

March 1, 2007

**Eagle's Rest Condominium Homeowners' Association (ERCHOA)
Management Committee Guidelines
to Approve Construction on Limited Common Areas**

All modifications of the exterior of a unit require prior written approval the ERCHOA Management Committee. This may be obtained through the following application process:

1. All applications must be consistent with the existing architectural design and materials used on the units including but not limited to matching trim, roofing, siding, and paint.
2. The Management Committee may at its sole discretion assess an application fee for applications extensive enough to require architectural, engineering, legal, or other appropriate consultation. The purpose of this fee is to cover the consultation costs.
3. The Management Committee will require the Applicant to provide a rendering with dimensions and other information of the proposed modification. The Applicant must provide written proof to the Management Committee of compliance with this notification requirement.
4. The Applicant must supply the documents listed above, to adjoining units and seek written approval or objections from the adjoining units.
5. The Management Committee will send out a written notice by certified mail and seek comments from all homeowners at least 30 days prior to any extensive modification to the limited common area being approved. The Management Committee will carefully review these comments in making its decision to either grant or deny the Applicant's request.

6. If a renovation receives Conceptual Approval by the Management Committee, the Applicant must then seek approval from the Teton Village Architectural Committee. If there are any modifications of the plan resulting from the TVAC approval process, the applicant must submit the revised plans to the Management Committee for approval. The applicant must then seek a building permit and occupancy permit from Teton County. If there are any modifications of the plan resulting from the Teton County approval process, the Applicant must again submit the revised plans to the Management Committee for approval. In the event that revisions to the Applicant's originally approved conceptual plans exterior are significant, the Management Committee may require the Applicant to seek new comments and approvals from adjoining.

7. After the Management Committee has reviewed the final plans and approvals from TVAC and Teton County, then the Applicant must submit a Construction Plan. The Construction Plan will include but not be limited to the hours and dates of construction and construction use of common areas to avoid undue disturbance of other owners. The date, time, and common area use aspects of this construction plan should be clearly stated so that they may be rigidly enforced by the Management Committee. The Application will not be considered complete and construction may not commence until the Construction Plan is approved by the Management Committee.

Note: In the event of large renovations, the contractor may be required to store materials, construction vehicles, and refuse off-site. The Construction Plan should differentiate between heavy equipment use, exterior and interior construction dates and times.

8. The Applicant will be fully liable for any actions, complaints, or expenses incurred as a result of the construction. This may include but not be limited to loss of rental income by other

homeowners or property damage. To this end, the Applicant will be responsible to notify adjoining owners of the construction plans and schedule so that the owners may notify their respective rental management companies.

9. The Applicant will be required to sign an agreement to indemnify and hold the Management Committee harmless for its actions and decisions on this application and construction. Furthermore, the Management Committee shall be indemnified and held harmless for all actions and decisions made herein as provided in the Covenants.
10. The Management Committee reserves the right in its sole discretion to impose reasonable charges for which the Applicant will be liable, for non-compliance with the Construction Plan. These charges may be used to cover expenses of oversight of the contractor's time spent rectifying violations, or other direct expenses. Such charges shall be considered an HOA assessment and in the event of non-payment, a lien or foreclosure may be imposed on the owner's unit in the same manner as any other assessment as provided in the Covenants.
11. The Applicant will assume full liability for all improvements to limited common areas including timely completion according to the construction plan. In the event an Applicant fails to timely complete the project, the Management Committee may, following forty five (45) days written notice, retain a contractor to complete the project and assess the Applicant accordingly. The cost of completing the project shall be an assessment against the Applicant's property and in the event of non-payment, a lien or foreclosure may be imposed on the owner's unit in the same manner as any other assessment as provided in the Covenants.
12. Beginning the first day of the year following the start of construction, the percentage of ownership of the ERCHOA of the unit will be considered increased by the square footage in

the Applicant's plan and monthly dues will be increased accordingly. In return, the ERCHOA will be responsible for siding, roof, exterior maintenance, and insurance on the improvement to the same extent as it is on all other exteriors.

13. Based on experience or changing situations, the Management Committee may choose to modify these conditions. The newly adopted guidelines will be sent to all homeowners and will be immediately applicable to any ongoing or future construction. The right to proceed on an approved application shall not be unreasonably withheld.
14. In the event the Management Committee must retain an attorney to enforce the terms and conditions herein, the Applicant agrees to pay reasonable costs and attorney's fees in enforcing the same.