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**AMENDMENT TO DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
VILLA MONTANE**

This Amendment to Declaration (this "Amendment to Declaration") is made this 26th day of September, 2003, and constitutes an amendment to the Declaration of Covenants, Conditions, Restrictions and Easements for Villa Montane, recorded November 9, 1998 at Reception No. 675474 in the office of the Clerk and Recorder, Eagle County, Colorado (the "Declaration").

WITNESSETH:

WHEREAS, the Declaration created and defined certain covenants, conditions, restrictions and easements for Villa Montane; and

WHEREAS, pursuant to Section 22.3 of the Declaration, the Declaration may be amended upon the written consent of Owners representing an aggregate ownership interest in the Common Elements of eighty-five percent (85%) or more, including at least sixty-seven percent (67%) of the total votes allocated to the Residential Owners and sixty-seven percent (67%) of the total votes allocated to the Commercial Owners (all capitalized terms not defined herein shall have the same meaning as in the Declaration); and

WHEREAS, the Executive Board of the Association has determined that certain uses currently in effect and existing with respect to a Unit in Villa Montane are in violation of Section 19.8 of the Declaration as a program offering and selling interests in such Unit under a plan "similar" to a timesharing or interval ownership plan and that, because of expected delays in obtaining a decree enforcing the restriction contained in Section 19.8, the Declaration should be amended to clarify the language of Section 19.8 to deter additional uses of this nature at Villa Montane; and

WHEREAS, the Association has secured the required number of written consents from Owners to amend the Declaration as certified by the Secretary of the Association in the Certificate attached to this Amendment to Declaration.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Section 19.8. Section 19.8 of the Declaration is hereby deleted in its entirety and a new Section 19.8 shall be inserted in lieu thereof, reading as follows:

Section 19.8. Prohibition on Timesharing.

(a) No Condominium Unit, whether leased or owned, shall be used:



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- (i) for the operation of a timesharing, fraction-sharing, interval ownership or similar program whereby the right to exclusive use of the Residential Unit rotates among participants in the program on a fixed or floating time schedule over a period of years; or
- (ii) for the operation of a reservation or time-use system among co-Owners of a Condominium Unit, regardless of whether or not any co-Owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating, if one or more of the following conditions exist:
 - a. the ownership interest in such Unit is publicly marketed for sale subject to such system, or
 - b. the co-Owners are or were required as a condition of purchase of the ownership interest in such Unit to subject the interest to a pre-determined reservation or time-use system among co-Owners; or
- (iii) in the marketing, offering or selling of any club membership interest, limited liability company interest, limited partnership interest, program interest or other interest whereby the interest-holder acquires a right to participate in a reservation or time-use system among the interest-holders, or among the interest-holders and others, involving the Unit, or involving the Unit and other alternate or substitute properties, regardless of whether such interest is equity or non-equity, regardless of whether or not any interest-holder may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating (such interest referred to herein as an "Interest"), if one or more of the following conditions exist:
 - a. the Interest is publicly marketed for sale, or
 - b. the Interest-holders are or were required as a condition of purchase of the Interest to be subject to a pre-determined reservation or time-use system among Interest-holders, or among Interest-holders and others;

(all of the foregoing uses, systems or programs are hereinafter called a "Timeshare Program").



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(b) Mere co-ownership of a Unit, ownership of a Unit by an entity or short-term leasing of a Unit shall not create a Timeshare Program unless it meets any of the conditions described above in this Section 19.8. The definition of Timeshare Program expressly excludes the voluntary inclusion of a Unit in a rental pool program such as the program currently administered by East West Resorts at the Project.

(c) If it is determined by a court of competent jurisdiction, following the conclusion of any applicable appeals, that uses in effect and existing at the time of adoption of this Amendment to Declaration are not in violation of Section 19.8 of the Declaration, as such Section existed prior to the adoption of this Amendment to Declaration, such uses, if a Timeshare Program, shall be considered a "Nonconforming Use" as that term is defined in Article 2 of the Eagle County Land Use Regulations in effect at the time this Amendment to Declaration is adopted. It is the intent of this Amendment to Declaration to permit these Nonconforming Uses to continue, until they are removed, but not to encourage their survival. Therefore, such Nonconforming Uses may continue in accordance with the provisions and limitations contained in Section 6-110 of the Eagle County Land Use Regulations in effect at the time this Amendment to Declaration is adopted.

2. Conflicts Between Documents. This Amendment to Declaration hereby supersedes and controls over any contrary provision contained in the Declaration. In case of conflict between the Declaration as amended hereby and Articles and the Bylaws of the Association, the Declaration as amended shall control.

3. Declaration. Except as specifically set forth in this Amendment to Declaration, the Declaration remains unchanged and in full force and effect. This Amendment to Declaration shall hereafter be interpreted for all purposes as part of the Declaration.



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CERTIFICATE OF SECRETARY

I, MARY MORGAN, as Secretary of Villa Montane Association, hereby certify that the Association has received the written consent to the foregoing Amendment to Declaration of Owners representing an aggregate ownership interest in the Common Elements of eighty-five percent (85%) or more, including at least sixty-seven percent (67%) of the total votes allocated to the Residential Owners and sixty-seven percent (67%) of the total votes allocated to the Commercial Owners (all capitalized terms not defined herein shall have the same meaning as in the Declaration).

VILLA MONTANE ASSOCIATION, a Colorado nonprofit corporation

By: Mary Morgan, Secretary

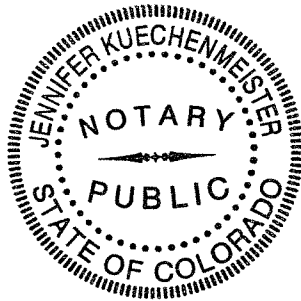
STATE OF COLORADO)
) SS.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 20th day of September, 2003, by: Mary Morgan as Secretary of Villa Montane Association, a Colorado nonprofit corporation.

MY COMMISSION EXPIRES 8/14/2006

My commission expires: _____

[SEAL]



Jennifer Kuechenmeister
Notary Public



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