

THE VILLAS AT CHRISTMAS MOUNTAIN

INITIAL RULES AND REGULATIONS

The Rules and Regulations hereinafter enumerated as to THE VILLAS AT CHRISTMAS MOUNTAIN property, the Common Elements, the Limited Common Elements and the Condominium Units shall be deemed in effect until amended by the Board of Directors of the Association, and shall apply to and be binding upon all Unit Owners. The Unit Owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, contractors, lessees and persons over whom they exercise control and supervision. Said initial Rules and Regulations are as follows:

1. The sidewalks, if any, walkways, entrances, and all of the Limited Common Elements and Common Elements must not be obstructed or encumbered or used for any purpose (excluding patios, decks and balconies) other than ingress and egress to and from the premises; nor shall any carriages, velocipedes, motorcycles, mopeds, bicycles, wagons, shopping carts, chairs, benches, tables, or any other object of a similar type and nature be left therein or thereon.
2. The personal property of all Unit Owners shall be stored within their Condominium Units.
3. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies, and entry ways; nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles be shaken or hung from any of the windows, doors, patios, decks, balconies or entry ways, or exposed on any part of the Limited Common Elements or Common Elements; and the Limited Common Elements and Common Elements shall be kept free and clear of refuse, debris and other unsightly material.
4. No Unit Owner shall allow anything whatsoever to fall from the windows, patios, decks, balconies, entry ways or doors of the premises, nor shall he sweep or throw from his Unit any dirt or other substances outside of his Unit or on the Limited Common Elements and Common Elements of the Condominium.
5. Refuse and bagged garbage shall be deposited only in the area provided therefor.
6. No Unit Owner shall store or leave, automobiles, motorcycles, boats, trailers, mobile homes, recreation vehicles and the like on the Condominium property, except in areas designated for same.
7. Employees of the Association or Management Firm shall not be requested to go off the Condominium premises by any Unit Owner at any time for any purpose. No Unit Owner or occupant shall direct, supervise, or in any manner attempt to assert any control over the employees of the Management Firm or the Association.
8. No Unit Owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors, and licensees, nor do or permit anything by such persons, that will interfere with the rights, comforts, repose or convenience of the Unit Owners. No Unit Owner shall play upon or suffer to be operated, a phonograph, television, radio, sound amplifier, or other sound producing device in his Unit, in such a manner as to disturb or annoy other occupants of the Condominium. All occupants shall lower the volume of any such device from 11:00 P.M. to 8:00 A.M. each day.
9. No radio, cablevision, or television installation, or other wiring, shall be installed without the written consent of the Board of Directors.

10. No sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed, in, on or upon any part of the Condominium Units, the Limited Common Elements or the Condominium Property by any Unit Owner or occupant without written permission of the Association.

11. Complaints regarding the service of the Condominium shall be made in writing to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Board of Directors.

12. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Unit or Limited Common Element except such as are required for normal household use.

13. Payments of maintenance fees shall be made at the office of the Management Firm, as designated in the Management Agreement. Payments made in the form of checks shall be made to the order of such party as the Management Firm shall designate.

14. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Association, reserves the right to make additional Rules and Regulations as may be required from time to time without consent of the Condominium Association and its members. These additional Rules and Regulations shall be binding as all other Rules and Regulations previously adopted.

15. Rules and Regulations as to the use of the pool and facilities shall be posted as specified in the By-Laws of the Condominium Association and each Unit Owner, etc., shall observe all Rules and Regulations relating thereto.

16. All Owners of Unit Weeks in Condominium Units committed to Time Share Estates shall vacate their Units no later than 10:00 A.M. on the last day of their ownership period. No such Owner shall take possession of his Unit earlier than 3:00 P.M. on the day on which his ownership period commences.

17. No Condominium Unit shall be occupied by more than six (6) people at any one time without the written approval of the Management Firm.

18. No pets may be kept by a Unit Owner on the Condominium Property, or in any Condominium Unit.

19. There shall be a per diem charge of 1/7th of the regular maintenance fee to Flexible Use Period Owners for each day of Use (as defined in Article V of the Declaration of Condominium) or portion thereof. For purposes of this per diem charge, a day shall be considered to commence at the "check-in time" of 3:00 P.M. and terminate at the "check-out time" of 10:00 A.M. on the next calendar day.

20. USE PERIODS. The Unit Weeks in every Condominium Unit are hereby segregated into the following 3. different kinds of use periods:

Guarantee Use Periods: Unit Weeks 21 thru 35, inclusive.

Preferred Flex Periods: Certain Guaranteed Use Period Weeks as specifically set forth on Exhibit 2, attached to this Declaration.

Flexible Use Periods: Unit Weeks 1 thru 20, inclusive and 36 thru 52, inclusive.

GUARANTEED USE PERIODS: Owners purchasing Unit Weeks designated herein as Guaranteed Use Periods shall be entitled to the exclusive use, possession and occupancy of a Unit during the specific Unit Weeks identified in the Purchase Agreement.

PREFERRED FLEX PERIODS: Each Owner purchasing a Unit Week or Weeks designated on Exhibit 9 attached to this Declaration as a Preferred Flex Period shall be entitled to the exclusive use, possession and occupancy of a Unit during the specific Unit Week or weeks identified in such purchaser's Purchase Agreement and, in addition shall have the right to use and occupancy, subject to space availability, in the Christmas Mountain Hotel as provided in the Rules and Regulations.

RESERVATION OF FLEXIBLE USE PERIODS: Owners purchase Unit Weeks designated herein as Flexible Use Periods shall only be entitled to the exclusive use, possession and occupancy of a Unit in accordance with the terms of the Condominium Rules and Regulations and pursuant to a reservation executed by or on behalf of the Management Firm.

Purchasers of Flexible Use Periods should carefully note the dates and "First Come-First Serve" basis for honoring reservation requests described in Paragraph 20 of the Rules and Regulations. If requests are delayed until only ten (10) days before the requested Unit Week(s), they might not be available. Purchasers who do not make their reservations in a timely manner will be obligated to take whatever remaining Flexible Use Periods are available. If the available Flexible Use Periods are not convenient to the purchaser's plan or schedule, the purchaser may lose his use of the project for that year. In such event, the management is not obligated to make alternative arrangements or to excuse payment of appropriate maintenance fees or to refund any of the purchaser's payments.

EFFECT OF PREVIOUS PARAGRAPH: Regardless of the Use Period(s) owned by any Flexible Use Period Owner, and regardless of the particular Unit with which such Use Period(s) may be associated, in the Purchase Agreement or otherwise, no person shall have any right whatsoever to occupy a particular Unit at any time, except pursuant to a reservation executed by or on behalf of the Management Firm. Said reservations, and other rights associated with Flexible Use Periods, shall be in accordance with the following:

(1) Each Owner of a Unit Week designated a Flexible Use Period shall be entitled to use and occupy any available Unit comparable to the Unit purchased and the common furnishings contained therein, together with the nonexclusive right to use the common facilities and recreational facilities, for one seven-day (7-day) Flexible Use Period per year, subject to any maintenance weeks as defined in Article IX.

(2) Each Owner may elect to divide their seven (7) day Flexible Use Period year into two (2) time periods. One time period being Friday, Saturday and Sunday and the second time period being Monday, Tuesday, Wednesday and Thursday. This will be the only form of division allowed an Owner choosing to divide his or her flexible week.

(3) Reservation requests from Flexible Use Period Owners will be honored by the Management Firm in the order in which they are received. Reservations may not be made more than two hundred seventy (270) days in advance of the designated flex period. Preferred Flex owners may request October 1 for the following year; Regular Flex may request a reservation on December 1 for the following flex year. Reservations will not be accepted less than ten (10) days in advance of the period to be reserved.

(4) There shall be no accrual or carryover of unused time from one year to the next.

(5) Reservations and cancellations, check-in and check-out times, and other ministerial functions shall be in accordance with the terms of this Declaration or with supplemental rules and regulations adopted by the Association or the Management Firm.

(6) No Owner shall be entitled to reserve any Use Period if the Owner is delinquent in the payment of his assessments, or any part thereof.

(7) Each Owner of a Unit Week designated a Flexible Use Period shall be liable for payment of all assessments and charges as provided by this Declaration, regardless of use or nonuse by the Owner of any Flexible Use Period in any given year.

(8) Notwithstanding the above, any day or days within a Flexible Use Period which is not reserved prior to the seven (7) days immediately before said day or days, in accordance with the reservation procedures set forth above, may be reserved by any Flexible Use Period Owner, who may thereby increase his use and occupancy rights beyond the basic entitlement of seven (7) days per Unit Week. There shall be no minimum stay required for such Use, and there shall be a per diem charge associated with such Use which fee shall be one-seventh (1/7th) of the regular weekly maintenance fee.

52