity interest in the Site or Time Share Estate immediately prior to the Transfer becomes the owner of a direct or indirect equity interest in the Site or Time Share Estate by virtue of the Transfer; and

(ii) the aggregate interest immediately prior to the Transfer of all direct and indirect owners whose equity interest is increased on account of the Transfer does not increase by more than 20 percent (out of the total 100 percent equity interest in the Site or Time Share Estate); and

(iii) no Person is entitled to receive directly or indirectly any other Consideration in connection with the Transfer.

In connection with considering any requests for an exemption under paragraph 6.06(c) above, the Executive Board may require the applicant to submit true and correct copies of all relevant documents relating to the Transfer and an opinion of the applicant's counsel, in form and substance satisfactory to the Executive Board, (A) setting forth all relevant facts regarding the Transfer, (B) stating that in their opinion the Transfer is exempt under paragraph 6.06(c) above, and (C) setting forth the basis for such opinion.

(e) The Real Estate Transfer Assessment shall be due and payable by the Transferee to the Neighbourhood Company at the time of the Transfer giving rise to such Real Estate Transfer Assessment. With such payment the Transferee shall make a written report to the Neighbourhood Company on forms prescribed by the Neighbourhood Company, fully describing the Transfer and setting forth the true, complete and actual Consideration for the Transfer, the names of the parties thereto, the legal description of the Site or Time Share Estate transferred, and such other information as the Neighbourhood Company may reasonably require.

(f) If the Neighbourhood Company believes that a Transferee has underpaid a Real Estate Transfer Assessment, the Neighbourhood Company may so notify the Transferee and collect the amount of the deficiency from the Transferee.

(i) Any such notice shall set forth in reasonable detail (A) the amount of the Real Estate Transfer Assessment that the Neighbourhood Company believes was payable for the Transfer, (B) the method by which the Neighbourhood Company calculated that amount, and (C) the amount of the deficiency that the Transferee must pay to the Neighbourhood Company.

(ii) A Transferee may object to any such notice from the Neighbourhood Company by delivering written notice thereof to the Neighbourhood Company within fifteen days after the date on which the Neighbourhood Company delivers a notice under subparagraph 6.06(f)(i) above. If a Transferee fails to deliver a written notice of objection within such fifteen-day period, the Transferee shall be deemed to have waived its right to object and the Neighbourhood Company's determination of the amount of the Real Estate Transfer Assessment shall be binding on the Transferee.

(iii) If a Transferee delivers a written notice of objection within the fifteen-day period described in subparagraph 6.06(f)(ii) above, the Neighbourhood Company shall obtain an appraisal of the Site or Time Share Estate from a real estate appraiser selected by the Neighbourhood Company who is familiar with Summit County property values. The appraisal so obtained shall be binding on both the Neighbourhood Company and the Transferee.

(iv) If it is determined that a Transferee has underpaid a Real Estate Transfer Assessment, the Transferee shall pay the amount of the deficiency and the costs incurred by the Neighbourhood Company to obtain the appraisal, if any, to the Neighbourhood Company within thirty days after the Neighbourhood Company delivers written notice of that determination to the Transferee.

(g) If any portion of any Site is used as an Employee Housing Unit or a Community Facility, the Neighbourhood Company shall determine what percentage of the Fair Market Value of the Site is attributable to the Employee Housing Unit or Community Facility.

(h) The "Real Estate Transfer Assessment Rate" shall be 2 percent, unless and until the Executive Board adopts a different rate. In no event shall the Real Estate Transfer Assessment Rate exceed 3 percent or such greater rate as the Act may allow.

6.07 Vacation Club Transfer Assessment.

(a) Subject to the terms and conditions of paragraph 6.07(b) below, upon the occurrence of any Transfer of Vacation Club Points, the Vacation Club shall pay to the

Neighbourhood Company an assessment (a "Vacation Club Transfer Assessment") in an amount equal to the product obtained by multiplying:

(i) the Fair Market Value of the Vacation Club Points transferred; by

(ii) the Vacation Club Transfer Assessment Rate.

(b) Notwithstanding anything to the contrary contained in this Section 6.07, the Neighbourhood Company shall not levy or collect a Vacation Club Assessment for any of the Transfers described below, unless the Transfer was made for the purpose of avoiding the Vacation Club Transfer Assessment.

(i) Any Transfer to (A) the United States or any agency or instrumentality thereof, or (B) the State of Colorado or any county, city and county, municipality, district or other political subdivision of the State of Colorado.

(ii) Any Transfer to the Neighbourhood Company or its successors.

(iii) Any Transfer, whether outright or in trust, that is for the benefit of the Transferor or the Transferor's relatives, but only if the Consideration for the Transfer is no greater than 10 percent of the Fair Market Value of the Vacation Club Points transferred. For the purposes of this exclusion, (A) the relatives of a Transferor shall include all lineal descendants of any grandparent of the Transferor, and the spouses of the descendants, and (B) stepchildren and adopted children shall be considered lineal descendants . A distribution from a trust shall be treated as a Transfer made by the grantors of the trust to the beneficiaries of the trust.

(iv) Any Transfer arising solely from the partition of Vacation Club Points held under common ownership, except to the extent that additional Consideration is given in connection therewith.

(v) Any Transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution, except for a sale of Vacation Club Points by the estate of an Owner.

(vi) Any Transfer made by (A) a subsidiary to a parent corporation that owns more than 50 percent of the outstanding stock of the subsidiary, or (B) by a parent corporation to a subsidiary in which the parent corporation owns more than 50 percent of the outstanding stock, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of the subsidiary's stock.

(vii) Any Transfer made by (A) a partner, joint venturer or member to a partnership, joint venture or limited liability company in which the partner, joint venturer or member has not less than a 50 percent interest, or (B) by a partnership, joint venture or limited

liability company to a partner, joint-venturer or member holding not less than a 50 percent interest in the partnership, joint venture or limited liability company, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of equity interests in the partnership, joint venture or limited liability company.

(viii) Any Transfer made by a corporation to its shareholders in connection with the liquidation of the corporation or other distribution or dividend in kind to its shareholders, on the condition that the Vacation Club Points transferred generally pro rata to its shareholders and no Consideration is paid for the Transfer, other than the cancellation of such corporation's stock.

(ix) Any Transfer made by a partnership, joint venture or limited liability company to its partners, joint venturers, or members in connection with the liquidation of the partnership, joint venture or limited liability company or other distribution of property to the partners, joint venturers or members, on the condition that the Vacation Club Points transferred generally prorata to its partners, joint venturers or members and no Consideration is paid for the Transfer, other than the cancellation of the partners', joint venturers' or members' interests in the partnership, joint venture or limited liability company.

(x) Any Transfer made by a Person owning Vacation Club Points to a corporation, partnership, joint venture, limited liability company or other entity, on the conditions that (A) the corporation, partnership, joint venture, limited liability company or other entity is owned in its entirety by the Person transferring the Vacation Club Points, (B) such Person has the same relative interest in the Transferee as they had in the Vacation Club Points thereof immediately prior to such Transfer, and (C) no Consideration is paid for the Transfer, other than the issuance of each such Person’s respective stock or other ownership interests in the Transferee.

(xi) Any Transfer made by any Person to any other Person, whether in a single Transfer or a series of transactions where the Transferor and the Transferee are and remain under common ownership and control as determined by the Executive Board, on the condition that no such Transfer or series of transactions shall be exempt, unless the Executive Board finds that such Transfer or series of transactions (A) is for no Consideration, other than the issuance, cancellation or surrender of stock or other ownership interest in the Transferor or the Transferee, as appropriate, (B) is not inconsistent with the intent and meaning of this paragraph 6.07(b), and (C) is for a valid business purpose and is not for the purposes of avoiding the obligation to pay the Vacation Club Transfer Assessment.

(xii) Any Transfer pursuant to any decree or order of a court of record determining or vesting title, but only where such decree or order would otherwise have the effect of causing the occurrence of a second Transfer subject to the Vacation Club Transfer Assessment in a series of transactions which includes only one effective Transfer of Vacation Club Points.

(xiii) Any Transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation.

(xiv) Any Transfer in connection with the foreclosure of a security interest.

(xv) Any Transfer made by a corporation or other entity, for Consideration, (A) to any other corporation or entity which owns, directly or indirectly, 100 percent of the Transferor's equity securities, or (B) to a corporation or entity whose equity securities are owned, directly or indirectly, 100 percent by the corporation or entity that owns 100 percent of the Transferor's equity securities.

(xvi) Any Transfer from a partially owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where Consideration is paid for, or in connection with, such Transfer, on the condition that, unless such Transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the Transferee in the Transferor immediately prior to the Transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and corporation C conveys Vacation Club Points to corporation A for $2 million, 60% of the Vacation Club Transfer Assessment would be exempt and a Vacation Club Transfer Assessment would be payable only on $800,000 (i.e., 40 percent of the $2 million Consideration).

(c) For purposes of subparagraph 6.07(b) above, a Transfer shall be deemed to be without Consideration only if:

(i) the only Consideration is a book entry made in connection with an intercompany transaction in accordance with generally accepted accounting principles, or no Person which does not own a direct or indirect equity interest in the Vacation Club Points immediately prior to the Transfer becomes the owner of a direct or indirect equity interest in the Vacation Club Points by virtue of the Transfer; and

(ii) the aggregate interest immediately prior to the Transfer of all direct and indirect owners whose equity interest is increased on account of the Transfer does not increase by more than 20 percent (out of the total 100 percent equity interest in the Vacation Club Points; and

(iii) no Person is entitled to receive directly or indirectly any other Consideration in connection with the Transfer.

In connection with considering any requests for an exemption under paragraph 6.07(b) above, the Executive Board may require the applicant to submit true and correct copies of all relevant documents relating to the Transfer and an opinion of the applicant's counsel, in form and substance satisfactory to the Executive Board, (A) setting forth all relevant facts regarding the

Transfer, (B) stating that in their opinion the Transfer is exempt under paragraph 6.07(b) above, and (C) setting forth the basis for such opinion.

(d) The Vacation Club Transfer Assessment shall be due and payable by the Vacation Club to the Neighbourhood Company at the time of the Transfer giving rise to such Vacation Club Transfer Assessment. With such payment the Vacation Club shall make a written report to the Neighbourhood Company on forms prescribed by the Neighbourhood Company, fully describing the Transfer and setting forth the true, complete and actual Consideration for the Transfer, the names of the parties thereto, the number of Vacation Club Points transferred, and such other information as the Neighbourhood Company may reasonably require.

(e) If the Neighbourhood Company believes that a Vacation Club has underpaid a Vacation Club Transfer Assessment, the Neighbourhood Company may so notify the Transferee and collect the amount of the deficiency from the Vacation Club.

(i) Any such notice shall set forth in reasonable detail (A) the amount of the Vacation Club Transfer Assessment that the Neighbourhood Company believes was payable for the Transfer, (B) the method by which the Neighbourhood Company calculated that amount, and (C) the amount of the deficiency that the Vacation Club must pay to the Neighbourhood Company.

(ii) A Vacation Club may object to any such notice from the Neighbourhood Company by delivering written notice thereof to the Neighbourhood Company within fifteen days after the date on which the Neighbourhood Company delivers a notice under subparagraph 6.07(d)(i) above. If a Vacation Club fails to deliver a written notice of objection within such fifteen-day period, the Vacation Club shall be deemed to have waived its right to object and the Neighbourhood Company's determination of the amount of the Vacation Club Transfer Assessment shall be binding on the Vacation Club.

(iii) If a Vacation Club delivers a written notice of objection within the fifteen-day period described in subparagraph 6.07(d)(ii) above, the Neighbourhood Company shall obtain an appraisal of the Vacation Club Points from an appraiser selected by the Neighbourhood Company. The appraisal so obtained shall be binding on both the Neighbourhood Company and the Vacation Club.

(iv) If it is determined that a Vacation Club has underpaid a Vacation Club Transfer Assessment, the Vacation Club shall pay the amount of the deficiency and the costs incurred by the Neighbourhood Company to obtain the appraisal, if any, to the Neighbourhood Company within thirty days after the Neighbourhood Company delivers written notice of that determination to the Vacation Club.

(f) The "Vacation Club Transfer Assessment Rate" shall be 2 percent, unless and until the Executive Board adopts a different rate. In no event shall the Vacation Club Transfer Assessment Rate exceed 3 percent.

6.08 Special Assessments.

(a) The Assessments that the Neighbourhood Company may levy and collect pursuant to this Section 6.08 are referred to in this Declaration as "Special Assessments."

(b) If, at any time, the Executive Board believes that:

(i) the sum of (A) Common Expenses for a calendar year and (B) the amount that the Neighbourhood Company is required to deposit in the Community Facilities Account for that calendar year will exceed,

(ii) the sum of (A) the revenues of the Neighbourhood Company and (B) the capital contributions to the Neighbourhood Company described in Section 6.01(f) hereof for that calendar year, then

the Executive Board may cause the Neighbourhood Company to levy and collect a Special Assessment in an amount equal to the amount of such excess.

(c) If the Neighbourhood Company levies a Special Assessment, the Owners of each Site (or each Time Share Estate in a Site) shall pay to the Neighbourhood Company, when and in such installments as the Executive Board deems necessary or appropriate, an amount equal to the product obtained by multiplying:

(i) the amount of the Special Assessment, by

(ii) a fraction, the numerator of which shall be the amount of the Annual Real Estate Assessment levied against such Owners' Site (or Time Share Estate) during that calendar year, and the denominator of which shall be the amount of all Annual Real Estate Assessments levied against all Sites during that calendar year.

6.09 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) the negligence or misconduct of an Owner or such Owner's Guest; or

(ii) a violation of any covenant or condition of a Neighbourhood Company Document by an Owner or such Owner's Guest, the Neighbourhood Company may levy an Assessment against such Owner's Site or Time Share Estate.

Any such Assessment levied by the Neighbourhood Company and each fine, penalty, fee or other charge imposed upon an Owner for the violation of any covenant or condition of any Neighbourhood Company Document by an Owner or such Owner's Guest are each referred to herein as a "Default Assessment."

(b) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Site or Time Share Estate against which the Neighbourhood Company seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Sites or Time Share Estates against which Default Assessments have been levied shall pay such Default Assessments when required by the Neighbourhood Company.

6.10 Neighbourhood Company Assessments.

(a) In addition to the other Assessments described in this Article VI, the Neighbourhood Company may, from time to time, levy and collect from Owners one or more assessments for any lawful purpose (each, a "Neighbourhood Company Assessment"), on the condition that each Neighbourhood Company Assessment is approved by the affirmative vote of a majority of all votes in the Neighbourhood Company.

(b) If the Neighbourhood Company levies a Neighbourhood Company Assessment, the Owners of each Site (or each Time Share Estate in a Site) shall pay to the Neighbourhood Company, when and in such installments as the Executive Board deems necessary or appropriate, an amount equal to the product obtained by multiplying:

(i) the amount of the Neighbourhood Company Assessment, by

(ii) a fraction, the numerator of which shall be the amount of the Annual Real Estate Assessment levied against such Owners' Site (or Time Share Estate) during that calendar year, and the denominator of which shall be the amount of all Annual Real Estate Assessments levied against all Sites during that calendar year.

6.11 Assignment of Assessments.

The Neighbourhood Company shall have an unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Neighbourhood Company or otherwise.

6.12 Assessment Lien.

(a) The Neighbourhood Company shall have a lien on each Site or Time Share Estate for any Assessment levied against that Site or Time Share Estate and any fines, late charges, penalties, interest, attorneys' fees, disbursements and costs of collection imposed against its Owner under any Neighbourhood Company Document. The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien secures each installment from the time it becomes due, including the due date set by any valid Neighbourhood Company acceleration of installment obligations.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Site or Time Share Estate except:

(i) liens and encumbrances recorded prior to the recordation of this Declaration;

(ii) a First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent, (except to the extent the Act provides otherwise); and

(iii) liens for real estate taxes and other governmental assessments or charges against the Site or Time Share Estate.

(c) The recording of this Declaration constitutes record notice and perfection of an Assessment Lien on each Site or Time Share Estate. No further recordation of any claim of any Assessment Lien is required.

(d) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six years after the full amount of the Assessment secured thereby becomes due.

(e) This Section 6.12 does not prohibit:

(i) actions or suits to recover sums secured by an Assessment Lien; or

(ii) the Neighbourhood Company from taking a deed in lieu of foreclosure.

(f) In any action by the Neighbourhood Company to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be due from the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Neighbourhood Company during the pendency of the action to the extent of the Neighbourhood Company's Assessments.

(g) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate.

6.13 Waiver of Homestead Exemption.

By acceptance of the deed or other instrument of transfer of a Site or Time Share Estate, an Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended.

6.14 Estoppel Certificates; Notices to Mortgagees.

(a) The Neighbourhood Company shall furnish to an Owner or its designee or to a Mortgagee or its designee, upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Neighbourhood Company registered agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Site or Time Share Estate. The statement shall be furnished within fourteen calendar days after the Neighbourhood Company's receipt of the request and shall be binding on the Neighbourhood Company, the Executive Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, then the Neighbourhood Company shall have no right to assert an Assessment Lien upon the Site or Time Share Estate for unpaid Assessments which were due as of the date of the request.

(b) The Neighbourhood Company shall report to any First Mortgagee any unpaid Assessments remaining unpaid for more than ninety days after the same shall have become due, if such First Mortgagee first shall have delivered to the Neighbourhood Company a written request for notice of unpaid Assessments. Any First Mortgagee holding a lien on a Site or Time Share Estate may pay any unpaid Assessment with respect to such Site or Time Share Estate, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Site or Time Share Estate for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

6.15 Administration of Assessments.

(a) The Neighbourhood Company shall have the right to inspect and copy all records of any Owner that are related to the Owner's obligation to pay any Assessment or to deliver any information to the Neighbourhood Company under this Article VI.

(b) The Neighbourhood Company may adopt any Rules and Regulations that the Executive Board deems necessary or appropriate with respect to the administration of the Assessments, including, without limitation, Rules and Regulations that:

(i) require Owners to report information regarding Assessments to the Neighbourhood Company, including, information that an Owner must obtain from the Owner's lessees, shareholders, partners or members; and

(ii) relate to the Neighbourhood Company's right to inspect and copy all records of any Owner that are related to the Owner's obligation to pay any Assessment or to deliver any information to the Neighbourhood Company under this Article VI.

(c) The Executive Board shall resolve any dispute or question regarding the imposition, application, determination, administration, payment or collection of any Assessment. Any decision made in that regard shall be final and binding on the Neighbourhood Company and the Owners.

ARTICLE VII
MAINTENANCE OF COMMON ELEMENTS AND SITES

7.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Neighbourhood Company, or its duly designated agent, shall maintain all Common Elements and the improvements and landscaping located thereon in good order and repair and shall otherwise manage and operate all Common Elements as it deems necessary or appropriate. In this regard the Neighbourhood Company may:

(a) construct, modify, add to, remove, replace, repair or renovate any improvements that are located on, or constitute a part of, any Common Element;

(b) plant and replace trees, shrubs and other vegetation on any Common Element;

(c) place, maintain and replace signs upon any Common Element;

(d) adopt and enforce Rules and Regulations regulating the use of Common Elements;

(e) impose and collect fees for the use of any Common Element; and

(f) take any other actions that the Neighbourhood Company deems necessary or appropriate to protect, maintain, operate, manage or regulate the use of Common Elements.

7.02 Maintenance of Sites.

(a) Each Owner shall, at such Owner's sole cost and expense, maintain such Owner's Site and the improvements and landscaping located thereon, or constituting a part thereof, in good order and repair.

(b) The Association for each Common-Interest Community located within The Neighbourhoods at Keystone shall, at such Association's sole cost and expense, maintain such Association's common elements.

(c) If, in the reasonable judgment of the Neighbourhood Company, an Owner fails to maintain its Site or the improvements or landscaping located thereon, or an Association fails to maintain its common elements, in good order and repair, and such failure remains uncured for more than thirty days after the Neighbourhood Company's delivery of written notice thereof to such Owner or Association, the Neighbourhood Company may enter upon such Site or such common elements and perform such maintenance or repair as the Neighbourhood Company deems necessary or appropriate and charge all costs and expenses incurred by the Neighbourhood Company in connection therewith to such Owner or such Association's members as a Default Assessment.

(c) The Neighbourhood Company may, without notice, make emergency repairs to and maintain any Site or improvement located thereon, or any Association's common elements, as may, in its judgment, be necessary for the safety of any Person or to prevent damage to any other property. The cost of such maintenance and repair shall be charged to the Owner of the Site or such Association's members as a Default Assessment.

ARTICLE VIII
DESIGN REVIEW

8.01 Design Review Board.

(a) The Neighbourhood Company shall have a design review board (the "Design Review Board") consisting of the following three members:

(i) the first member shall be a professional design consultant appointed by the Executive Board;

(ii) the second member shall be an Owner of a Residential Site appointed by the Executive Board; and

(iii) the third member shall be appointed by and represent Declarant until such time as Declarant delivers written notice to the Executive Board that Declarant no longer desires representation on the Design Review Board, after which time the third member shall be any individual that the Executive Board appoints.

(b) The regular term of office for each member of the Design Review Board will be one year. Any member of the Design Review Board may be removed, with or without cause, by the Person that appointed the member. A successor appointed to fill any vacancy on the Design Review Board shall serve the remainder of the term of the former member.

(c) The Design Review Board shall select its own chairman from its members. The chairman shall be the presiding officer of its meetings. In the absence of the chairman from a meeting, the members present shall appoint a member to serve as acting chairman at such meeting. Meetings shall be held upon call of the chairman at the offices of the Neighbourhood Company. A majority of members shall constitute a quorum for the transaction of business. In the absence of a quorum, a lesser number may adjourn any meeting to a later time or date. The affirmative vote of a majority of the members of the Design Review Board shall constitute the action of the Design Review Board on any matter before it. Except as set forth above, the Design Review Board shall operate in accordance with its own Rules and Regulations which shall be filed with the Neighbourhood Company and maintained in the records of the Neighbourhood Company and shall be subject to inspection by all Owners and Mortgagees.

(d) Subject to budgets established by the Executive Board, the Design Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers or other professionals to advise and assist the Design Review Board in performing the design review functions described in this Article VIII. The Design Review Board is also authorized to hire employees for the Neighbourhood Company to perform the design review functions described in this Article VIII.

8.02 Design Review Board Approval and Control.

(a) No Person may:

(i) perform any earth movement, vegetation removal, paving or drainage modification;

(ii) construct any building, structure or other improvement;

(iii) subject to paragraph 8.02(c) below, make any physical or cosmetic alteration or modification to existing buildings, structures or improvements;

(iv) install or alter on any building, structure or other improvement any exterior signage or any interior signage that is visible from outside the building, structure or improvement;

(v) install or alter any landscaping or exterior furniture, fixtures, equipment or art; or

(vi) change the exterior appearance of any land or any building, structure or improvement located thereon,

within The Neighbourhoods at Keystone, without the prior written consent of the Design Review Board, which consent shall not be arbitrarily or capriciously withheld or delayed.

(b) If the Design Review Board fails to respond to a request for its consent within thirty days after its receipt of such request, the Design Review Board shall be deemed to have granted its consent to the actions described in such request. The decisions of the Design Review Board shall be conclusive and binding on all interested parties, subject only to the right of appeal to and review by the Executive Board as described in Section 8.03 below.

(c) Notwithstanding anything to the contrary contained herein, improvements, alterations, modifications, installations, furniture and fixtures that:

(i) are completely within a building, structure or improvement;

(ii) do not change the exterior appearance of a building, structure or improvement and are not visible from the outside of a building, structure or improvement; and

(iii) do not change (A) the number of Sites, (B) the amount of Commercial Space, (C) the number of Lodge Rooms, (D) the number of Employee Housing Units or (E) the number of Community Facilities, within the building, structure or other improvement,

may be undertaken without Design Review Board consent, but are subject to all other covenants, conditions and restrictions contained in this Declaration.

(d) Each Owner shall comply with the Rules and Regulations of the Design Review Board, as the same may be amended from time to time by the Design Review Board.

(e) The Design Review Board or its designated representative may monitor any approved project to the extent required to ensure that the construction or work on such project complies with any and all approved plans and construction procedures. The Design Review Board or its designated representatives may enter upon any Site at any reasonable time or times to inspect the progress, work status or completion of any project. In addition to the remedies described in Section 8.04 below, the Design Review Board may withdraw approval of any project and require all activity at such project to be stopped, if deviations from the approved plan or approved construction practices are not corrected or reconciled within twenty-four hours after written notification to the Owner specifying such deviations.

(f) The Design Review Board may, as a condition to any consent or approval, require an Owner to enter into a written agreement with The Neighbourhood Company

containing such covenants, conditions and restrictions as the Design Review Board deems necessary or appropriate, including penalties for failures to comply.

8.03 Appeal to Executive Board.

Any Owner aggrieved by a decision of the Design Review Board may appeal the decision to the Executive Board in accordance with procedures to be established by the Executive Board. Such appeal shall be in writing and shall be filed within thirty days after the decision of the Design Review Board. The Executive Board may overrule the Design Review Board on any issue or question, on the condition that at least 67 percent of the Directors vote to do so. In the event the decision of the Design Review Board is overruled by the Executive Board on any issue or question, the prior decision of the Design Review Board shall be deemed modified to the extent specified by the Executive Board and such decision, as so modified, shall thereafter be deemed the decision of the Design Review Board. All decisions of the Executive Board shall be final and binding on the Owner.

8.04 Enforcement of Restrictions.

(a) If an Owner violates any term or condition set forth in this Article VIII or in the Rules and Regulations of the Design Review Board, the Neighbourhood Company shall have the following rights and remedies:

(i) The Neighbourhood Company may, by written notice to the Owner, revoke any approval previously granted to the Owner by the Design Review Board, in which event the Owner shall, upon receipt of such notice, immediately cease any construction, alteration or landscaping covered by the approval so revoked.

(ii) The Neighbourhood Company may, but is not obligated to, enter upon the Owner's Site and cure such violation at the Owner's sole cost and expense. If the Neighbourhood Company cures any such violation, the Owner shall pay to the Neighbourhood Company the amount of all costs and expenses incurred by the Neighbourhood Company in connection therewith within thirty days after the Owner receives a Default Assessment therefor from the Neighbourhood Company.

(iii) The Neighbourhood Company may sue the Owner to enjoin such violation.

(iv) The Neighbourhood Company shall have all other rights and remedies available to it under this Declaration, at law or in equity. All rights and remedies of the Neighbourhood Company shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

(b) The Neighbourhood Company may delegate any of its rights under paragraph 8.04(a) above to the Design Review Board.

8.05 Fees.

The Design Review Board may establish reasonable processing and review fees for considering any requests for approvals submitted to it, which fees shall be paid at the time the request for approval is submitted. All of such fees shall be set annually and disclosed in the annual budgets described in Section 6.02 above. The Executive Board may also establish a requirement for the escrowing of funds in an amount sufficient to guarantee completion of a proposed Site, landscaping or other finish work included as a part of construction plans which have been presented to or approved by the Design Review Board, if such requirement is not imposed by a governmental or quasi-governmental authority for that purpose.

8.06 Lapse of Approval.

Any approval issued by the Design Review Board shall lapse and become void in accordance with the terms and conditions of the Rules and Regulations adopted by the Design Review Board and the terms and conditions of any consents, approvals or permits issued by the Design Review Board. In addition, an approval issued by the Design Review Board for a project will lapse and become void if any building permit or approval issued by a governmental or quasi-governmental entity for the same project lapses or is revoked or suspended.

8.07 Liability.

Neither Declarant, the Neighbourhood Company, the Design Review Board nor any of their respective officers, directors, employees or agents shall be responsible or liable for any defects, errors or omissions in any plans or specifications submitted, revised or approved under this Article VIII, nor for any defects, errors or omissions in construction pursuant to such plans and specifications. A consent or approval issued by the Design Review Board or the Neighbourhood Company means only that the Design Review Board or Neighbourhood Company believes that the construction, alteration, installation or other work for which the consent or approval was requested complies with the Rules and Regulations adopted by the Design Review Board and the Neighbourhood Company. No such consent or approval shall be interpreted to mean that the construction, alteration, installation or other work covered thereby (a) complies with laws, rules, regulations, ordinances or other requirements of any governmental or quasi-governmental authority, (b) is free from defects, errors or omissions or (c) lies within the boundaries of the Site. No consent, approval or permit issued by the Design Review Board or the Neighbourhood Company shall relieve Owners or other Persons of their obligations to comply with laws, rules, regulations, ordinances and other requirements of governmental or quasi-governmental authorities.

ARTICLE IX
COVENANTS, CONDITIONS AND RESTRICTIONS

9.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided herein, the covenants, conditions and restrictions set forth in this Article IX shall apply to all of the Property.

9.02 Land Use Restrictions.

In addition to the covenants, conditions and restrictions found in this Article IX, the Neighbourhood Company, all Owners and the Associations for all Common Interest Communities within The Neighbourhoods at Keystone shall comply with all covenants, conditions and restrictions set forth in any Supplemental Declarations for The Neighbourhoods at Keystone or any portion thereof recorded with the Clerk and Recorder of Summit County, Colorado.

9.03 Neighbourhood Company Documents.

Except as otherwise provided herein, each Owner and the Association for each Common Interest Community within The Neighbourhoods at Keystone shall comply with all provisions of the Neighbourhood Company Documents that apply to such Owner, such Owner's Sites, such Association or such Association's common elements. Each Owner and the Association for each Common Interest Community within The Neighbourhoods at Keystone shall require that its Guests comply with all provisions of the Neighbourhood Company Documents.

9.04 Construction and Alterations.

(a) No Person shall perform any construction, alterations, installations or other work within The Neighbourhoods at Keystone, except in accordance with this Declaration and the applicable Rules and Regulations of the Design Review Board.

(b) No Person shall construct or allow the existence of any temporary structures of any sort, including, without limitation, sheds, shacks, tents or trailers, except in connection with normal construction activities, and then only in accordance with this Declaration and the applicable Rules and Regulations of the Design Review Board.

9.05 Nuisances, Hazardous Activities and Unsightliness.

(a) No Person shall conduct any activity in The Neighbourhoods at Keystone which creates a nuisance. Without limiting the generality of the foregoing:

(i) no lights shall be emitted which are unreasonably bright or cause unreasonable glare;

(ii) no sound shall be emitted which is unreasonably loud or annoying; and

(iii) no odor shall be emitted which is unreasonably offensive to others.

(b) No Person shall conduct any activity in The Neighbourhoods at Keystone which is or might be hazardous to any Person or property. Without limiting the generality of the foregoing:

(i) no open fires shall be allowed to exist, unless contained in a customary barbecue grill or other structure approved by the Design Review Board;

(ii) no firearms may be discharged; and

(iii) no hunting may be conducted.

(c) No unsightliness shall be permitted in The Neighbourhoods at Keystone. Without limiting the generality of the foregoing:

(i) all exterior mechanical equipment lines, wires, pipes and other facilities shall either be buried or enclosed within a structure approved by the Design Review Board; and

(ii) all garbage shall be kept in covered containers and any such container shall be kept within an enclosed structure approved by the Design Review Board.

(d) The Neighbourhood Company shall have the power to grant variances from the terms and conditions of this Section 9.05 from time to time as it deems necessary. Normal construction activities and normal commercial activities shall not be considered to violate the terms and conditions of this Section 9.05.

(e) Notwithstanding anything to the contrary contained in this Declaration or in any other Neighbourhood Company Document, retail stores, restaurants, bars, nightclubs, theatres and other recreational and entertainment facilities may be open for business with the general public during the hours of 5:00 a.m. through 2:00 a.m.

9.06 Signs.

(a) No signs whatsoever shall be erected or maintained in The Neighbourhoods at Keystone, except:

(i) signs required by legal proceedings; and

(ii) such other signs that both (A) comply with any sign code adopted by the Design Review Board, and (B) are approved in advance and in writing by the Design Review Board.

(b) Without limiting the generality of the foregoing, no "For Sale," "For Rent", “Open”, “Open House” or similar signs shall be displayed on the exterior or interior of any Site.

9.07 Compliance With Laws.

Nothing shall be done or kept within The Neighbourhoods at Keystone in violation of any law, ordinance, rule or regulation of any governmental or quasi-governmental authority.

9.08 Compliance With Insurance.

Except as may be approved in writing by the Neighbourhood Company, nothing shall be done or kept within The Neighbourhoods at Keystone which may result in an increase in the rates of any insurance, or the cancellation of any insurance, maintained by the Neighbourhood Company.

9.09 Restriction on Subdivision and Rezoning.

(a) Except as may be permitted under a declaration for a Common Interest Community located within The Neighbourhoods at Keystone that Declarant records in the Summit County Records, no portion of the Property shall be subdivided without the prior written consent of the Neighbourhood Company, which consent must be evidenced on the plat or other instrument creating the subdivision.

(b) No further covenants, conditions or restrictions shall be recorded by any Owner or other Person against any portion of the Property without the Neighbourhood Company's prior written consent, and any covenants, conditions or restrictions recorded without such consent evidenced thereon shall be null and void.

(c) Except as may be permitted under a declaration for a Common Interest Community located within The Neighbourhoods at Keystone that Declarant records in the Summit County Records, no application for rezoning of any portion of the Property, and no applications for variances or use permits, shall be filed with any governmental authority, unless the proposed use of that portion of the Property has been approved by the Neighbourhood Company and the proposed use otherwise complies with this Declaration and all other Neighbourhood Company Documents.

(d) The covenants, conditions and restrictions set forth in paragraphs 9.09(a) through (c) above shall not apply to Declarant's development of Declarant's Property.

9.10 Common Interest Ownership.

(a) Prior to the recording in the Summit County Records of an instrument submitting any portion of the Property to common interest ownership, the Owner of such property shall submit to the Neighbourhood Company for its review and approval, copies of the proposed declaration, articles of incorporation and bylaws of the Association. Within thirty days after the submittal of such documents to the Neighbourhood Company, the Neighbourhood Company shall approve or disapprove the documents by written notice to such Owner. If such documents are disapproved by the Neighbourhood Company, the Neighbourhood Company shall set forth the reasons for such disapproval. If notice of approval or disapproval is not given by the Neighbourhood Company on or before such thirty-day period, such documents shall be deemed to be approved.

(b) The covenants, conditions and restrictions set forth in paragraph 9.10(a) above shall not apply to Declarant's development of Declarant's Property.

9.11 Mineral Exploration. No portion of the Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

9.12 Wells, Water and Sewage.

No water wells shall be permitted on any portion of the Property, without the prior written approval of the Neighbourhood Company. All buildings, structures and improvements designed for residential, commercial or lodging purposes shall be connected to such water and sewer services as the Neighbourhood Company may require.

9.13 Vehicles and Equipment.

No automobile, truck, pickup, camper, motorbike, motorcycle, trailbike, trailer, mobile home, tractor, golf cart, snowmobile, boat or any other vehicle of any type shall be parked or operated within The Neighbourhoods at Keystone, except in accordance with the all Rules and Regulations adopted by The Neighbourhood Company with respect thereto.

9.14 Trash, Garbage and Other Waste Materials.

All trash, garbage and other waste materials shall be kept in sanitary containers enclosed and screened from public view and protected from disturbance in such places and manners as may be approved by the Design Review Board. Owners shall not, and shall ensure

that their Guests do not, litter in The Neighbourhoods at Keystone. No burning of trash, garbage or waste materials shall be permitted within The Neighbourhoods at Keystone.

9.15 Deliveries.

All deliveries made within The Neighbourhoods at Keystone shall be made in accordance with all rules and regulations adopted by the Neighbourhood Company with respect thereto.

9.16 Trademarks.

(a) The terms "Keystone," "The Outback," "Arapahoe Basin" and "North Peak" are service marks and trademarks of Ralston, and any use of any such terms as a part of The Neighbourhoods at Keystone is wholly contingent upon the Neighbourhood Company's agreement to enter and be bound by the terms and conditions set forth in a service mark license agreement between the Neighbourhood Company and Ralston. No Owner shall use the trademarks of Ralston without the prior written permission of Ralston.

(b) The terms "The Neighbourhoods at Keystone," "River Run Village," and "Mountain House" are service marks and trademarks of Declarant. No Owner shall use the trademarks of Declarant without the prior written permission of Declarant.

9.17 Animals.

No dogs or cats are permitted to be kept within The Neighbourhoods at Keystone, without the prior written consent of the Colorado Division of Wildlife.

9.18 Declarant's Exemption.

Nothing contained in this Declaration or any other Neighbourhood Company Document shall be construed to prevent or limit:

(a) Declarant's exercise or enjoyment of any Declarant Right; or

(b) the conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, trailers, improvements or signs, necessary or convenient to the development, construction, marketing or sale of property within The Neighbourhoods at Keystone.

ARTICLE X
EASEMENTS AND RESERVATIONS

10.01 Declarant's Easements Over Common Elements.

(a) Declarant hereby reserves for itself, its successors and assigns a general easement over, across, through and under the Common Elements to:

(i) discharge Declarant's obligations under this Declaration;

(ii) exercise any of Declarant's rights under this Declaration; and

(iii) make or construct improvements at the Property, the Additional Property or any other real estate owned by Declarant.

(b) Declarant hereby reserves to itself, its successors and assigns the right to:

(i) establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements; and

(ii) create other reservations, exceptions and exclusions for the best interest of the Neighbourhood Company.

(c) In addition, until such time as Declarant adds any portion of the Additional Property to The Neighbourhoods at Keystone, and after such time as Declarant withdraws any portion of the Property from The Neighbourhoods at Keystone, Declarant shall have whatever easements are reasonably necessary or desirable across the Property for access to and utility services for the Additional Property or the portion of the Property withdrawn from The Neighbourhoods at Keystone, as the case may be.

10.02 Owners' Easements Over Common Elements.

(a) Subject to the terms and conditions of this Declaration and all other Neighbourhood Company Documents, each Owner shall have a nonexclusive easement over, across and through the Common Elements:

(i) for ingress to and egress from their Sites; and

(ii) to use and enjoy the Common Elements.

(b) Each Owner may grant its rights under this Section 10.02 to any Guest of the Owner.

10.03 Utility Easement.

(a) Subject to the terms and conditions of this Declaration and all other Neighbourhood Company Documents, Declarant hereby creates a general easement over, across, through and under all of the Property, for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable communication that service The Neighbourhoods at Keystone or any portion thereof. The Neighbourhood Company may, but is not obligated to, authorize the release of portions of the general easement created by this Section 10.03 upon the request of any Owner showing good cause therefor.

(b) Pursuant to this easement, a utility or service company may install and maintain facilities and equipment on the Property to provide service to any portion of the Property. Notwithstanding anything to the contrary contained in this Section 10.03, no sewers, electrical lines, water lines, telephone lines or other utility or service lines may be installed or relocated on any portion of the Property, except as approved by the Design Review Board. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without unreasonably disturbing the uses of Owners, the Neighbourhood Company, Declarant and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to The Neighbourhoods at Keystone or any portion thereof requests a specific easement by a separate recordable document, the Neighbourhood Company shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Property.

10.04 Neighbourhood Company's Easement.

(a) Declarant hereby grants the Neighbourhood Company an easement over, across, through and under all of the Property to:

(i) exercise any right held by the Neighbourhood Company under this Declaration or any other Neighbourhood Company Document; and

(ii) perform any obligation imposed upon the Neighbourhood Company by this Declaration or any other Neighbourhood Company Document.

(b) Notwithstanding the foregoing, the Neighbourhood Company shall not enter upon any Site without reasonable prior notice to the Owner of the Site, except in cases of emergency.

10.05 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

10.06 Metro District Easement.

Declarant hereby grants a general easement to any metropolitan district or other special district providing services or facilities to The Neighbourhoods at Keystone to enter upon the Property in the proper performance of their duties.

10.07 Resort Easement.

Declarant hereby grants a general easement to the general public and the owner of the Keystone Resort and its Guests over, across and through all roads, streets, sidewalks and trails that cross the Property for ingress to and egress from the Keystone Resort.

10.08 Easement for Encroachments. Declarant hereby grants an easement to all Associations of, and to all Owner's of Sites within, any common interest communities created by Declarant within The Neighbourhoods at Keystone, for any encroachment of any improvement within any such common interest community constructed by Declarant on, across, over, under or through any Common Element or any Site.

ARTICLE XI
INSURANCE

11.01 Insurance Required To Be Obtained by the Neighbourhood Company.

The Neighbourhood Company shall obtain and maintain all insurance required to be obtained and maintained by the Neighbourhood Company under the Act and any additional insurance that the Executive Board deems necessary.

11.02 Adjustments.

Any loss covered by insurance maintained by the Neighbourhood Company shall be adjusted with the Neighbourhood Company in accordance with the terms and conditions of the Act. The insurance proceeds payable for any such loss shall be paid in accordance with the terms and conditions of the Act.

ARTICLE XII
CASUALTY

12.01 Casualty to Common Elements.

The Neighbourhood Company shall respond to any damage to, or destruction of, any Common Elements in accordance with the terms and conditions of the Act.

12.02 Casualty to a Site.

Each Owner shall be responsible for repairing or replacing any damage to, or destruction of, his Site. If an Owner elects not to repair or replace any such damage or destruction, the Owner shall:

(a) landscape the Site in accordance with plans approved by the Design Review Board; and

(b) maintain such Site in a neat and attractive condition, free of hazards.

ARTICLE XIII
CONDEMNATION

13.01 Condemnation of Sites.

If all Sites within The Neighbourhoods at Keystone are taken by condemnation or similar proceeding, The Neighbourhoods at Keystone and this Declaration shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Neighbourhood Company and then disbursed by the Neighbourhood Company in accordance with the terms and conditions of the Act.

13.02 Condemnation of Fewer Than All Units.

If one or more Sites, but fewer than all Sites, are taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Owner of such Sites in accordance with the terms and conditions of the Act.

13.03 Condemnation of Common Elements.

If any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Neighbourhood Company and used by the Neighbourhood Company:

(a) first, to repair any damage to Common Elements resulting from the condemnation or similar taking; and

(b) second, for any other Common Expenses.

ARTICLE XIV
SPECIAL DECLARANT RIGHTS

14.01 Improvements.

Declarant hereby reserves for itself, its successors and assigns the right to construct any improvements that it deems necessary or appropriate on the Common Elements and on any Sites owned by Declarant.

14.02 Development Rights.

(a) Declarant hereby reserves for itself, its successors and assigns:

(i) the right to amend this Declaration to add all or any portion of the Additional Property to The Neighbourhoods at Keystone;

(ii) the right to create as many Residential Sites, square feet of Commercial Space and Lodge Rooms within The Neighbourhoods at Keystone as permitted by the Keystone Resort PUD and any other zoning applicable to the Property;

(iii) the right to amend this Declaration to create additional Sites and certain additional Common Elements on all or any portion of the Additional Property or any other real estate that the Declarant may add to The Neighbourhoods at Keystone pursuant to subparagraph 14.02(a)(i) above;

(iv) the right to subdivide any Site owned by Declarant;

(v) the right to combine any Sites owned by Declarant;

(vi) the right to convert any Site owned by Declarant into Common Elements; and

(vii) the right to withdraw from The Neighbourhoods at Keystone any real estate owned by Declarant and located within the Property.

(b) In exercising any development right reserved hereunder, Declarant shall execute and record an amendment to this Declaration in accordance with the requirements of the Act.

14.03 Sales Offices and Model Homes.

Declarant hereby reserves for itself, its successors and assigns the right to maintain sales offices, management offices and models within any Site owned by Declarant. Declarant also reserves for itself, its successors and assigns the right to construct and maintain signs advertising The Neighbourhoods at Keystone on any and all Common Elements.

14.04 Merger.

Declarant reserves the right to merge or consolidate The Neighbourhoods at Keystone with any other planned community.

14.05 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time. Declarant may exercise its Special Declarant Rights in any order and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Property or the Additional Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Property or the Additional Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XIV and any other right reserved to Declarant in this Declaration, without the consent of The Neighbourhood Company or of any of the Owners.

14.06 Interference with Declarant Rights.

Neither the Neighbourhood Company, nor any Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Declarant Right, without Declarant's prior written consent.

14.07 Rights Transferable.

Declarant may transfer any Declarant Right reserved to it under this Article XIV or under any other provision of this Declaration.

ARTICLE XV
ENFORCEMENT AND REMEDIES

15.01 Enforcement.

(a) Each provision of this Declaration with respect to the Neighbourhood Company or the Common Elements shall be enforceable by Declarant or any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner, an Association for a Common Interest Community, a Site or a Time Share Estate or Vacation Club Points shall be enforceable by the Declarant or the Neighbourhood Company by:

(i) a proceeding for injunctive relief;

(ii) a suit or action to recover damages; and/or

(iii) in the discretion of the Neighbourhood Company, for so long as any Owner or Association for a Common Interest Community fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from the participation in any Neighbourhood Company affairs.

(c) In addition to the rights and remedies described in paragraph 15.01(b) above, if an Owner or Association for a Common Interest Community fails to perform or observe any covenant or condition on such Owner's or Association's part to be performed or observed under this Declaration or any other Neighbourhood Company Document, the Neighbourhood Company shall have the following rights and remedies:

(i) The Neighbourhood Company may, but is not obligated to, cure such failure to comply at the Owner's or Association's sole cost and expense. If the Neighbourhood Company cures any such failure to comply, the Owner or Association shall pay to the Neighbourhood Company the amount of all costs incurred by the Neighbourhood Company in connection therewith within thirty days after the Owner or Association receives written notice of a Default Assessment therefor from the Neighbourhood Company.

(ii) The Neighbourhood Company may fine the Owner or Association, as a Default Assessment, an amount not to exceed $100 for each violation. The Owner or Association shall pay any such fine to the Neighbourhood Company within thirty days after the Owner or Association receives written notice of a Default Assessment therefor from the Neighbourhood Company.

(iii) The Neighbourhood Company shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Neighbourhood Company shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

(e) The Neighbourhood Company may adopt such Rules and Regulations as the Executive Board deems necessary or appropriate to administer and enforce the terms and conditions of this Declaration and the other Neighbourhood Company Documents.

15.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Neighbourhood Company Document, the prevailing party shall be entitled to recover from the nonprevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

15.03 Interest.

If an Owner or Association for a Common Interest Community fails to pay to the Neighbourhood Company any Assessment or other amount due to the Neighbourhood Company as and when the same becomes due, the Owner or Association shall pay to the Neighbourhood Company interest on such unpaid amount at the rate of 18 percent per annum from the due date of such unpaid amount until the date paid.

15.04 Right to Notice and Hearing.

Whenever the Neighbourhood Company Documents require that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Executive Board, Design Review Board or a committee or officer of the Neighbourhood Company) shall give notice of the proposed action to all Owners whose interest the proposing party reasonably determines would be significantly affected by the proposed action. The notice shall be delivered personally or mailed not less than three days before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected Owner shall have the right, personally or by representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decisionmakers. The affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and hearing shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board by filing a written notice of appeal with the Executive Board within ten days after being notified of the decision. Executive Board shall conduct a hearing within forty-five days thereafter, giving the

same notice and observing the same procedures as were required for the original hearing. All decisions of the Executive Board shall be final and binding.

ARTICLE XVI
TERM AND AMENDMENTS

16.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Property until the Declaration is terminated pursuant to Section 16.02 below.

16.02 Termination.

The Owners may terminate The Neighbourhoods at Keystone and this Declaration by a 67 percent or greater vote of all votes in the Neighbourhood Company. If the necessary votes are obtained, the agreement of the Owners to terminate The Neighbourhoods at Keystone and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Owners in accordance with the terms and conditions of the Act. Upon recordation of the termination agreement in the Summit County Records, The Neighbourhoods at Keystone shall be terminated, this Declaration shall have no further force or effect, and the Neighbourhood Company shall be dissolved. Notwithstanding the foregoing, the Owners may not terminate The Neighbourhoods at Keystone or this Declaration during the Declarant Control Period, without the Declarant's prior written consent, which consent Declarant may withhold in its discretion.

16.03 Amendments.

(a) Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, Owners may amend any provision of this Declaration at any time by a 67 percent or greater vote of all votes in the Neighbourhood Company. If the necessary votes are obtained, the Neighbourhood Company shall cause to be recorded in the Summit County Records an amendment to the Declaration in accordance with the terms and conditions of the Act. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period, without the Declarant's prior written consent, which consent Declarant may withhold in its discretion.

(b) Notwithstanding the terms and conditions of paragraph 16.03(a) above, the Declarant may amend this Declaration as expressly provided herein, without the approval of the Owners.

ARTICLE XVII
MISCELLANEOUS

17.01 Interpretation of the Declaration.

Except for judicial construction, the Neighbourhood Company, by its Executive Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Neighbourhood Company's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by the covenants and the provisions hereof.

17.02 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provisions hereof.

17.03 Disclaimer of Representations.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of The Neighbourhoods at Keystone can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that, if such land is once used for a particular use, such use will continue in effect.

17.04 Reference to Declaration and Deeds.

Deeds to and instruments affecting any Site or any other part of The Neighbourhoods at Keystone may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee-Owner or other Person claiming through any deed or other instrument and his or her heirs, executors, administrators, successors and assigns.

17.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder, on the condition that Declarant's rights and

powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

17.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

17.07 Notices.

All Owners of each Site shall have one and the same registered mailing address to be used by the Neighbourhood Company or other Owners for notices, demands, and all other communications regarding the Neighbourhood Company matters. The Owner or the representative of the Owners of a Site shall furnish such registered address to the secretary of the Neighbourhood Company within ten days after transfer of title to the Site to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Site or by such persons as are authorized to represent the interests of all Owners of the Site. If no address is registered or if all of the Owners cannot agree, then the address of the Site shall be deemed their registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Site. All notices and demands intended to be served upon the Neighbourhood Company shall be sent to the following address or such other address as the Neighbourhood Company may designate from time to time by notice to the Owner(s):

The Keystone Neighbourhood Company
0574 County Road #5
Keystone, Colorado 80435
Attention: Administrator

IN WITNESS WHEREOF, Keystone/Intrawest L.L.C. has hereunto caused its name to be signed by the signature of its duly authorized officer as of the day and year first written above.

KEYSTONE/INTRAWEST L.L.C., a
Delaware limited liability company

By: Intrawest Resorts, Inc., a Delaware
corporation, manager

By:_____

David Hill, Vice President

Ralston, as the owner of Ralston's Property, hereby (i) consents to Declarant's inclusion of Ralston's Property in The Neighbourhoods at Keystone, (ii) subjects Ralston's Property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration, and (iii) acknowledges that it is not a declarant under this Declaration and, accordingly, has no special declarant rights under this Declaration.

RALSTON RESORTS, INC., a Colorado corporation

By:_____
Name:_____
Title:_____

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

On this ____ day of November, 1995, before me, personally appeared David Hill, who acknowledged himself to be the Vice President of Intrawest Resorts, Inc., a Delaware corporation and manager of Keystone/Intrawest L.L.C., a Delaware limited liability company, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the company, by himself as such officer.

Witness my hand and official seal.

[SEAL]

_____
Notary Public

My commission expires:_____

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

On this ____ day of November, 1995, before me, personally appeared _____, who acknowledged himself to be the _____ of Ralston Resorts, Inc., a Colorado corporation, a
nd that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the company, by himself as such officer.

Witness my hand and official seal.

[SEAL] _____
Notary Public

My commission expires:_____

(The official signed copy is on file in the KNC office)

EXHIBIT A

(Attached to and forming a part of the Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone)

LEGAL DESCRIPTION OF THE DECLARANT'S PROPERTY

(Please contact the KNC for the legal description)

EXHIBIT B

(Attached to and forming a part of the Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone)

LEGAL DESCRIPTION OF THE
RALSTON PROPERTY

PARCEL 1

Lot 4, Keystone Base 1, Filing No. 1, according to the Plat therefor recorded December 20, 1994 under Reception No. 482907

PARCEL 2

Lot 2, Keystone Base 1, Filing No. 1, according to the Plat therefor recorded December 20, 1994 under Reception No. 482907

EXHIBIT C

(Attached to and forming a part of the Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone)

LEGAL DESCRIPTION OF THE ADDITIONAL PROPERTY

Any parcel of real property located in Summit County, Colorado, that is owned by Declarant

EXHIBIT D

(Attached to and forming a part of the Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone)

LEGAL DESCRIPTION OF THE MOUNTAIN HOUSE NEIGHBOURHOOD

(Please contact the KNC for the legal description)

EXHIBIT E

(Attached to and forming a part of the Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone)

PLAT OF THE NEIGHBOURHOODS AT KEYSTONE

(Please contact the KNC for a copy of the plat)

EXHIBIT F
(Attached to and forming a part of Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone)

CONSENT AND SUBORDINATION OF WELLS FARGO REALTY ADVISORS FUNDING, INCORPORATED AND WELLS FARGO BANK, NATIONAL ASSOCIATION
(The Neighbourhoods at Keystone)

Wells Fargo Realty Advisors Funding, Incorporated, a Colorado corporation and Wells Fargo Bank, National Association, a national banking association (together, "Wells Fargo"), as the beneficiaries of deeds of trust encumbering Declarant's Property and Ralston's Property, including:

(a) a Deed of Trust, Assignment of Rents and Security Agreement recorded with the Clerk and Recorder for Summit County, Colorado on June 2, 1995 under Reception No. 492160, as amended by instrument recorded October 13, 1995 under Reception No. 501029;

(b) a Deed of Trust, Assignment of Rents and Security Agreement recorded with the Clerk and Recorder for Summit County, Colorado on June 2, 1995 under Reception No. 492158, as amended by instrument recorded October 13, 1995 under Reception No. 501028; and

(c) a Deed of Trust, Assignment of Rents and Security Agreement recorded with the Clerk and Recorder for Summit County, Colorado on October 13, 1995 under Reception No. 501020;

hereby consent to the foregoing Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone (the "Declaration") and agree that each of the Deeds of Trust described above (collectively, the "Deeds of Trust") now are and shall at all times continue to be subject and subordinate to the Declaration.

Notwithstanding the foregoing, the Neighbourhood Company's Assessment Lien (as that lien is defined in the Declaration) shall be subject and subordinate to the liens created by the Deeds of Trust.

WELLS FARGO REALTY ADVISORS FUNDING, INCORPORATED, a Colorado corporation

By: WELLS FARGO REAL ESTATE GROUP, INC., a California corporation

By:_____
Its:_____

By:_____
Its:_____

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By:_____
Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of November, 1995 by _____ and _____ as _____ and _____ of WELLS FARGO REAL ESTATE GROUP, INC., a California corporation for WELLS FARGO REALTY ADVISORS FUNDING, INCORPORATED, a Colorado corporation.

Witness my hand and official seal.

My commission expires:_____

_____

[SEAL] Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of November, 1995 by _____ as _____ of Wells Fargo Bank, National Association, a national banking association, on behalf of said association.

Witness my hand and official seal.

(Notarial Seal)

_____
Notary Public

My commission expires:_____

CONSENT AND SUBORDINATION
OF NORWEST BANK COLORADO, NATIONAL ASSOCIATION
(The Neighbourhoods at Keystone)

Norwest Bank Colorado, National Association ("Norwest"), as the beneficiary of a Deed of Trust to Public Trustee, Security Agreement and Financing Statement recorded with the Clerk and Recorder for Summit County, Colorado on October 13, 1995 under Reception No. 501031 (the "Deed of Trust"), hereby consents to the foregoing Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone (the "Declaration") and agrees that the Deed of Trust now is and shall at all times continue to be subject and subordinate to the Declaration.

Notwithstanding the foregoing, the Neighbourhood Company's Assessment Lien (as that lien is defined in the Declaration) shall be subject and subordinate to the lien created by the Deed of Trust.

NORWEST BANK COLORADO, NATIONAL ASSOCIATION, a national banking association

By:_____
Its:_____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of November, 1995 by _____ as _____ of Norwest Bank Colorado, National Association, a national banking association, on behalf of said banking association.

Witness my hand and official seal.

(Notarial Seal)

_____
Notary Public

My commission expires:_____

627799
Cheri Brunvand-Summit County Recorder 7/26/2000 15:58 DF:

627799

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE

This First Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone (this "Amendment") is made to be effective as of July 3, 2000, by The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation (the "Neighbourhood Company").

Recitals

A. Keystone/Intrawest L.L.C., a Delaware limited liability company (the "Declarant") recorded the Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone (the "Declaration") with the Clerk and Recorder of Summit County, Colorado on December 1, 1995 under Reception No. 504339.

B. The Neighbourhood Company desires to amend the Declaration to increase the number of members on the Design Review Board (as that term is described in the Declaration) from three to five members.

C. Pursuant to the terms and conditions of Section 16.03 of the Declaration, at the meeting of the members of the Neighbourhood Company, held in Keystone, Colorado, on July 3, 2000, owners entitled to cast at least 67 percent of the votes in the Neighbourhood Company, consented to the amendment to the Declaration.

D. The Neighbourhood Company deems it necessary and desirable to amend the Declaration as set forth herein.

Amendment

In consideration of the foregoing, the Neighbourhood Company hereby amends the Declaration as follows:

1. All capitalized terms used in this Amendment that are not defined in this Amendment have the meanings given to them in the Declaration.

2. Section 8.01(a) shall be amended and restated in its entirety, as follows:

"(a) The Neighbourhood Company shall have a design review board (the "Design Review Board") consisting of the following five members:

(i) three members shall be professional design consultants appointed by the Executive Board;

(ii) one member shall be an Owner of a Residential Site appointed by the Executive Board; and

(iii) one member shall be appointed by and represent Declarant until such time as Declarant delivers written notice to the Executive Board that Declarant no longer desires representation on the Design Review Board, after which time the member appointed pursuant to this Section 8.01(a)(iii) shall be any individual that the Executive Board appoints."

3. Except as amended hereby, the covenants, conditions, restrictions and other provisions of the Declaration remain in full force and effect and shall not be changed, altered or amended. In the event of any conflict between this Amendment and the Declaration, the terms of this Amendment shall control.

Executed to be effective as of the date first set forth above.

THE KEYSTONE NEIGHBOURHOOD COMPANY, INC., a Colorado nonprofit corporation

By: Katy Syko
Katy Syko, Executive Director

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 19 day of July, 2000 by Katy Syko as Executive Director of The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation, on behalf of said corporation.

Witness my hand and official seal.

(Notarial Seal)

Heidi Stenhammer
Notary Public

My commission expires: 6-4-2003

NOTARY PUBLIC
HEIDI
STENHAMMER
STATE OF COLORADO

630769
Cheri Brunvand-Summit County Recorder 8/23/2000 15:00 DF:

(1) 10.00

630769

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Kathy Drobnak
Jacobs Chase Frick Kleinkopf & Kelley LLC
1050 17th Street
Denver, Colorado 80265

CORRECTION TO FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE

This Correction to First Amendment to Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone (this "Correction to First Amendment"), dated to be effective as of the 3rd day of July, 2000, is made by The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation (the "Neighbourhood Company").

Recitals

A. The Neighbourhood Company created the Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone (the "Original Declaration"), and recorded the Original Declaration with the Clerk and Recorder for Summit County, Colorado on December 1, 1995 under Reception No. 504399.

B. The First Amendment to the Original Declaration (the "First Amendment"), recorded with the Clerk and Recorder for Summit County, Colorado on July 26, 2000, under Reception No. 627799, amended the Original Declaration to increase the number of members on the Design Review Board (as that term is defined in the Original Declaration) from three to five members.

C. The First Amendment contained incorrect recording information for the Original Declaration which the Neighbourhood Company desires to correct in accordance with this Correction to First Amendment.

Correction to Assignment

In consideration of the foregoing, the Neighbourhood Company hereby corrects the Assignment as follows:

1. Recital A of the First Amendment is hereby corrected and amended to reflect that the Original Declaration was recorded under Reception No. 504399 and not under Reception No. 504339 as is recited in the First Amendment.

2. Except as amended hereby, the Original Declaration, as amended by the First Amendment, shall continue in full force and effect.

Executed to be effective as of the date first set forth above.

THE KEYSTONE NEIGHBOURHOOD COMPANY, a Colorado nonprofit corporation

By: Katy Syko
Katy Syko, Executive Director

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 11 day of August, 2000 by Katy Syko as Executive Director of The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation, on behalf of said corporation.

Witness my hand and official seal.

(Notarial Seal)

Heidi Stenhammer
Notary Public

My commission expires: 6-4-2003

NOTARY PUBLIC
HEIDI
STENHAMMER
STATE OF COLORADO

631878
Cheri Brunvand-Summit County Recorder 9/5/2000 11:28 DF:

RECORDING REQUESTED BY AND WHEN RECORDED, MAIL TO:

Jacobs Chase Frick Kleinkopf & Kelley LLC
1050 Seventeenth Street, Suite 1500
Denver, Colorado 80265
Attn: Michael A. Smith

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE

(Inclusion of the Timbers Parcel)

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE (this "Amendment") is made as of August 31, 2000, by The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation (the "Neighbourhood Company").

Recitals

A. Homestead Lodge Partners, LLC, a Colorado limited liability company ("Homestead") is developing a condominium project to be known as the Timbers on River Run (the "Timbers") on real property it owns in Summit County, Colorado, which real property is legally described on Schedule I, attached hereto (the "Timbers Parcel").

B. The Neighbourhood Company is an association (as such term is defined by the Colorado Common Interest Ownership Act, the "Act") for the common interest community (as such term is defined by the Act), known as The Neighbourhoods at Keystone, created by the Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone, recorded in the office of the Summit County, Colorado Clerk and Recorder, at Reception No. 504399 (as amended, the "Declaration").

C. Homestead requested that the Neighbourhood Company amend the Declaration to include the Timbers Parcel in The Neighbourhoods at Keystone.

D. Pursuant to Section 16.03 of the Declaration, the Declaration may be amended by a 67 percent or greater vote of all votes in the Neighbourhood Company.

E. At the annual meeting of the Neighbourhood Company held on November 20, 1998, an affirmative vote was made by at least 67 percent of all votes in the Neighbourhood Company to amend the Declaration to include the Timbers Parcel within The Neighbourhoods at Keystone and to enter into such agreements in connection therewith as the Neighbourhood Company's Executive Board (the "Executive Board") deems necessary and appropriate. The vote

was conditioned on the Executive Board finding that the inclusion of the Timbers Parcel in The Neighbourhoods at Keystone is in the best interest of the Neighbourhood Company.

F. The Executive Board has found that the inclusion of the Timbers Parcel in The Neighbourhoods at Keystone is in the best interest of the Neighbourhood Company.

G. The Neighbourhood Company, KRED, and Homestead entered into that certain written agreement entitled Agreement to include the Timbers Parcel in The Neighbourhoods at Keystone (the "Inclusion Agreement"), pursuant to which the Neighbourhood Company agreed to amend the Declaration to include the Timbers Parcel in The Neighbourhoods at Keystone, upon and subject to the terms and conditions contained in the Inclusion Agreement.

H. Pursuant to the Inclusion Agreement, Homestead and the Neighbourhood Company entered into that certain easement agreement entitled Deed of Easement, pursuant to which Homestead granted to the Neighbourhood Company a nonexclusive easement over, across, under and through those portions of the Timbers Parcel on which the Facilities are located, for purposes of the existence, use, operation, maintenance, repair and replacement of the Facilities.

I. Keystone/Intrawest L.L.C., a Delaware limited liability company (the "Declarant") recorded the Declaration of Covenants, Conditions and Restrictions for The Neighborhoods at Keystone (the "Declaration") with the Clerk and Recorder of Summit County, Colorado on December 1, 1995 under Reception No. 504339. The First Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighborhoods at Keystone was recorded with the Clerk and Recorder of Summit County, Colorado on July 26, 2000 as Reception No. 627799. The correction to First Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighborhoods at Keystone was recorded with the Clerk and Recorder of Summit County, Colorado on August 23, 2000 as Reception No. 630769.

J. Pursuant to the Inclusion Agreement, the Neighbourhood Company desires to amend the Declaration to include the Timbers Parcel in The Neighbourhoods at Keystone, as set forth herein.

Amendment

The Declaration is hereby amended as follows:

1. All capitalized terms used in this Amendment that are not defined in this Amendment have the meanings given to them in the Declaration.

2. Page 3 of the Plat (being the Boundary Survey Plat for The Neighbourhoods at Keystone, attached to the Declaration as Exhibit E of the Declaration, as separately recorded in the office of the Summit County, Colorado Clerk and Recorder, as Page 3 of Reception No.

Schedule I

(Attached to and forming part of the Second Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone)

Legal Description of the Timbers Parcel

A PARCEL OF LAND BEING A PORTION OF THE SE1/4, NW1/4, SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, SUMMIT COUNTY, COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE C-S-S-NW 1/256 CORNER OF SAID SECTION 19, A B.L.M. BRASS CAP; THENCE N02°39'20"E A DISTANCE OF 646.79 FEET TO THE C-N-S-NW CORNER OF SAID SECTION 19, A B.L.M. BRASS CAP; THENCE S88°12'52"E A DISTANCE OF 207.00 FEET TO A REBAR WITH ALUMINUM CAP (PLS. 15242); THENCE S01°47'08"W A DISTANCE OF 644.41 FEET TO A REBAR WITH ALUMINUM CAP (PLS. 15242); THENCE N88°49'25"W A DISTANCE OF 216.86 FEET TO THE POINT OF BEGINNING; CONTAINING 136,805 SQUARE FEET, OR 3.14 ACRES MORE OR LESS.

Schedule II

(Attached to and forming part of the Second Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone)

Attached is a reduced copy of the Boundary Survey Plat - The Neighbourhoods at Keystone - Sheet 3 of 6 -, the full sized version of which is recorded at Reception No. 631879.

751563
Cheri Brunvand-Summit County Recorder 4/1/2004 12:14 DF:

16.00

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

Jacobs Chase Frick Kleinkopf & Kelley LLC
1050 17th Street, Suite 1500
Denver, Colorado 80265
Attention: ~~Mary Smith~~
Lori Bowen

THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE (this "Amendment") is made to be effective as of June 1, 2003, by Keystone/Intrawest L.L.C., a Delaware limited liability company (the "Declarant").

Recitals

A. Declarant recorded the Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone with the Clerk and Recorder of Summit County, Colorado on December 1, 1995 under Reception No. 504399 (as amended, the "Declaration"). All capitalized terms used in this Amendment that are not defined in this Amendment have the meanings given to them in the Declaration.

B. Pursuant to Section 14.02(a)(vii) of the Declaration, Declarant reserved the right to withdraw from the Property any real estate owned by Declarant and located within the Property.

C. Declarant desires to amend the Declaration to withdraw from the Property certain real property owned by Declarant and subjected to the Declaration.

D. Pursuant to the terms and conditions of Sections 14.02(b) and 14.05 of the Declaration, Declarant has the right to execute and record this Amendment without the consent of The Neighbourhood Company or of any of the Owners.

E. The Declarant deems it necessary and desirable to amend the Declaration as set forth herein.

Amendment

In consideration of the foregoing, the Declarant hereby amends the Declaration as follows:

1. Section 2.01(cc) is hereby amended to delete Exhibit A attached to Declaration in its entirety and to replace it with Exhibit A attached to this Third Amendment. For purposes of reference and clarification, the new Exhibit A withdraws the real property currently platted as

Tracts E and F, a Final Plat of the Alders Subdivision, a Replat of Tract A and Tract B, Settlers Creek – Filing No. 3, such real property being formerly platted as a portion of Base 1 at Keystone according to the Plat recorded April 22, 1994 as Reception No. 466508.

2. Except as amended hereby, the covenants, conditions, restrictions and other provisions of the Declaration remain in full force and effect and shall not be changed, altered or amended. In the event of any conflict between this Amendment and the Declaration, the terms of this Amendment shall control.

Executed to be effective as of the date first set forth above.

KEYSTONE/INTRAWEST L.L.C., a Delaware limited liability company

By: Intrawest Resorts, Inc., a Delaware corporation, its Manager

Sign here By: _____

Michael O'Connor, Vice President

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

On this 18th day of June 2003, before me, personally appeared Michael O'Connor who acknowledged himself to be the Vice President of Intrawest Resorts, Inc., a Delaware corporation, Manager of Keystone/Intrawest L.L.C., a Delaware limited liability company, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as Manager of the limited liability company, by himself as such officer.

Witness my hand and official seal.

(Notarial Seal)

NOTARY PUBLIC
MARY L. SMITH
STATE OF COLORADO

_____
Notary Public

My commission expires: 5/15/04

752496
Cheri Brunvand-Summit County Recorder 4/9/2004 8:33 DF:

RECORDING REQUESTED BY AND WHEN RECORDED, MAIL TO:

Jacobs Chase Frick Kleinkopf & Kelley LLC
1050 Seventeenth Street, Suite 1500
Denver, Colorado 80265
Attn: Mary Smith

#3 $26.00

FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE

(Inclusion of River Meadows at Ski Tip)

THIS FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE (this "Amendment") is made as of March 31, 2004, by The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation ("The Neighbourhood Company").

BD

Land Title Guarantee Company 20040549

Recitals

A. Dundee Realty USA LLC, a Colorado limited liability company ("Dundee") is developing a residential project to be known as River Meadows at Ski Tip (the "Project") on real property located in Summit County, Colorado and legally described in Exhibit A attached hereto (the "Dundee Parcel"). The Project consists of fourteen residences, which are anticipated to be comprised of twelve townhomes and two single-family homes, to be constructed on one or more lots (the "Lots") into which the Dundee Parcel may be divided.

B. The Neighbourhood Company is an association (as such term is defined by the Colorado Common Interest Ownership Act, the "Act") for the common interest community (as such term is defined by the Act), known as The Neighbourhoods at Keystone, created by the Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone, recorded December 1, 1995, under Reception No. 504399, as amended by (i) First Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone recorded July 26, 2000, under Reception No. 627799 and correction to First Amendment recorded August 23, 2000, under Reception No. 630769; (ii) Second Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone recorded September 5, 2000, under Reception No. 631878; and (iii) Third Amendment to Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone recorded June ___, 2003, under Reception No. _____ (the "Declaration").

C. That portion of the Dundee Parcel identified as Parcel 1 in Exhibit A is currently included within The Neighbourhoods at Keystone. The Neighbourhood Company desires to

amend the Declaration to include that portion of the Dundee Parcel identified as Parcel 2 in Exhibit A (the "Annexed Parcel") within The Neighbourhoods at Keystone, so that the entire Dundee Parcel will be included within The Neighbourhoods at Keystone.

D. Pursuant to Section 16.03 of the Declaration, the Declaration may be amended by a 67 percent or greater vote of all votes in The Neighbourhood Company.

E. At a special meeting of The Neighbourhood Company held on February 25, 2004, an affirmative vote was made by at least 67 percent of all votes in the Neighbourhood Company to amend the Declaration to include the Annexed Parcel within The Neighbourhoods at Keystone and to provide for any terms and conditions in connection therewith as the Neighbourhood Company's Executive Board (the "Executive Board") deemed necessary and appropriate. The vote was conditioned on the Executive Board finding that the inclusion of the Annexed Parcel in The Neighbourhoods at Keystone was in the best interest of The Neighbourhood Company.

F. The Executive Board has found that the inclusion of the Annexed Parcel in The Neighbourhoods at Keystone is in the best interest of The Neighbourhood Company.

G. The Neighbourhood Company desires to amend the Declaration as set forth herein.

Amendment

In consideration of the foregoing Recitals, the Declaration is hereby amended as follows:

1. Defined Terms. All capitalized terms used in this Amendment that are not defined in this Amendment have the meanings given to them in the Declaration.

2. Inclusion of Annexed Parcel. The Declaration is amended to include the Annexed Parcel within the Property subject to the Declaration. From and after the date hereof, the Annexed Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of the Declaration, except as set forth in Section 3 below.

3. Annual Real Estate Assessment. With respect to the Annexed Parcel, the Annual Real Estate Assessment described in Section 6.03 of the Declaration shall be waived until such time as Summit County reassesses any Lot within the Annexed Parcel following the completion of any residence thereon. Following such reassessment, such Lot shall be subject to payment of the Annual Real Estate Assessment in accordance with the terms of the Declaration. Notwithstanding the foregoing to the contrary, if any Lot is transferred prior to completion of any residence thereon, the foregoing waiver shall be automatically terminated and the Lot shall be subject to payment of the Annual Real Estate Assessment from and after the date of such transfer in accordance with the terms of the Declaration.

4. Full Force and Effect. Except as amended by this Amendment, the covenants, conditions, restrictions and other provisions of the Declaration remain in full force and effect and shall not be changed, altered or amended. In the event of any conflict between this Amendment and the Declaration, the terms of this Amendment shall control.
Executed to be effective as of the date first set forth above.

THE KEYSTONE NEIGHBOURHOOD COMPANY, INC., a Colorado nonprofit corporation

By: _____
Its: PRESIDENT

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 31 day of March, 2004, by Alex Kenderian, as President of The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation, on behalf of such nonprofit corporation.

Witness my hand and official seal.

Tina Leonard
Notary Public

My commission expires: _____

TINA LEONARD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires May 4, 2004

EXHIBIT A
(Legal Description of the Dundee Parcel)

Parcel 1:

Lot 11, A Final Plat of the Alders Subdivision, A Replat of Tract A and Tract B, Settlers Creek – Filing No. 3, County of Summit, State of Colorado.

Parcel 2 (Annexed Parcel):

TRACTS TIEZE I AND II SKI TIP WEST PUD

PARCEL A:

BEING A PORTION OF HOMESTEAD ENTRY LIST 2-1238, IN THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4, SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE 6TH PRINCIPAL MERIDAN, ALSO DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 1 (WHICH IS THE SAME CORNER NO. 1 OF THE H.L. THACKWELL PROPERTY DEEDED FROM THE SAME HOMESTEAD ENTRY; AND WHENCE THE NORTHEAST CORNER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST, 6TH PRINCIPAL MERIDIAN BEARS NORTH 66 DEGREES 28 MINUTES 04 SECONDS EAST, A DISTANCE OF 2452.99 FEET) THENCE TO CORNER NO. 2, NORTH 89 DEGREES, 45 MINUTES EAST 108 FEET THENCE TO CORNER NO. 3, NORTH 4 DEGREES 40 MINUTES EAST 135 FEET, THENCE TO CORNER NO. 4, NORTH 85 DEGREES 40 MINUTES EAST 235 FEET, THENCE TO CORNER NO. 5, SOUTH 4 DEGREES 10 MINUTES WEST 245, THENCE TO CORNER NO. 6, SOUTH 89 DEGREES 45 MINUTES WEST 345 FEET, THENCE TO CORNER NO. 1, NORTH 4 DEGREES 40 MINUTES EAST 110 FEET TO THE POINT OF BEGINNING, COUNTY OF SUMMIT, STATE OF COLORADO.

PARCEL B:

A TRACT OF LAND LOCATED IN THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 76 WEST OF THE 6TH PRINCIPAL MERIDIAN, SUMMIT COUNTY, COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST 1/4 NORTHWEST 1/4 NORTHEAST 1/4 OF SAID SECTION 19; THENCE SOUTH 45 DEGREES 48 MINUTES 54 SECONDS EAST A DISTANCE OF 303.83 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 33 MINUTES 00 SECONDS EAST A

DISTANCE OF 154.23 FEET; THENCE SOUTH 4 DEGREES 06 MINUTES 00 SECONDS WEST, A DISTANCE OF 214.33 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 00 SECONDS WEST, A DISTANCE OF 154.56 FEET; THENCE NORTH 4 DEGREES 10 MINUTES 00 SECONDS EAST, A DISTANCE OF 213.82 FEET TO THE TRUE POINT OF BEGINNING, COUNTY OF SUMMIT, STATE OF COLORADO.