

**THE VILLAS MONTANE ASSOCIATION
RULES AND REGULATIONS**

(Adopted and approved by Board of Directors, June 18, 1999;
And Amended by Board of Directors, February 20, 2006)

The capitalized terms used in these Rules and Regulations shall have the same meaning herein as such terms have in the Declaration for Villa Montane, A Condominium, recorded November 9, 199 at Reception No. 675474 in the records of Eagle County, Colorado, unless otherwise defined hereunder.

1. Walkways, entrances, halls, corridors, stairways, sidewalks, parking spaces, driveways and roads shall not be obstructed or used for any purpose other than ingress to and egress from a Unit.
2. The exterior of the Units and all other areas appurtenant to a Unit, including any fences, balconies, decks and patios, shall not be painted, decorated or modified by any Owner (for purposes herein such term includes any family member, guest, tenant, employee and/or invitee of an Owner) in any manner without prior written consent of Owners of adjacent property, Villa Montane Association, a Colorado non-profit corporation (the "Association"), and the Design Review Board of Beaver Creek Resort Company of Colorado (the "DRB"), which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association.
3. No article shall be hung or shaken from the doors, windows, decks, balconies or patios or placed upon the outside windowsills or fences of any Unit. Seasonal decorations, such as holiday wreaths, exterior lights, flower boxes and baskets, shall be coordinated and approved by Association Managing Agent.
4. No bicycles, skis, barbecues (other than gas grills), toys or other personal articles shall be allowed to be stored in or on any balcony, deck, patio or any part of the Common Area (as defined in the Declaration), except in the areas designated by the Association. All such areas shall be kept in a neat and tidy condition at all times. Outdoor tables and chairs shall be permitted on the balconies and patios and appropriate chairs and benches shall be permitted in the courtyard areas with approval by Association Managing Agent.
5. No Owner shall make or permit any noises that will disturb or annoy the occupants of any other Unit or do or permit anything to be done which will interfere with the rights, comfort or convenience of other Owners.
6. No awnings, window guards, light reflective materials, shutters, ventilators, fans or air conditioning devices or other machinery or equipment shall be placed in such a location so as to be visible from the exterior of any Unit except as shall have been previously approved in writing by the Association and the DRB, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Association.
7. No sign, notice or advertisement shall be inscribed or exposed on any portion of the Property or any Unit therein, except such as shall have been previously approved in writing by the Association and the DRB.
8. All garbage and refuse shall be deposited with care in areas designated by the Association.
9. No aerials or antennas of any kind shall be attached to, or hung from, the exterior of the Units, the roofs thereon, or protrude over any fence or balcony, without the prior written consent of the Association and the DRB.
10. The agents of the Association and any contractor or workman authorized by the Association may enter any Unit at any reasonable hour of the day for any purposes permitted under the terms of the Declaration, Bylaws of the Association or Management Agreement. Except in case of emergency, entry will be made by pre-arrangement with the Owner.
11. No vehicle belonging to any Owner shall be parked in such manner as to impede or prevent ready access to or egress from another Owner's parking space. All traffic flow markings and signs regulating traffic shall be strictly observed.

12. Owners shall not use and shall not allow their children or guests to use, any sidewalks, driveways, entrances, halls, stairways and passageways as a play area.
13. No Owner may keep more than two animals generally recognized as housepets ["Pet(s)"] on the Property or within any Unit without the express written permissions of the Association. Each Owner shall be in control of his, her or its Pet(s) at all times that said Pet(s) are on General Common Elements. Such permission is revocable if the Pet(s) become noisy, menacing or obnoxious to other residents, in which event the Owner or person having control of the Pet(s) shall be given written notice to correct the problem, or if not corrected, the Owner, upon written notice by an officer of the Association, will be required to permanently remove the Pet(s) from the Property.
14. The Association assumes no liability for nor shall it be liable for any loss or damage to articles stored in any common or other storage area.
15. Any damage to the General Common Elements or common personal property caused by an Owner shall be repaired at the expense of such Owner.
16. The Managing Agent or, if there is no Managing Agent, then the Association shall retain a passkey to each Unit. No Owner shall alter any lock or install a new lock on any door leading into the Unit without prior consent, and, if such consent is given, the Owner shall provide a key for the Managing Agent's or the Association's use.
17. The draperies or the materials used by the Owner on all exterior windows of a Residential Unit shall be made of white color material, or as a minimum, lined with a white material in order to maintain a uniform color for the exterior aesthetics of the property. Wood-stained shutters blending in with the exterior shall also be permitted.
18. No Owner shall carry on any business or trade from or within a Residential Unit, or allow any other person to carry on such business or trade, which includes or requires customers, suppliers or other business contacts to visit or attend at the Residence.
19. No motorcycle, motorbike, or ski mobile, golf cart or other motorized recreational vehicle shall be maintained, parked or operated on or within the Property without the specific written approval of both the Association and the DRB.
20. Each Owner shall each have exclusive access to parking spaces as assigned by the Association.
21. Any Owner making modifications to his Unit, as permitted in the Declaration, shall also be required to comply with additional specific rules and regulations, attached hereto as Exhibit A and incorporated herein by this reference.
22. The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.

PROCEDURES FOR REMODELING OF CONDOMINIUM UNITS

By his/her signature(s) below, the undersigned Owner(s) evidence his/her acknowledgement and agreement to comply with the following procedures in conjunction with his/her proposed reconfiguration of Villa Montane Condominium Unit # _____:

1. Owner shall submit plans, specifications and drawings prepared by a licensed architect, including a certificate showing that proposed modifications will not in any way interfere with or have fully and satisfactorily addressed all impacts on any of the structural, plumbing, mechanical, HVAC or electrical systems, or the working of the "cold roof" of the Project.
2. Owner shall be required to sign Indemnity Agreement and provide certificates of insurance referenced therein;
3. Owner shall be required to deposit \$750 with East West Resorts ("EWR") as Association Manager toward any cleaning and repair to Common Elements which may be necessary as a result of the construction work associated with the remodel;
4. Owner will permit Association to post Notices of Non-liability pursuant to 38-22-105 of C.R.S.
5. Owner will provide Association copies of all necessary permits required by Eagle County and Beaver Creek Resort Company.
6. Any additional shop space or material storage/laydown which may be required outside of the Unit shall be approved solely by EWR;
7. In addition to compliance with BCRC Construction Regulations, construction activity within The Association's common areas and/or the Unit must be conducted between the hours of 8:00 a.m. and 5:00 p.m. daily.
8. Owner acknowledges Association Assessments appurtenant to this Unit may be adjusted based on increased share in common expenses, and agrees to pay assessments as may be approved by Board of Managers, as specified in The General Declaration.
9. Owner acknowledges approval is contingent upon all construction activity associated with the Plans commencing and being completed either between the first Tuesday following Labor Day and November 20, or between closing date for Beaver Creek ski mountain and June 30, each year; and, that, should Owners not be eligible to receive a Temporary Certificate of Occupancy from Eagle County Building Department, Owners shall be obligated to pay the Association an amount equivalent to the then effective nightly rental rate for a like unit for each day construction activity continues outside the prescribed time limitations above; and said penalty shall be regarded as a Default Assessment as defined in Sections 8.10 and 8.11 of the Declaration.
10. Owner shall be required to insure that the Amendment of the Condominium Map is prepared, approved and filed, if appropriate.

ACKNOWLEDGED AND ACCEPTED THIS ____ DAY OF _____, 1999.

BY OWNER: _____