

RULES AND REGULATIONS  
FOR  
THE NEIGHBOURHOODS AT KEYSTONE

The Keystone Neighbourhood Company, Inc. (the "Neighbourhood Company") has adopted these Rules and Regulations (these "Regulations") pursuant to the Declaration of Covenants, Conditions and Restrictions for The Neighbourhoods at Keystone (the "Neighbourhoods"), dated as of November 30, 1995, and recorded in the Clerk and Recorder's Office for Summit County, Colorado, on December 1, 1995, at Reception No. 504399, (as amended from time to time, the "Declaration"). All capitalized terms used herein and not otherwise defined shall have the meanings given them in the Declaration.

ARTICLE I  
GENERAL RULES AND REGULATIONS

1.01 Neighbourhood Company Common Elements.

(a) No benches, chairs, tables or other personal property shall be placed on any of the Neighbourhood Company Common Elements, including, without limitation, the sidewalks, pathways, plazas and boardwalks, without the prior written consent of the Neighbourhood Company Executive Director (the "Executive Director").

(b) No bicycles, skateboards, scooters, strollers, wagons, skis, snowboards or other personal property shall be stored or parked on any of the Neighbourhood Company Common Elements, including, without limitation, the sidewalks, pathways, plazas and boardwalks, except in areas that are designated for those purposes by posted signage.

(c) No bicycles, skateboards, roller blades, skis or snowboards shall be used or operated on the boardwalks.

(d) Owners and their Guests shall comply with all directions and instructions set forth on all Neighbourhood Company signage.

(e) All persons using Neighbourhood Company Common Elements, including, without limitation, any streets, roads, sidewalks, pathways, plazas, boardwalks and recreational facilities, do so at their own risk and sole responsibility. The Neighbourhood Company does not assume responsibility for any occurrence, accident or injury as a result of or in connection with such use. No Owner shall make any claim against the Neighbourhood Company, its servants, agents or employees, for or on account of any loss or damage to life, limb or property sustained as a result of or in connection with any such use of any Neighbourhood Company Common Elements. Each Owner shall hold the Neighbourhood Company harmless from any and all claims, demands, suits, liabilities, obligations, costs and expenses, including, without limitation, attorneys' and consultants fees, asserted against or incurred by the

Neighbourhood Company as a result of or in connection with the use of any Neighbourhood Company Common Elements by such Owner or such Owner's Guests.

1.02 No Camping.

(a) No camping shall be permitted anywhere within the Neighbourhoods.

(b) No recreational vehicles shall be used for overnight lodging anywhere within the Neighbourhoods.

1.03 Animals.

No dogs, cats, birds, reptiles or other animals or pets of any kind are permitted to be kept, raised, bred or housed within the Neighbourhoods without prior written consent from the Colorado Division of Wildlife (modified March 2004).

ARTICLE II  
VEHICLE ACCESS AND PARKING

2.01 River Run.

(a) River Run village is a pedestrian village and, except as permitted in this Section 2.01, there shall be no vehicles of any type allowed in River Run village at any time.

(b) Within River Run village vehicles are permitted to travel on only the following streets and roads:

- (i) Ida Belle Drive;
- (ii) River Run Road;
- (iii) Dercum Drive;
- (iv) Dercum Square; and
- (v) Hunki Dori Drive.

(c) No vehicle may be parked on any road or street within River Run village, or anywhere else within River Run village, except in:

(i) the designated short term parking spaces located on River Run Road adjacent to Black Bear Lodge and Arapahoe Lodge;

(ii) the condominium parking garages (which may be used only by residential condominium Owners and their Guests, unless the condominium declarations provide otherwise); and

(iii) the day skier parking lots operated by the Resort.

(d) In addition to the other Regulations set forth in this Article II, the use of moving vans, commercial delivery vehicles and trash removal vehicles within River Run village is subject to the following restrictions:

(i) No such vehicle may travel on Ida Belle Drive, Dercum Drive or Dercum Square.

(ii) No such vehicle may travel on any road or street located within River Run village between the hours of 11:00 a.m. and 2:00 p.m., or between the hours of 6:00 p.m. and 6:00 a.m.

(iii) No such vehicle consisting of a tractor-trailer or any other attached trailer shall make deliveries on any road except Hunki Dori Drive.

(iv) No such vehicle may be parked anywhere in River Run village, except in the loading zones located adjacent to Arapahoe Lodge and at the end of Hunki Dori Drive.

(v) No such vehicle may remain parked in River Run village overnight or for longer than is reasonably required to make its pick-up or delivery. In no event shall any such vehicle remain parked in River Run village for longer than 30 minutes.

(e) The regulations set forth in this paragraph 2.01 shall not apply to vehicles operated by or operated under the express authorization of the Neighbourhood Company such as snow removal vehicles, maintenance vehicles and trash removal vehicles.

## 2.02 Ski Tip Neighbourhood.

(a) No vehicle may be parked on any road or street within the Ski Tip Neighbourhood, or anywhere else within the Ski Tip Neighbourhood, except in:

(i) unit parking garages;

(ii) unit driveways; and

(iii) designated parking spaces.

(b) In addition to the other Regulations set forth in this Article II, the use of moving vans, commercial delivery vehicles and trash removal vehicles within the Ski Tip Neighbourhood is subject to the following restrictions:

(i) No such vehicle may travel on any road or street located within the Ski Tip Neighbourhood between the hours of 8:00 p.m. and 8:00 a.m.

(ii) No such vehicle may remain parked in the Ski Tip Neighbourhood overnight or for longer than is reasonably required to make its pick up or delivery. In no event shall any such vehicle remain parked in the Ski Tip Neighbourhood for longer than 30 minutes.

#### 2.03 Construction Vehicles.

Notwithstanding anything to the contrary contained herein, the provisions of Sections 2.01 and 2.02 shall not apply to construction or construction delivery vehicles.

#### 2.04 General Rules of the Road.

(a) No person shall drive a vehicle within the Neighbourhoods at a speed which is greater than is reasonable and prudent in light of existing conditions, and in no event greater than 25 miles per hour. No person shall drive a vehicle within the Neighbourhoods except on roadways designated for vehicular traffic.

(b) No person may drive any vehicle anywhere in the Neighbourhoods in a careless or imprudent manner, without due regard for the width, grade, curves, corner, pedestrian and vehicular traffic and use of the streets, or in any manner that endangers the safety of persons or property.

(c) No vehicle shall be driven to the left side of the center of any road in the Neighbourhoods.

(d) Vehicles must be driven in compliance with all instructions or directions of any traffic control devices and security personnel.

(e) Vehicles must always yield the right-of-way to pedestrians and bicycles.

(f) All bicycles must be operated in a safe manner, and in accordance with:

(i) all posted Neighbourhood Company signs;

(ii) the applicable provisions of this Article II; and

(iii) all directions given by traffic control devices and security personnel.

(g) No person shall use any road within the Neighbourhoods for traveling on snowmobiles, skis, snowboards, toboggans, sleds or similar devices.

(h) No recreational vehicles may be parked anywhere within the Neighbourhoods.

### ARTICLE III

#### CONSTRUCTION AND ALTERATIONS

3.01 Construction Requirements. The Owner of each Site shall ensure that all construction activity that is performed on such Site is performed in accordance with the following requirements.

(a) Design Review Board.

All construction of new improvements and all alterations of the exteriors of existing improvements are controlled by and must be approved by the Design Review Board.

(b) Construction Vehicles, Access, Parking.

(i) The Owner or its general contractor must prepare and submit to the Executive Director an access plan relating to all proposed construction activity on any site. The access plan shall describe the proposed location of (A) access to the jobsite, (B) parking for construction vehicles and workers, (C) fencing and (D) all temporary structures including toilets and trash receptacles. In addition, the access plan shall include such other matters as the Executive Director may request. The access plan must be approved in writing by the Executive Director prior to the commencement of any construction on the Site. Following approval, all construction activities on the Site shall be conducted in accordance with the approved access plan. The Neighbourhood Company may require the revision of any access plan should the plan prove to be unworkable.

(c) Noise.

Each Owner shall use all reasonable efforts to minimize external noise resulting from its construction activity. Notwithstanding the foregoing, an Owner shall not be required to comply with the noise limits set forth in Article V of these Regulations during the following days and hours:

Monday through Saturday 7:00 a.m. to 9:00 p.m.

At all other times, each Owner shall ensure that the noise resulting from its construction activity shall not exceed the noise limits set forth in Article V of these Regulations.

(d) Protection of Property and Roads. An Owner's construction activity shall be limited to the Site or portion thereof for which the construction has been approved by the

Design Review Board, unless the Neighbourhood Company provides specific written authorization to the contrary. An Owner shall keep all roads free and clear of all materials, rubbish and debris resulting from such Owner's construction activity. An Owner shall cause any common ground, adjacent lots or roads damaged during its construction activity to be restored to the Neighbourhood Company's satisfaction promptly and, in any event, within thirty days after such damage occurs.

(e) Fencing. The Owner shall cause each jobsite to be fenced in accordance with the approved access plan.

(f) Temporary Structures. Temporary structures may be maintained on a jobsite in accordance with the access plan. All temporary structures erected on a jobsite shall be removed within thirty days after completion of the construction activity.

(g) Water Connections and Toilets. A temporary water connection and on-site enclosed chemical toilets must be available at all times when construction activity is taking place on a Site. Chemical toilets shall be located in accordance with the approved access plan.

(h) Blasting Restrictions. No blasting shall be performed on any Site without the Executive Director's prior consent. Blasting may be subject to certain restrictions, which shall be determined by the Executive Director in his or her sole and absolute discretion and which may vary from Site to Site.

(i) Construction Trash Disposal. Trash generated from construction activity shall be deposited in containers designated for such purpose as shown on the access plan. Trash shall then be removed from such trash receptacles by trash removal companies engaged by the Owner of the Site or its general contractor. All such containers and the Site and other areas on which the construction activity is taking place shall be kept in a clean and sanitary condition.

#### ARTICLE IV RETAIL OPERATIONS

##### 4.01 Retail Establishments.

This Article IV shall apply to all Commercial Space on which a "Retail Establishment" is operated. "Retail Establishment" means any businesses selling goods or services to the public, including but not limited to the restaurants and shops located within the Neighbourhoods and hotels or lodges which sell goods or services to the public or operate a restaurant.

##### 4.02 Deliveries.

All deliveries made to Retail Establishments must be made in compliance with Article II hereof.

#### 4.03 Operations.

##### (a) Minimum Hours of Operation.

Except as set forth in leases of Commercial Space dated prior to July 1, 1996, all Retail Establishments must remain open for business with the public during the following hours:

	<u>Ski Season</u>		<u>Other Seasons</u>	
Breakfast Restaurants	7 days	7:00 a.m.-3:00 p.m.	7 days	7:00 a.m.-3:00 p.m.
Lunch & Dinner Restaurants	7 days	11:00 a.m.-10:00 p.m. (mid-afternoon closure not to exceed three hours)	7 days	11:00 a.m.-10:00 p.m. (mid-afternoon closure not to exceed three hours)
All other Retail Establishments	7 days	8:30 a.m. - 9:30 p.m.	7 days	10:00 a.m. - 8:00 p.m.

##### (b) Limits on Hours of Operation.

No Retail Establishment may be open for business with the public before 6:00 a.m. or after 2:00 a.m.

#### 4.04 Retail Lighting and Signage.

##### (a) Design Review Board Approval; Certain Restrictions.

All Retail Establishment signage and display lighting must be approved by the Design Review Board. Exterior halogen lighting shall not be permitted.

(b) Additional Requirements. All Retail Establishment signage, display and interior lighting must:

- (i) remain lit from dusk to 12:00 a.m.;
- (ii) be turned off, except for security lighting, between the hours of 2:00 a.m. and 6:00 a.m.; and
- (iii) be operated by automatic timers.

#### 4.05 Grease Traps.

(a) General Maintenance. Each grease trap shall be maintained in good condition and repair.

(b) Cleaning. The Neighbourhood Company shall arrange for each grease trap to be cleaned at the Owner's expense.

ARTICLE V  
NOISE REGULATION

5.01 Noise Prohibited.

The making, creating or allowing of an excessive or an unusually loud noise at any location within the Neighbourhoods heard and measured in a manner hereinafter set forth shall be prohibited except when made under and in compliance with a permit issued pursuant to Section 5.05 hereof.

5.02 Definition.

An excessive or unusually loud noise shall be defined as follows:

(a) Noise of any duration which exceeds the allowable noise limit by 15 decibels.

(b) A noise, one minute or more in duration out of any ten minute period, which exceeds the allowable noise limit by 10 decibels.

(c) A noise of five minutes in duration and a total of five minutes out of any ten minute period, which exceeds the allowable noise limit by 5 decibels.

5.03 Measurement of Noise.

For the purpose of determining and classifying any noise as excessive or unusually loud as declared to be prohibited by this section, the noise shall be measured on a decibel or sound level meter of standard design and quality operated on the A Weighting Scale.

(a) If the noise source is located on private property, the noise shall be measured at or beyond the property line of the property on which the noise source is located.

(b) If the noise source is located on public property or on Neighbourhood Company Common Elements, the noise shall be measured no closer than ten feet from the noise source.

5.04 Allowable Limits.

(a) River Run Normal Limits. The following shall be the allowable noise limits for River Run village for the time periods specified:

60. (i) Maximum number of decibels permitted from 7:00 a.m. to noon:
70. (ii) Maximum number of decibels permitted from noon to midnight:
- a.m.: 50. (iii) Maximum number of decibels permitted from midnight to 7:00

(b) Ski Tip Normal Limits. The following shall be the allowable noise limits for the Ski Tip Neighbourhood for the time periods specified:

- p.m.: 60. (i) Maximum number of decibels permitted from 7:00 a.m. to 10:00
- a.m.: 50. (ii) Maximum number of decibels permitted from 10:00 p.m. to 7:00

#### 5.05 Permits.

Applications for a specified permit to exceed noise level designations or time periods in this section may be made to the Neighbourhood Company. The Executive Director of the Neighbourhood Company or his or her duly authorized representative may grant the relief as applied for if he or she finds one of the following:

- (a) That additional time is necessary for the applicant to alter or modify the activity or operation to comply with these regulations.
- (b) The activity, operation or noise source will be of temporary duration, and cannot be done in a manner that will comply with Section 5.01.
- (c) That no other reasonable alternative is available to the applicant.
- (d) That the permit is necessary for the community's cultural, historical or social benefit.

The Executive Director or his or her duly authorized representative may prescribe any conditions or requirements he or she deems necessary to minimize adverse effects upon the community or the surrounding neighborhood, including but not limited to, specific times or functions of the noise or location of the noise source. Any permit granted by the Executive Director or his or her duly authorized representative under this section shall contain all conditions upon which the permit has been granted and shall specify a reasonable time that the permit shall be effective.

#### 5.06 Exceptions.

The maximum permissible noise limits for the times specified in Section 5.04 and 5.05 above shall not apply to sound emitted from the following:

- (a) Any emergency alarm;
- (b) Any authorized emergency vehicle when responding to an emergency call or acting in time of an emergency;
- (c) Activities of a temporary duration permitted by law and for which a permit therefor has been granted by the Neighbourhood Company, including but not limited to parades and fireworks displays;
- (d) Any construction equipment operated upon a Site during the time period between the hours of 7:00 a.m. and 9:00 p.m. Monday through Saturday;
- (e) Any snow making, snow removal or maintenance equipment; and
- (f) Any licensed motor vehicles designated for and operated on any road right-of-way within The Neighbourhoods.

#### 5.07 Amplified Sounds.

No person other than the Neighbourhood Company security personnel, law enforcement or governmental agencies shall install use, or operate within the Neighbourhoods a loud speaker or sound amplifying equipment in a fixed or moveable position or mounted upon any sound truck for the purposes of giving instructions, directions, talks, addresses, lectures, or transmits or projects music to any persons or assemblage of persons in or upon any street, sidewalk, park or place or property, except with the prior written consent of the Neighbourhood Company, and then in compliance with such conditions and restrictions as the Neighbourhood Company may impose. The sound emanating from sound amplifying equipment shall be limited in volume and intensity (a) for the time such sound is permitted under this Section 5.07 and, (b) at the decibels levels set forth in Section 5.04 of these Regulations.

## ARTICLE VI

### WASTE MANAGEMENT

#### 6.01 Residential Trash Disposal.

Trash generated from residential units within the Neighbourhoods shall be deposited in designated trash receptacles located in the garages of condominiums or in outdoor trash structures approved by the Design Review Board. Trash shall then be removed from such receptacles by trash removal companies engaged by the condominium association. All such trash receptacles shall be kept in a clean and sanitary condition.

## 6.02 Commercial Trash Disposal.

(a) General. Trash, recyclables and grease generated from Commercial Space within the Neighbourhoods shall be deposited in separate containers provided by the Neighbourhood Company. Trash, recyclables and grease pickup shall be arranged by the Neighbourhood Company. The cost of such pickup shall be charged to each Owner.

(b) Main Pick Up. Trash and recyclable material shall be picked up from each Commercial Space once a day at approximately 8:00 p.m. The trash and recyclable material containers ready for pick up shall be placed outside (i) the service door of all restaurants, and (ii) the front door for all other Commercial Space.

(c) Additional Trash and Recyclable Pick Up. Additional trash and recyclable material pick ups shall be made from outside restaurant service doors at approximately 11:00 a.m. and approximately 3:00 p.m.

(d) Grease Pick Up. Grease, deposited into five gallon containers provided by the Neighbourhood Company and placed outside the restaurant's service doors, will be picked up at approximately 3:00 p.m. on Mondays and Thursdays.

(e) Placement Outside. Trash, recyclables and grease shall not be placed outside doors of Commercial Space more than thirty minutes before the scheduled pick up of such items.

## 6.03 Storage.

No trash or waste products shall be stored on Neighbourhood Company property except in areas designated by the Neighbourhood Company for such purposes.

## 6.04 Recycling.

The Neighbourhood Company is dedicated to conserving natural resources through waste reduction and recycling.

(a) Reduce. Owners and Guests are strongly encouraged to:

- (i) purchase minimally packaged, non-toxic products;
- (ii) buy only recyclable containers and avoid disposables;
- (iii) properly dispose of chemical waste and paints;
- (iv) avoid hazardous chemicals; and

(v) think about how they will properly dispose of a product and its packaging before they buy it.

(b) Recycle. Owners and Guests are strongly encouraged to deposit clean and sorted recyclables in area collection centers and eliminate contamination in the sorting process.

(c) Re-Use. Owners and Guests are strongly encouraged to consciously purchase products and packaging made from recycled materials to close the recycling loop while ensuring a continued market for certain recyclables.

## ARTICLE VII

### VIOLATIONS; REMEDIES

#### 7.01 Warning.

Upon the first occurrence of a violation of any Regulation, the violator and/or Owner of the Site on which the violation occurs will be notified of the violation and warned that if the violator does not cease or cure the violation, or if any further violation of that Regulation occurs, the violator and/or the Owner will be subject to, among other remedies, fines.

#### 7.02 Fines.

After a warning has been issued pursuant to Section 7.01 above, violators of any Regulation and the Owner of the Site on which a violation occurs are each punishable in any one calendar year by fines of \$100 or more for the first offense, \$250 or more for the second offense, and \$500 or more for each further offense. The amount of the fine imposed shall be determined by the Executive Director. Violators and Owners shall pay any fine imposed by this Section 7.02 within five days after notice of such fine is given.

#### 7.03 Other Remedies.

In addition to the remedies set forth in Section 7.02 above, the Neighbourhood Company shall have the following additional rights and remedies upon the occurrence of any violation hereunder (and after the warning described in Section 7.01 is given):

(a) Right to Cure. The Neighbourhood Company may, but is not obligated to, enter upon the applicable Site (if such entry is necessary) and cease or cure the violation at the Owner's cost and expense. If the Neighbourhood Company ceases or cures any such violation, the Owner shall pay to the Neighbourhood Company the amount of all costs incurred by the Neighbourhood Company in connection therewith, plus an administrative fee equal to 15 percent of all of such costs, within five days after the Owner receives a written invoice therefor from the Neighborhood Company.

(b) Right to Sue for Injunctive Relief. The Neighbourhood Company may sue the Owner and/or any violator to enjoin the violation.

(c) Right to Sue for Damages. The Neighbourhood Company may sue the Owner and/or any violator for all damages, losses, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements incurred by the Neighbourhood Company as a result of the violation.

(d) Violations of Vehicle Access and Parking Regulations. Upon the violation of any provision of Article II hereunder, the Neighbourhood Company shall have the following additional rights and remedies without regard to whether a warning has been issued under Section 7.01 hereof:

(i) the Neighbourhood Company, through the Executive Director or other authorized agent, may deny or restrict access by the violating party to the Neighbourhoods; and

(ii) the Neighbourhood Company shall have the right to have any violating vehicle towed from The Neighbourhoods, at the vehicle owner's expense and, in such event, the violating party shall also pay to the Neighbourhood Company an administrative fee equal to \$25; and

(iii) the Neighbourhood Company shall have the right, through the Executive Director or other authorized agent, to issue citations and assess fines determined by the Executive Director or its Executive Board.

(e) Lien. The Neighbourhood Company shall have a lien against the Site and all of the Owner's other properties within The Neighbourhoods to secure payment of (a) any fee, charge, fine or other amount due from the Owner to the Neighbourhood Company under this regulation, (b) interest on any unpaid amounts at the rate of 18 percent per annum from the date due until paid, and (c) all costs and expenses of collecting any unpaid amounts, including, without limitation, reasonable attorneys' fees and disbursements. Any such lien may be foreclosed as a mortgage under the laws of the State of Colorado.

(f) Other Rights and Remedies. The Neighbourhood Company shall have all other rights and remedies available to it 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.

## ARTICLE VIII

### ADMINISTRATION

8.01 General. Except as specifically provided herein or otherwise determined by the Executive Board, the Executive Director has the authority to answer questions regarding, interpret and generally administer these Regulations.

8.02 Communication. All communication with and requests made to the Neighbourhood Company pursuant to these Regulations shall be in writing and shall be submitted to the Executive Director at P.O. Box 9251, Keystone, Colorado 80435. All communication from the Executive Director or the Executive Board pursuant hereto shall be in writing.

8.03 Requests for Consents, Approvals or Variances.

(a) Request. Requests for consents, approvals or variances hereunder shall be made to the Executive Director in accordance with Section 8.02.

(b) Review and Determination. Each such request shall be reviewed by the Executive Director and the Executive Director shall have the authority, in his or her sole discretion, to grant or deny such request, unless otherwise provided herein.

8.04 Submittals to Executive Board. Notwithstanding anything to the contrary contained herein, in any case where the Declaration or the Regulations so require, the Executive Director shall submit a matter to the Executive Board. In addition, the Executive Director, in his or her sole discretion, may elect to submit any matter regarding the Regulations, or the enforcement or interpretation thereof, to the Executive Board. Any matter submitted to the Executive Board shall be determined by resolution of the Executive Board.

8.05 Exemptions and Variances. The Executive Director shall have the authority to grant exemptions and variances to these Regulations from time to time in his or her discretion.

8.06 Appeals. Any determination made by the Executive Director may be appealed to the Executive Board which, in its sole discretion, may review, refuse to review, affirm or overturn the Executive Director's determination.

8.07 Amendments to Regulations. The Neighbourhood Company reserves the right to supplement, alter, amend, modify, repeal or revoke any of these Regulations by resolution of the Executive Board.