

**MORE'S CORNER**

**AMENDED AND RESTATED**

**RULES, REGULATIONS, RESERVATION**

**PROCEDURES AND POLICIES**

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## MORE'S CORNER

### AMENDED AND RESTATED RULES, REGULATIONS, RESERVATION PROCEDURES AND POLICIES

THESE AMENDED AND RESTATED RULES, REGULATIONS, RESERVATION PROCEDURES AND POLICIES (these “**Rules and Regulations**”), are promulgated and effective as of the 2<sup>nd</sup> day of September, 2014 (the “**Effective Date**”).

These Rules and Regulations govern the reservation, use and occupancy of the Townhomes, the Club Units, One-Half Club Units, the Common Elements, Exterior Maintenance Areas of More's Corner (the “**Project**”) and other aspects relating to operation, governance and uses in the Project. These Rules and Regulations shall remain in effect until amended by the Board of Directors of More's Corner Homeowners Association, Inc. (the “**Association**”), and shall apply to and be binding upon all Owners, Occupants and guests. Owners, Occupants and guests shall at all times comply with these Rules and Regulations and use their best efforts to ensure that these Rules and Regulations are fully and faithfully observed by other Owners, Occupants and guests. These Rules and Regulations are subordinate to the Amended and Restated Declaration for More's Corner (as amended from time to time, the “**Declaration**”). Capitalized terms used, but undefined in these Rules and Regulations, shall have the meaning set forth in the Declaration. In the event of any conflict between these Rules and Regulations and the Declaration, the Declaration shall control.

#### **1. RESERVATION PROCEDURES FOR CLUB UNITS (NOT INCLUDING ONE-HALF CLUB UNITS).**

The Project Reservation Procedures for Club Units, not including One-Half Club Units, have been designed to ensure that all Club Members have equal access to Club Units of their respective Club Unit Type, and have been carefully formulated in an attempt to be fair and equitable to all Club Members. Each Club Member is allowed to use the Project for: (a) two Planned Vacations during the Winter Season; (b) two Planned Vacations during the Summer Season; (c) one Optional Planned Vacation during the Summer Season and one Optional Planned Vacation during the Winter Season; and (c) such Space Available Vacations as may be reserved in accordance with the rules for making such reservations set forth herein. The time periods for requesting such reservations are described below and are summarized in Exhibit B attached hereto.

**As permitted in the Declaration and Bylaws, the Board of Directors reserves the right to alter these Reservation Procedures from time to time as conditions warrant. Although the deed to each Club Interest will show a specific Club Unit number, Club Members are purchasing the right to use a Club Unit of a particular Club Unit Type and may not stay in the Club Unit listed on the deed. Club Members may request a particular Club Unit within their Club Unit Type and their request may be honored, if possible, in the discretion of the Board of Directors (or the Managing Agent).**

#### **A. Winter Season.**

##### *1. Winter Season Planned Vacations.*

**Reservation Forms.** On July 1<sup>st</sup> of each year, the Board of Directors (or the Managing Agent) will send to all Club Members a Planned Vacation Reservation Form, requesting that Club Members select First and Second Planned Vacation dates for the following Winter Season. The relative priority of each Group for each Winter Season Vacation will be noted on that form by the Board of Directors (or the Managing Agent). **If the**

**Planned Vacation Reservation Form for the Winter Season is not received by the Club Member by July 5<sup>th</sup>, the Club Member should immediately notify the Board of Directors (or the Managing Agent).**

**On July 21<sup>st</sup>** of each year, Club Members must return the completed Planned Vacation Reservation Forms for the Winter Season to the Board of Directors (or the Managing Agent). It is the Club Member's responsibility to complete and return the Planned Vacation Reservation Form by **July 21<sup>st</sup>** to preserve priority rights for the upcoming Winter Season.

Priority Assignment of Club Weeks. The Board of Directors (or the Managing Agent) will allocate the Planned Vacations for the Winter Season after **July 21<sup>st</sup>**, as follows:

First Planned Vacation - Club Members are confirmed for a maximum of seven days based on their requests and their Reservation Priority Numbers. When demand for certain dates exceeds lodging supply, the Club Member with the highest priority for the First Planned Vacation for the Winter Season, as established by the Reservations Priority System, will be confirmed.

Second Planned Vacation - After the First Planned Vacations are confirmed for Club Members, reservations are confirmed for a maximum of seven additional days. When more than one Club Member requests the same dates in a particular Club Unit, the Club Member with the highest priority within such Club Unit for the Second Planned Vacation for the Winter Season, as established by the Reservations Priority System, will be confirmed.

Planned Vacation Reservation Forms received after **July 21<sup>st</sup>** will be considered on a first-come, first-served basis after all Planned Vacation Reservation Forms received by **July 21<sup>st</sup>** have been processed.

Written Confirmation. **On August 5<sup>th</sup>**, the Board of Directors (or the Managing Agent) will send written confirmation of the Planned Vacations for the Winter Season to each Club Member, along with an Optional Planned Vacation Reservation Form for the Winter Season. Additionally, a reservation calendar will be sent indicating which dates have been reserved by Club Members and which are available for Optional Planned Vacation reservations.

2. *Winter Season Optional Planned Vacations.*

Reservation Forms. **On August 21<sup>st</sup>** of each year Club Members who want to reserve an Optional Planned Vacation during the Winter Season must return the completed Optional Planned Vacation Reservation Forms (received with such Club Member's Planned Vacation confirmation for the Winter Season) to the Board of Directors (or the Managing Agent). It is the Club Member's responsibility to complete and return the Optional Planned Vacation Reservation Form by **August 21<sup>st</sup>** to preserve the rights for an Optional Planned Vacation in the upcoming Winter Season.

Priority Assignment of Club Weeks. Club Members' reservations for Optional Planned Vacations will be confirmed for a maximum of seven days. When demand for certain Optional Planned Vacation dates exceeds lodging supply, the Club Member with the highest priority for the Optional Planned Vacation for the Winter Season, as established by the Reservations Priority System, will be confirmed.

Optional Planned Vacation Reservation Forms received after **August 21<sup>st</sup>** will be considered on a first-come, first-served basis after all Optional Planned Vacation Reservation Forms received by **August 21<sup>st</sup>** have been processed.

Written Confirmation. **On September 5<sup>th</sup>**, the Board of Directors (or the Managing Agent) will send written confirmation of each Optional Planned Vacation for the Winter Season to those Club Members who have requested and received such reservations.

3. *Winter Season Space Available Vacations.* **Starting on September 5<sup>th</sup>**, Club Members may reserve Space Available Vacations at any time during the remainder of the Winter Season. All Space Available Vacation requests will be processed on a first-come, first-served basis.

B. **Summer Season.**

*Summer Season Planned Vacations.*

**Reservation Forms.** **On January 1<sup>st</sup>** of each year the Board of Directors (or the Managing Agent) will send to all Club Members a Planned Vacation Reservation Form, requesting that Club Members select First and Second Planned Vacation dates for the following Summer Season. The relative priority of each Group for each Summer Season Vacation will be the same as that assigned in the previous July for reservation of Winter Season Planned Vacations. **If the Planned Vacation Reservation Form is not received by the Club Member by January 5<sup>th</sup> the Club Member should immediately notify the Board of Directors (or the Managing Agent).**

**On or before January 21<sup>st</sup>** of each year Club Members must return the completed Planned Vacation Reservation Forms for the Summer Season to the Board of Directors (or the Managing Agent). It is the Club Member's responsibility to complete and return the Planned Vacation Reservation Form by **January 21<sup>st</sup>** to preserve priority rights for the upcoming Summer Season.

**Priority Assignment of Club Weeks.** **After January 21<sup>st</sup>**, the Board of Directors (or the Managing Agent) will allocate the Planned Vacations for the Summer Season as follows:

First Planned Vacation - Club Members are confirmed for a maximum of seven days based on their requests and their Reservation Priority Numbers. When demand for certain dates exceeds lodging supply, the Club Member with the highest priority for the First Planned Vacation for the Summer Season, as established by the Reservations Priority System, will be confirmed.

Second Planned Vacation - After the First Planned Vacation is confirmed for Club Members, reservations are confirmed for a maximum of seven additional days. When demand for certain dates exceeds lodging supply, the Club Member with the highest priority for the Second Planned Vacation for the Summer Season, as established by the Reservations Priority System, will be confirmed.

Planned Vacation Reservation Forms received after **January 21<sup>st</sup>** will be considered on a first-come, first-served basis after the Planned Vacation Reservation Forms received by **January 21<sup>st</sup>** have been processed.

**Written Confirmation.** **On February 5<sup>th</sup>**, the Board of Directors (or the Managing Agent) will send written confirmation of the Planned Vacations for the Summer Season to each Club Member, along with an Optional Planned Vacation Reservation Form for the Summer Season. Additionally, a reservation calendar will be sent indicating which dates have been reserved by which Club Members and which periods are available for Optional Planned Vacation reservations.

*Summer Season Optional Planned Vacations.*

**Reservation Forms.** **On February 21<sup>st</sup>** of each year Club Members who want to reserve an Optional Planned Vacation during the Summer Season must return the completed Optional Planned Vacation Reservation Forms (received with such Member's Planned Vacation confirmation for the Summer Season) to the Board of Directors (or the Managing Agent). It is the Club Member's responsibility to complete and return the Optional Planned Vacation Reservation Form by February 21<sup>st</sup> to preserve the rights for an Optional Planned Vacation in the upcoming Winter Season.

Priority Assignment of Club Weeks. Club Members' reservations for Optional Planned Vacations are confirmed for a maximum of seven additional days. When demand for certain Optional Planned Vacation dates exceeds lodging supply, the Club Member with the highest priority for the Optional Planned Vacation for the Summer Season, as established by the Reservations Priority System, will be confirmed.

Optional Planned Vacation Reservation Forms received after February 21<sup>st</sup> will be considered on a first-come, first-served basis after all Optional Planned Vacation Reservation Forms received by **February 21<sup>st</sup>** have been processed.

Written Confirmation. **On March 5<sup>th</sup>**, the Board of Directors (or the Managing Agent) will send written confirmation of any Optional Planned Vacation for the Summer Season to those Club Members who have requested and received such reservations.

*Summer Season Space Available Vacations.* **Starting on March 5<sup>th</sup>**, Club Members may reserve Space Available Vacations at any time during the remainder of the Summer Season. All Space Available Vacation requests will be processed on a first-come, first-served basis.

**C. Miscellaneous Reservation Procedures and Policies.**

*Reservation Requests.* Except as otherwise provided herein, all written Reservation Forms and requests shall be sent to the Board of Directors (or the Managing Agent) via first-class mail, electronic mail with a read receipt, or facsimile transmission (with electronic confirmation of receipt) at the following or at such other address as the Board of Directors (or the Managing Agent) designates from time to time by written notice to all Club Members.

Pinnacle Resort Management  
2096 Indian Summer Drive  
Steamboat Springs, CO 80487  
[info@pinnacleresorts.net](mailto:info@pinnacleresorts.net)  
Facsimile: (970) 879-5037

*Space Available Requests.* May be made via electronic mail with a read receipt to the Board of Directors (or the Managing Agent), or sent to the Board of Directors (or the Managing Agent) via first class mail or facsimile transmission (with electronic confirmation of receipt). Club Members must receive confirmation of reserved vacations from the Board of Directors or the Managing Agent prior to arrival.

*Cancellation/Failure to Cancel or Use.* If a Club Member wants to cancel a Planned Vacation or an Optional Planned Vacation, but retain the usage rights associated with the canceled Vacation, a written request for cancellation must be received by the Board of Directors (or the Managing Agent), at least 21 (twenty-one) days prior to the Club Member's scheduled arrival at the Project. If the notice of cancellation is not received in writing at least 21 (twenty-one) days prior to the scheduled arrival, the Board of Directors (or the Managing Agent) will deem all of the Vacation days for which proper notification was not received to have been used. There is no guarantee that a canceling Club Member will be able to secure another reservation in that same Club Year. If a Club Member fails to check in at the Project for an Optional Planned Vacation or a Space Available Vacation without giving notice to the Board of Directors (or the Managing Agent) at least 14 (fourteen) days prior to such Club Member's scheduled check in, the Club Member must pay a \$500 cancellation fee subject to the Board of Directors' (or the Managing Agent's) discretion to waive such fee.

*No Carry Forward of Use Rights.* If, for whatever reason, a Club Member, members of his or her family, his or her guests, tenants, licensees or invitees do not use all of the Club Week(s) that such Club Member is entitled to reserve or use in a particular Club Unit Ownership Year, the unused time cannot be accumulated and

carried forward for future use at the Project, and such Club Member shall remain responsible for complying with all the provisions of the Project Documents, including but not limited to the payment of all Assessments and other amounts levied by the Association against his or her Club Interest.

2. **OCCUPANCY OF CLUB UNITS.**

A. **Check-In and Check-Out Time.** Check-in time shall be 4:00 p.m. (“**Check-In Time**”) on the first day of any Club Week. All Club Members and Occupants shall vacate and remove all personal belongings from the Club Units no later than 10:00 a.m. (“**Check-Out Time**”) on the last day of their reserved Club Weeks. The period between Check-Out Time and Check-In Time is to permit the routine cleaning and maintenance of Club Units. However, a Club Member or Occupant who has reserved or is otherwise entitled to consecutive Club Weeks in the same Club Unit shall not be required to vacate such Club Unit during the period of time between such check-out and check-in times.

B. **Failure to Vacate.** If a Club Member or Occupant fails to vacate a Club Unit at the prescribed time, the Board of Directors (or the Managing Agent) shall take such prompt action as may be necessary to remove such Club Member or Occupant, together with the personal belongings thereof, from the Club Unit wrongfully occupied and such Club Member will be responsible for whatever costs and expenses are incurred by the Association or the Club Member or Occupant otherwise entitled to use thereof in connection with such wrongful occupancy as described in the Declaration. In addition, such Club Member will be charged a fee in the amount specified in the Declaration. Except for belongings left in the Project’s long term clothing and equipment storage (2-45 gallon plastic bins and one ski bag provided by the Association) that are facilities, neither the Association, the Board of Directors, nor the Managing Agent shall be liable or responsible in any manner whatsoever for the value of any personal effects left in a Club Unit or elsewhere in or about the Project at the end of a reserved Club Week. All such personal effects shall be considered abandoned and may be sold or otherwise disposed of by the Association.

C. **Housekeeping Service.** Full housekeeping services will be provided to ensure that each Club Unit is clean and neat at the start of a Club Member’s or Occupant’s reserved Club Week. A mid-week clean will be provided for stays of five nights or more. However, if a Club Member or Occupant desires additional housekeeping services, or causes additional cleaning or housekeeping services to be required over and above that which would ordinarily be provided, then such Club Member or Occupant may be charged a Use Fee for such additional service.

D. **Guests and Tenants.** Club Members may rent their Planned Vacation time under terms and conditions approved by the Board of Directors (or the Managing Agent) and permitted by applicable law. Club Members may not rent, exchange, or otherwise permit use of by Unaccompanied Guests during Optional Planned Vacations or Space Available Vacations, and may not rent to a number of guests in excess of the Sleeping Capacity for a Club Unit. Each Club Member is responsible for the conduct of all Occupants of such Club Member’s Club Unit, and for all financial obligations incurred by such persons at the Project. Each Club Member should notify the Board of Directors (or the Managing Agent) in writing of the arrival and departure dates for any Unaccompanied Guests. Upon check-in at the Project, such Unaccompanied Guests shall present identification in a form acceptable to the Board of Directors (or the Managing Agent), together with written authorization to enter and use such Club Member’s Club Unit for the Club Week(s) in question. The Board of Directors (or the Managing Agent), in its discretion, may decline access to such Club Unit in the event such identification is not provided.

E. **Internal Exchanging of Planned Vacations.** Club Members may exchange their confirmed Planned Vacations with other Club Members. Club Members will be provided a reservations calendar after Planned Vacations have been confirmed for the Winter and Summer Seasons, respectively. Exchanges may be arranged directly between Club Members or at the Board of Directors’ (or the Managing Agent’s) discretion, through the Board of Directors (or the Managing Agent). Written notice of an exchange must be provided to



the Board of Directors (or the Managing Agent) at least 21 (twenty-one) days prior to the arrival date of the Club Member using the earliest Planned Vacation involved in the exchange. The Association encourages and will make all reasonable efforts to facilitate such exchanges between Club Members.

F. **External Exchanges.** Board of Directors (or the Managing Agent) may, but shall have no obligation to, enter into agreements with providers of travel and leisure benefits and offer Club Members the opportunity to contract with these providers to exchange Planned Vacations for use rights at other resorts or other travel and leisure benefits. Optional Planned Vacations and Space Available Vacations may not be exchanged through any such program. All Occupants are subject to these Rules and Regulations and the other Project Documents. However, parties who use Club Units through a program made available through an agreement with the Association and the provider of such program, if any, shall not be considered Unaccompanied Guests for purposes of these Rules and Regulations, except for provisions regarding prohibition of use during certain Vacations by Unaccompanied Guests. Club Members may not enter into any external exchange arrangement that has not been approved by the Association and Club Weeks may not be submitted to an external exchange.

G. **Keys.** Each Club Member and Occupant shall return to the Board of Directors (or the Managing Agent) upon check-out all keys to the Club Unit. Club Members and Occupants shall be responsible for all lost keys. No Club Member or Occupant shall interfere with any electronic lock, alter any lock or install a new lock on the door of any Club Unit or Common Element within the Project. Club Members will be charged \$15 per lost key and \$30 per lost garage door opener.

### 3. **ONE-HALF CLUB UNITS.**

A. **Occupancy by One-Half Club Unit Owners.** Each One-Half Club Unit Owner shall have exclusive possession and occupancy of the One-Half Club Unit that said Owner has acquired, for three (3) separate eight (8) week intervals ("One-Half Club Interval") (or a total of twenty-four (24) weeks during each fifty-two (52) week period ("One-Half Club Year") in accordance with the calendar established and maintained by the Association, said calendar to encompass no less than a five (5) year period ("One-Half Club Calendar"). The One-Half Club Calendar will designate two (2) separate two (2) week periods during the fifty-two (52) week One-Half Club Year for the purpose of thorough cleaning, painting and other renovations of the One-Half Club Units ("Two-Week Maintenance Period") as determined by the Association in its sole discretion. Attached hereto as Exhibit D and made a part hereof, is the initial One-Half Club Calendar.

#### B. **One-Half Club Units Occupancy Procedure.**

1. **Occupancy Notice.** In the event that a One-Half Club Unit Owner is not going to utilize a One-Half Club Interval, then the One-Half Club Unit Owner shall be required to notify the Association, or the Managing Agent, of that fact within seven (7) days prior to the commencement of the applicable One-Half Unit Interval.

2. **Check-In and Check-Out Time.** Check-in time for One-Half Club Units during One-Half Club Intervals ("One-Half Club Unit Check-In Time") shall be 4:00 p.m. on the first day of the One-Half Club Interval. All One-Half Club Unit Owners and occupants of a One-Half Club Unit shall vacate and remove all of their personal belongings from the One-Half Club Unit no later than 10:00 a.m. ("One-Half Club Unit Check-Out Time") on the last day of the applicable One-Half Club Interval. The period of time between the One-Half Club Unit Check-Out Time and One-Half Club Unit Check-In Time is to permit the routine cleaning and maintenance of the One-Half Club Unit.

3. **Failure to Vacate.** If a One-Half Club Unit Owner or occupant fails to vacate a One-Half Club Unit at the prescribed time, the Board of Directors (or the Managing Agent) shall take such prompt action as may be necessary to remove such One-Half Club Unit Owner or occupant, together with

the personal belongings thereof, from the One-Half Club Unit wrongfully occupied and such One-Half Club Unit Owner will be responsible for whatever costs and expenses are incurred by the Association or the subsequent One-Half Club Unit Owner who has rights of occupancy of the One-Half Club Unit otherwise entitled to use thereof in connection with such wrongful occupancy as described in the Declaration. In addition, such One-Half Club Unit Owner will be charged a fee in the amount specified in the Declaration. Neither the Association, the Board of Directors nor the Managing Agent shall be liable or responsible in any manner whatsoever for the value of any personal effects left in a One-Half Club Unit or elsewhere in or about the Project at the end of the applicable One-Half Club Unit Interval. In each One-Half Club Unit, there will be a locked-off area for each One-Half Club Unit Owner to store any personal affects. All such personal effects shall be considered abandoned and may be sold or otherwise disposed of by the Association.

4. Housekeeping Services. There will be no housekeeping services provided to a One-Half Club Unit during a One-Half Club Unit Interval, the responsibility for said housekeeping to be that of the One-Half Club Unit Owner. At the end of each One-Half Club Unit Interval, the Board of Directors or the Managing Agent, shall perform appropriate housekeeping services in the One-Half Club Unit to meet the standards of the Board of Directors or the Managing Agent, at their sole discretion, the cost of which will be the responsibility of the applicable One-Half Club Unit Owner, said cost to be considered an additional assessment payable in accordance with the terms of the Declaration and these Rules and Regulations.

5. Guests and Tenants. One-Half Club Unit Owners may rent their One-Half Club Unit Interval under terms and conditions approved by the Board of Directors (or the Managing Agent) and permitted by applicable law. One-Half Club Unit Owners may not rent to a number of guests in excess of the Sleeping Capacity for the applicable One-Half Club Unit. Each One-Half Club Unit Owner is responsible for the conduct of all occupants of such One-Half Club Unit Owner's One-Half Club Unit, and for all financial obligations incurred by such persons at the Project. Each One-Half Club Unit Owner should notify the Board of Directors (or the Managing Agent) in person of the arrival and departure dates for any Unaccompanied Guests. Upon check-in at the Project, such Unaccompanied Guests shall present identification in a form acceptable to the Board of Directors (or the Managing Agent) together with written authorization to enter and use such One-Half Club Unit Owner's One-Half Club Unit. The Board of Directors (or the Managing Agent) in its discretion may decline access to such One-Half Club Unit in the event such identification is not provided.

6. Keys. Each One-Half Club Unit Owner and occupants shall return to the Board of Directors (or the Managing Agent) upon check-out all keys to the One-Half Club Unit. One-Half Club Unit Owners and occupants shall be responsible for all lost keys. No One-Half Club Unit Owner or occupant shall interfere with any electronic clock, alter any lock or install any new lock on the door of any One-Half Club Unit or common element within the Project. One-Half Club Unit Owners will be charged fifteen dollars (\$15.00) per lost key and eighty-five dollars (\$85.00) per lost garage door opener.

7. Applicability of Other Provisions of the Rules and Regulations to One-Half Club Units. All of the other Rules and Regulations set forth herein that apply to Townhomes, Club Units and Club Interests shall apply to One-Half Club Units, except when in conflict with the provisions set forth in Section 3 above.

#### 4. TRANSFERS & RENTING

A. Transfers. All transfers of Townhomes, Club Units and Club Interests within the Project shall be governed by the terms, conditions and restrictions contained in the Declaration. Immediately upon any transfer of a Townhome, Club Unit or Club Interest as permitted by the Declaration, an Owner shall give written notice thereof, by registered or certified mail, to the Board of Directors (or the Managing Agent). The written notice shall state the name and address of the transferee and shall be accompanied by a non-refundable administrative fee of two hundred fifty dollars (\$250.00). The notice shall also be accompanied by a true and correct copy of the applicable recorded deed or other instrument of transfer, pursuant to which title is vested in

the new Owner. Upon any transfer, whether by foreclosure or otherwise, the transferee must pay or cause the seller to pay all delinquent Assessments and late penalties.

B. **Rental.** Any lease or rental of a Townhome shall contain a covenant that the lessee shall comply with all Rules and Regulations then in effect for the Project. Except as set forth in Paragraph 2D of these Rules and Regulations, Club Members may not lease or rent Club Units or Club Weeks without the prior written consent of the Board of Directors (or the Managing Agent) as appropriate.

5. **PAYMENT OF ASSESSMENTS AND OTHER FEES.**

A. **Assessments.** Payment of the annual Club Assessment or Townhome Assessment, as applicable, shall be due in four quarterly installments, on January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup>, and October 1<sup>st</sup> of each year. The Association shall bill each Owner quarterly. An Owner's failure to receive a bill shall not excuse payment of an installment. Failure to pay an installment within 30 (thirty) days of its due date shall bear interest at the rate of twelve percent (12%) per annum until the unpaid installment(s), and unpaid interests are paid.

B. **Transfer.** In the event of a conveyance or transfer of a Club Interest, a transferee who obtains title by foreclosure or otherwise shall be obligated to pay or cause the seller to pay all delinquent Assessments and late penalties.

C. **Delinquencies.** The Association will not allow a Club Member to make a reservation or to occupy a Club Unit if the Club Member is delinquent on his or her payment of any Assessments.

D. **Use Fees.** In addition to Club Assessments, Club Members may be charged fees for additional services provided by the Association at the Club Member's request, such as fees for groceries, additional housekeeping services and similar items, as well as other incidental charges attributable to the day-to-day management of the Project and the reservations system ("**Use Fees**"). Unaccompanied Guests may be charged Use Fees at rates established by the Board of Directors (or the Managing Agent). The rates will be distributed to Club Members each year, with the Planned Vacation Reservation Forms. Townhome Owners may elect to use such Club services and, if so, shall be required to pay such additional Use Fees.

E. **Day Use.** Day Use Guests accompanied by an Owner may use the Project's amenities and services. Day Use is subject to availability. Owners should contact the Board of Directors (or the Managing Agent) prior to the intended day of use to assess availability of services and amenities. Owners and their guests must check in daily with the office of the Board of Directors (or the Managing Agent) to register for Day Use. The Board of Directors (or the Managing Agent) has the right to limit Day Use by Owners and the number of Day Use Guests accompanying an Owner. Day Use Guests are charged \$5 per day per person for use of the Amenities.

6. **OBSTRUCTION OF COMMON ELEMENTS.**

There shall be no obstruction of, nor shall anything be stored in, the common elements without the prior written consent of the board of directors or the association. The common elements shall be kept free and clear of refuse, debris and other unsightly material. Common Elements shall be used only for the purposes for which they were designed.

7. **EXTERIOR SURFACES OF BUILDINGS.**

Except as otherwise set forth in the Declaration, no sign, advertisement, notice, other writing, awning, canopy, shutter, screen, radio or television antenna, or other object shall be displayed from, affixed to or placed upon the exterior walls, windows (both exterior and interior), doors or roofs of the Townhomes or Club Units or from, to or upon any of the Common Elements without the prior written consent of the Board of Directors (or

the Managing Agent). The exterior of the Townhomes, Club Units and Common Elements shall not be painted, decorated or in any manner modified without the prior written consent of the Board of Directors which consent may be withheld on purely aesthetic grounds, in the Board of Directors' sole discretion, except as may be otherwise provided in Paragraph 18 of these Rules and Regulations. The foregoing shall not limit any rights of the Declarant as set forth in the Declaration. Notwithstanding any provisions of the Declaration, Bylaws, or Rules and Regulations to the contrary, an Owner may display an American Flag, service flag, or political sign but only as provided in this rule. An American Flag may be displayed in a window or porch of a Townhome but shall be no larger than three feet by five feet. An Owner may display a service flag with a star denoting his or an immediate family member's service in the military during a time of war or armed conflict, in the window or door of a Townhome. The size of such service flag must be no larger than nine inches by sixteen inches. An Owner may display a political sign within a window of a Townhome no earlier than 45 days prior, nor 7 days subsequent to an election. A political sign is as defined in the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. ("Act"). The size and number of political signs is limited to the fullest extent provided by the Act.

8. **EMERGENCY ENTRY.**

In case of an emergency originating in or threatening the condition of any Townhome, Club Unit, Common Elements or Club Unit Furnishings, or the health or safety of any person, the Board of Directors (or the Managing Agent), through an authorized representative thereof, shall have the right to enter any Townhome or Club Unit for the purpose of remedying or abating such emergency. In order to facilitate such right of entry, the Board of Directors and the Association or its Managing Agent will retain a pass key to each Townhome and Club Unit within the Project.

9. **RULE PROHIBITING INTERFERENCE WITH EMPLOYEES AND STAFF.**

No Owner or Occupant shall direct, supervise or in any manner attempt to assert control over the employees or other agents of the Declarant, the Association or the Managing Agent.

10. **ANNOYANCE OR NUISANCE.**

No Owner or Occupant of a Townhome or Club Unit shall make or permit any disturbing noises or offensive odors, nor do or permit anything that will interfere with the rights, comfort or convenience of the other Owners and Occupants. All Occupants of a Townhome or Club Unit shall lower the volume as to the foregoing items from 10:00 p.m. to 8:00 a.m. The Board of Directors shall have the right to abate all nuisances in or about the Project.

No noxious, offensive, dangerous or unsafe activity shall be carried on in any property, or the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners, or Occupants or guests or which may interfere with their peaceful enjoyment of the Common Elements for the purposes for which they were designed.

Owners and Occupants shall be responsible for the conduct of members of their families, their guests, tenants, invitees and licensees. Owners and Occupants shall ensure that such persons' behavior is neither offensive to any Owner or Occupant nor damaging to any Townhome, Club Unit, or portion of the Common Elements or Club Unit Furnishings.

11. **BARBECUE RULES.**

Electric & Gas barbecue grills of a type approved by the Board of Directors (or the Managing Agent) may be used on porches in areas specifically designated for such use, if any.

12. **PORCH RULES.**

A. No articles, other than patio-type furniture, shall be placed on the porches. Exceptions must be approved in writing by the Manager or the Board of Directors of the Association.

B. No items shall be placed on the outside window sills. Nothing is to be shaken or hung from the windows or porches.

C. No Owner, Occupant or guest shall permit anything to fall from a window or porch, nor sweep or throw from the property any dirt or other substance, including but not limited to cigarette butts, water or cleaning solutions, onto any of the porches or elsewhere upon the Common Elements.

D. Clothes racks are prohibited on porches. No clothing, towels, rugs, hammocks or swings, shall be hung on the porch.

E. Floor coverings for the porch must be approved, and acceptable waterproofing must be part of the plan submitted for approval. No rugs, carpet of any type, or other surface destructive to the structure shall be used at any time.

13. **DISPOSAL OF REFUSE.**

Refuse and bagged garbage shall be deposited only in such areas as are expressly provided therefor.

14. **NO PETS.**

A pet may be kept only in a designated Pet Townhomes and a wholly owned Townhomes. The Board has designated specified Club Townhomes as Pet Townhomes. Only Owners and immediate family members of Owners are permitted to bring or have pets at the Project. At no time shall an Owner or immediate family member of Owner keep more than two pets at the Project at any one time.

A bona fide service animal is not considered a pet and is not subject to the general prohibitions applicable to pets in non-Pet Townhomes and Common Elements (but shall be subject to the provisions herein governing cleaning, repair, maintenance and leashing occasioned by the service animal).

The term "pet(s)" shall refer to domesticated dogs only. All pets must be licensed. All pets must be vaccinated in accordance with the law. The pet owner is solely responsible for contacting the City to ensure compliance.

- B. At all times when a pet is anywhere on the Project, the pet shall not interfere with the use and enjoyment of the Project by others. No pet may be permitted to create any inconvenience, noise, safety concern or disturbance on the Project. If a pet is deemed by the Board, in its absolute discretion, to be a nuisance and/or to interfere with the use and enjoyment of the Project by others, the pet shall be removed from the Project. In addition to all other remedies under the Declaration and Rules and Regulations, the Board may demand the permanent removal of a pet in violation of this section from the Property within 12 hours after delivery of written notice to the pet's owner at the Pet Townhome.
- C. When a designated Pet Townhome is occupied by a pet a cleaning fee of \$350 will be charged for each arrival. This fee is in addition to any other Use or housekeeping fees.
- D. A pet authorized to be on the premises by this rule may only be in approved locations. The Board, shall, in its sole discretion, designate those approved locations. At no time will pets be allowed in the gym or pool areas at the amenities facility.

- E. Pets shall not be allowed outside unless restrained by a leash or under the direct control of the pet's owner.
- F. All pet owners shall immediately clean up after their pet and dispose of their pet's refuse in a trash can within the garage or in one of the designated pet refuse centers. Pets must be kept clean and groomed at all times in a Pet Townhome.
- G. Any damage caused by a pet anywhere on the Project, whether inside the Pet Townhome or outside, must be immediately reported to the Association so that the area can be cleaned or repaired. The Owner is responsible for all damages caused by the pet, including without limitation, damage to grass, shrubs, trees or any other portion of the Common Elements.
- H. No boarding for commercial purpose, breeding or selling of any animal may be carried on anywhere in the Project.
- I. Pets may not be left unattended on a balcony, deck or terrace at any time. Pets may not be left unattended on the Project (including within a Pet Townhome) for more than ten (10) hours at a time.
- J. The Owner and any Occupant permitting any animal or pet to enter the Project shall indemnify the Association, the Association's Board of Directors, and any of its agents or employees, and hold them harmless against loss or liability of any kind of character whatsoever arising from or as a result of having any animal or pet on the Project.
- K. If an Owner elects to have their home cleaned while they have a pet in the Townhome the pet must be removed from the Townhome or kenneled while it is being cleaned.
- L. Enforcement of this rule shall be in accordance with Rule 22(D & E).

15. **NO SMOKING.**

No smoking is permitted in the Club Units or the Common Elements, including all recreational facilities.

16. **PARKING.**

A. **Common Elements.** No parking shall be permitted within the Common Elements of the Project, except in areas designated for parking.

B. **Parking Rules.** Only vehicles that fit into a garage or parking space may be parked. No repair or maintenance of automobiles or other vehicles shall be undertaken. Minor vehicle repair work shall be permitted in emergency cases only, provided that the area is cleaned after repairs have been completed. Vehicles leaking fluids or emitting fumes will not be and are not allowed. Persons speeding or driving recklessly on Common Elements shall be banned from parking or be subject to other remedies of the Association.

17. **ADDITIONAL OR POSTED AMENITY RULES**

The Board of Directors (or the Managing Agent) may adopt rules relating to the use of all facilities and amenities within the Common Elements, including the recreational facilities and other non-lodging improvements (herein, the "Amenity Facilities") and/or amend such rules from time to time as they deem necessary. Additional Amenity Facilities Rules may be posted in Amenity Facilities and shall have the same force and effect as if stated herein. Failure to comply with the Amenity Facilities Rules as posted shall subject any Owner or Occupant to the same consequences as for the breach of any rule expressly stated herein.

18. **COMPLAINTS; VIOLATIONS.**

Complaints regarding the operation and maintenance of the Project and violations of any of the Governing Documents or these Rules and Regulations should be made or reported to the Board of Directors (or the Managing Agent).

19. **ARCHITECTURAL APPROVAL PROCESS.**

A. **Architectural Control Committee.** The Board of Directors shall constitute the Architectural Control Committee (herein, the “**Committee**”).

B. **Submission of Plans and Specifications.** Any Owner who proposes to make any alteration to which Section 16.4 or 17.1 of the Declaration applies, shall submit plans and specifications showing the nature, kind, shape, height, color, materials and location of the proposed alternations in sufficient detail for the Committee to review them. Such Initial Submittal shall be made at least 90 days prior to any proposed work is to begin in order to provide sufficient time for review. The Initial Submittal shall be delivered to the Board of Directors (or the Managing Agent).

C. **Submittal Fee.** The Initial Submittal shall be accompanied by a processing and review fee in the amount of \$250.

D. **Expert Review.** Upon initial review, the Committee shall determine whether review is required from experts including, but not limited to, architects, engineers, or attorneys. If it is determined that such review is required, the Owner shall be notified and all costs incurred for such review will be charged to the Owner. Although an estimate of such costs will be provided to the Owner, the final costs charged to the Owner will not be limited to such estimate but will be equal to the full cost charged by such expert.

E. **Committee Review.** The Committee shall exercise reasonable judgment in the review of plans and specifications submitted to it, and shall have and may exercise broad discretion to the end that all improvements, construction, landscaping and alterations on the land harmonize with existing surroundings and structures, comply with the Declaration, and are consistent with the purposes and intent of the Declaration. The Committee shall specifically consider the impact of the alteration on the harmony of external design and location in relation to surrounding structures and topography.

F. **Response by Committee.** The Committee shall approve, disapprove, approve with conditions, require additional information, or notify the Owner that additional time is required, within forty-five (45) days after submission of the plans. In the event the Committee fails to so act within forty-five (45) days, the request shall be deemed to have been approved. If the Committee requests additional information, the Owner changes any aspect of the plans and specifications, or the Committee requests a review from experts, the Committee shall have an additional forty-five (45) days to act beginning with the receipt by the Committee of the additional information.

G. **Disclaimer.** Any review under this rule shall be for the sole purpose of protecting the respective rights and interests of the Owners and the Association, and no such review or approval shall constitute an express or implied warranty of any nature as to the plans, specifications or other matters in question, including whether such plans and specifications and any structure built pursuant thereto satisfy building codes, or are property designed or engineered.

H. **Deadlines.** Any approval by the Committee shall include a date by which the approved work shall be completed. If the approved work is not completed by this deadline, the Association may assess the Owner, as liquidated damages, up to \$1000 per day for each and every day in which the work is not completed. Such liquidated damages will be assessed as a special Assessment and shall be due and payable as provided in the Declaration, Articles of Incorporation, Bylaws, and Rules and Regulations as any other special Assessment.

20. **ADDITIONAL RULES AND REGULATIONS; AMENDMENTS**

The power to adopt Rules governing the Association is vested in the Board of Directors and the Board of Directors reserves the right to promulgate from time to time such additional Rules and Regulations and/or to amend these Rules and Regulations as may be deemed necessary or desirable, in the Board of Directors' discretion, without the consent of the Association or its members.

21. **ATTORNEYS' FEES.**

The Association shall be entitled to recover its reasonable attorneys' fees and other costs incurred in the event it prevails in any legal action or proceeding brought against an Owner or Occupant to enforce these Rules and Regulations.

22. **SUPERSEDING RULES.**

These Rules and Regulations supersede all prior Rules and Regulations of the Project in full and shall remain in force until superseded by revised Rules and Regulations promulgated by the Association or the Board of Directors.

23. **RESPONSIBLE GOVERNANCE POLICIES.**

A. **Board Meetings.** The Bylaws provide that the Board of Directors shall provide for the holding of regular meetings at the time(s) and place(s) as shall be determined. Notice of any meeting may be waived as provided in the Bylaws. Owners may obtain a copy of the agenda for any meeting of the Board of Directors by contacting the Managing Agent of the Association. Owners may attend any meeting of the Board of Directors, except any portion of any such meeting in which the Board of Directors is in executive session.

B. **Owner Meetings/Owner Voting.** The Bylaws provide that an annual meeting of the Owners shall be held at such date, time, and place as determined by the Board of Directors. Voting for contested Director positions shall be by secret written ballot and shall be counted by a neutral third party or by a committee. Votes on other matters will be by secret ballot only at the discretion of the Board of Directors or request of 20% of the Owners present at the meeting or represented by proxy. Vote count committee members shall be unit Owners who are selected or appointed at an open meeting in a fair manner, by the presiding officer. The committee members shall not be board members and, in the case of a contested election for a board position, shall not be candidates.

C. **Examination, Inspection, and Copying of Records, Policies, and Procedures.**

The Association shall keep the following permanent records:

- a. Detailed records of receipts and expenditures affecting the operation and administration of the Association.
- b. Records of claims for construction defects and amounts received pursuant to settlement of those claims.
- c. Minutes of all Board and Owner meetings.
- d. Records of all actions taken by the Board or Owners without a meeting.
- e. Records of all actions taken by the Board or Owners by written ballot.
- f. Records of all actions taken by a committee on behalf of the Board.
- g. Written communications among, and the votes cast by, Board Members that are directly related to an action taken by the board without a meeting pursuant to C.R.S. 7-128-202 or the Association's Bylaws. Such written communication shall be copied to the Association's manager who shall be responsible for maintaining these records.



- h. A record of Owners. This shall be kept in a form that permits preparation of a list of names and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner has; except the Association is not required to maintain such a list for units that are time-shares, also known as Club Units.
- i. Articles of Incorporation, Declaration, Covenants, Bylaws, Rules, responsible governance policies, and any other policies adopted by the Board;
- j. All financial statements as described in section 7-136-106 (most recent annual financial statements and most recently published financial statements, showing in reasonable detail its assets and liabilities and results of its operations); audits or reviews done in the last three years;
- k. All tax returns for the past seven years;
- l. Most recent annual report delivered to the Secretary of State;
- m. A list of the names, physical mailing addresses, and electronic mail addresses of the current Board and its officers;
- n. Financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) concerning statements of unpaid assessments;
- o. The most recent reserve study, if any;
- p. Current contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- q. Records of Board or committee actions to approve or deny any requests for design or architectural approval from owners.
- r. Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate
- s. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- t. All written communications to Owners generally within the last three years;

The following records shall be kept at the Association's principal office:

- All written communications to Owners within the last three years;
- A list of the names and addresses of the current Board of Directors and its officers;
- Most recent annual report, if any;
- All financial audits or reviews done in the last three years; and
- A record of Owners, their addresses, and the number of votes each has:

The following information and documents shall be compiled in a binder or posted on the Association's website within 90 days after the end of each fiscal year:

- The Association's name; the name of any designated agent or Managing Agent for the Association; and the physical address and telephone number for the Association and any designated agent or Managing Agent;
- The name of the common interest community;
- The initial date of the recording of the Declaration, and where the Declaration is located in the county records (the reception number or book and page).
- The date the Association's fiscal year begins;
- The Association's operating budget for the current fiscal year;
- A list, organized by unit type, of the Association's current regular and special assessments;
- The Association's annual financial statements, including any money held in reserve, and the most recent available audit or review;

A list of all Association insurance policies, including the insurance company name, policy limits, policy deductibles, additional named insureds, and expiration dates;  
The Association's bylaws, articles, and rules and regulations;  
All Board of Directors meeting and Owner meeting minutes for the preceding fiscal year;  
The Association's responsible governance policies.

If the Association's address, designated agent, or management company changes, this information will be provided, in writing, within 90 days.

These records shall be made reasonably available for inspection and copying by an Owner or the Owner's authorized agent. "Reasonably available" means available at the Association's principal place of business, which is at the offices of the Association's Managing Agent, during normal business hours, upon notice of five business days, to the extent that:

The request is made in good faith and for a proper purpose;  
The request describes with reasonable particularity the records sought and the purpose of the request; and  
The records are relevant to the purpose of the request.

An Owner may obtain a copy of any of these records upon the prepayment of all costs for copying, which shall include \$.20 for each copy. All documents that are not specifically required to be disclosed and are confidential, attorney-client privileged, or subject to another privilege shall not be disclosed to Owners. All records maintained by the Association are available for examination and copying by an Owner or by his or her duly authorized attorneys, at the expense of the Owner requesting such examination or copies, during normal business hours. Any Owner who seeks to inspect and copy any of the Association's books or records, whether pursuant to the provisions of the Association's Bylaws or any applicable provision of law, shall make such request in writing to the Association at least five business days prior to the date on which such inspection is sought. Personal inspection of the Association's books and records can be arranged by appointment with the Association during the Association's regular business hours.

D. **Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and The Schedule of Fines.** The Board of Directors may fine, provided determination of the amount of the fine is within the sole discretion of the Board of Directors. The Board of Directors shall provide the Owner in violation notice and hearing, as set forth in Section 5.15 of the Declaration.

E. **Default Assessments.** Upon the violation of the Declaration, Articles of Incorporation, Bylaws, or Rules, the Board of Directors may, in addition to all other available rights and remedies under the law, or the Declaration, Articles of Incorporation, or Bylaws of the Association, assess a Default Assessment to the violating Owner as liquidated damages for each day a violation occurred or continued. Each day shall be deemed a separate and distinct violation. Such Default Assessment shall not exceed \$100 for each violation unless the violation results in a direct loss or expense to the Association in excess of \$100 in which case the Owner will be assessed for the full loss or expense, whether such loss or expense is for damage to common elements, financial loss, including but not limited to attorney fees and costs, or other loss. Default Assessments under this rule will be assessed after the notice and hearing as allowed for in the Declaration to the unit regardless of occupancy by tenant, guest or owner. Default Assessments under this rule that remain unpaid 30

days after the decision of the Board of Directors shall be subject to late fees, interest, and collection, as set forth in these Rules and Regulations.

**F. Board Member Conflicts of Interest.**

*Purpose.* The purpose of the conflicts of interest policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Board of Directors. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations, including, but not limited to C.R.S. §7-128-501 and §38-33.3-310.5.

*Duty to Disclose.* In connection with any actual or possible conflicts of interest, a Director must disclose the existence and nature of his financial interest to the Directors or Owners considering the proposed transaction or arrangement.

As used in this Policy, "conflicting interest transaction" means any of the following: (1) a contract, transaction or other financial relationship between the Association and a Director or officer of the corporation, or (2) a contract, transaction or other financial relationship between the Association and a party related to a Director or officer, or (3) a contract, transaction or other financial relationship between the Association and an entity in which a Director or officer of the corporation is a Director or officer or has a financial interest.

Financial relationship includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A conflict of interest exists whether the matter would benefit the Director, or a party related to the Director, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a Director, officer, or has a financial interest.

No conflicting interest transaction shall be either void or voidable, be enjoined, be set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or in the right of the Association, solely because of the conflicting interest IF;

The material facts of such relationship or interest and as to the conflicting interest transaction are disclosed or known to the Board of Directors or committee and such Board of Directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of disinterested Directors even though the disinterested Directors are less than a quorum; or

The conflicting interest transaction is fair to the corporation.

The disclosure must be made in an open meeting before any action is taken on the matter. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies such conflicting interest transaction. Common or interested Directors may participate in the discussion and may vote in the approval or ratification of such transaction.

A "party related to a director" shall mean a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of an ancestor, descendant, or sibling, an estate or trust in which the Director or officer or a party related to a Director or officer has a beneficial interest, or an entity in which a party related to a Director or officer is a Director, officer or has a financial interest.

At the beginning of each fiscal year, and at any other time as the Board of Directors deems appropriate, the Board of Directors shall review this conflicts of interest policy.

G. **Accounting Records and Investment of Reserve Fund.** The Association shall maintain accurate and complete accounting records. The Bylaws provide that an audit or review shall be done no less often than once every three years. At the beginning of each fiscal year, and at any other time as the Board of Directors deems appropriate, the Board of Directors shall review 1) its current reserves and determine if an informal or formal reserve study should be completed, and 2) how it will invest any reserve funds the Association may have. The Board shall disclose its investment decision in the annual budget.

H. **Dispute Resolution.** The Board of Directors adopts Section 21.3 of the Declaration as its dispute resolution policy. Nothing in these Rules shall require the Association to provide notice and an opportunity to be heard, to mediate, or to take any other action not required by the Declaration or by law, as a condition precedent to filing a lawsuit, or to seeking any of the Association's other remedies provided by the Declaration, Articles of Incorporation, Bylaws, these Rules, or by law.

## 24. **DEFINITIONS.**

Unless otherwise specifically defined in these Rules and Regulations, all terms used in these Rules and Regulations have the meanings given to them in the Declaration. For your convenience in reading and understanding these Rules and Regulations, certain key definitions contained in the Declaration are also set forth below, together with some additional definitions:

A. **"Amenity Facilities"** means all facilities and amenities within the Common Elements, including the recreational facilities and other non-lodging improvements.

B. **"Club Calendar"** means the calendar prepared each year by the Board of Directors (or the Managing Agent), which shall at all times establish the dates of each Club Week at least five (5) years into the future.

C. **"Club Interest"** means a time-span estate as defined in Colorado Revised Statutes Section 38-33-110 consisting of a 1/8<sup>th</sup> interest as tenant-in-common in the present estate in fee simple in a Club Unit together with an exclusive right to possession and occupancy of a comparable Club Unit during a specified number of weeks reserved by the Club Member pursuant to the Reservation Procedures.

D. **"Club Member"** means the Owner vested with legal title to a Club Interest.

E. **"Club Ownership"** means the plan of club ownership as set forth in the Declaration.

F. **"Club Unit"** means a Townhome which is submitted to and sold under Club Ownership.

G. **"Club Unit Type"** means each general category or type of Club Unit at the Project, as more specifically described on Exhibit C attached hereto. In the event additional types or categories are added to the Project, the Board of Directors shall substitute a replacement Exhibit C to reflect such changes.

H. **"Club Unit Furnishings"** means all furniture, appliances, moveable equipment, utensils, carpeting, accessories, and other personal property located within a Club Unit.

I. **"Club Week"** means a period of exclusive possession and occupancy of a Club Unit reserved pursuant to the Reservation Procedures. Club Weeks for each Club Unit Type are established each year for the dates set forth in the Club Calendar. Club Weeks will consist of a maximum of seven (7) consecutive days beginning and ending on a Saturday. All Club Weeks in a Club Unit Type shall be computed on the same basis and shall commence and end at the same time, on the same day of the week, in accordance with this paragraph, provided that exceptions to arrival and departure times may be made at any time by the Board of Directors (or the Managing Agent).

J. **“Club Year”** means the period from November 1<sup>st</sup> each year to October 31<sup>st</sup> of the succeeding year.

K. **“Day Use Guest”** means the guest of a Club Member who uses the Project’s non-lodging facilities on a daily basis. The Club Member must accompany the Day Use Guest and Day Use Guests shall pay a daily fee for such usage. The Board of Directors (or the Managing Agent) may limit the number of Day Use Guests permitted at the Project at any time.

L. **“Group”** means each group into which Club Members are divided as part of the Reservations Priority System to establish priorities, if needed, in allocating Planned and Optional Planned Vacations. Each Group will consist of Club Members owning Club Interests in the same Club Unit Type and each Group will be assigned a permanent letter designation of “A” through “H” (corresponding to the eight Club Interests available in each Club Unit). Each Club Member will be assigned to a Group based on their Owner Number. For example, all Club Members owning Club Interests in the same Club Unit Type having the Owner Number “1” will be in the same Group, all Club Members owning Club Interests in the same Club Unit Type having the Owner Number “2” will be in the same Group, etc. The sample Reservation Priority System chart attached hereto as Exhibit A establishes a Reservation Priority Number for each Group in each Club Year. Each Club Year the Groups rotate one position in priority thereby giving all Club Members (by Group) equitable reservation priorities over each eight year cycle.

M. **“Managing Agent”** means a person, firm, corporation or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Project.

N. **“Occupant”** means any member of a Club Member’s family or a Club Member’s guests, invitees, servants, tenants, employees, or licensees who occupy a Club Unit or are on the Common Elements of the Project for any period of time.

O. **“Optional Planned Vacation”** means two Club Weeks, for a total of fourteen (14) days per Club Year which Club Members may reserve in addition to the 28 days of Planned Vacation per Club Year. Club Members may pre-reserve one Optional Planned Vacation in the Winter Season and one Optional Planned Vacation in the Summer Season. Winter Season Optional Planned Vacations may be reserved only during the Optional Reservation Period for the Winter Season and Summer Season Optional Planned Vacations may be reserved only during the Optional Reservation Period for the Summer Season. Unaccompanied Guests are not permitted to use Optional Planned Vacations.

P. **“Optional Reservation Period”** means the period just after all Planned Vacations have been scheduled and confirmed by the Board of Directors (or the Managing Agent) for each of the Winter Season and Summer Season, respectively, and before Space Available Vacations may be reserved, during which Club Members may reserve their Optional Planned Vacation. The Optional Reservation Period for the Winter Season is described in Section 1.A.2 and the Optional Reservation Period for the Summer Season is described in Section 1.B.2.

Q. **“Owner”** means any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser) whether a natural person or persons, or an entity, of a fee simple title interest in and to any Townhome or Lot, as applicable; excluding, however, any record owner with an interest therein merely as a Mortgagee unless such Mortgagee has acquired fee simple title interest in the Townhome or Lot pursuant to foreclosure or any proceedings in lieu of foreclosure.

R. **“Owner Number”** means a number permanently assigned to each Club Interest within each Club Unit in order of original purchase within such Club Unit. The Owner Numbers are one through eight in each Club Unit.

S. **“Planned Vacation”** means those pre-reserved Club Weeks when a Club Member may use a Club Unit or send Unaccompanied Guests to use a Club Unit at no additional charge, except for any Use Fees incurred. Club Members may reserve up to 28 days of Planned Vacations (four Club Weeks) each Club Unit Ownership Year, for a total of 14 days in the Winter Season and 14 days in the Summer Season, divided as follows: (i) a “First” and “Second” Planned Vacation, each seven days in length, during the Winter Season; and (ii) a “First” and “Second” Planned Vacation, each seven days in length, during the Summer Season. Winter Season Planned Vacations may be reserved only during the Planned Vacation Reservation Period for the Winter Season, and Summer Season Planned Vacations may be reserved only during the Planned Vacation Reservation Period for the Summer Season.

T. **“Planned Vacation Reservation Periods”** means: (i) the period of each year during which Club Members may reserve their Planned Vacations for the upcoming Winter Season, as described in Section 0. ; and (ii) the period of each year during which Club Members may reserve their Planned Vacations for the upcoming Summer Season, as described in Section 0. .

U. **“Reservation Form”** means the form or forms published by the Board of Directors (or the Managing Agent) from time to time, and used by Club Members to request Planned Vacation and Optional Planned Vacation dates. The Reservation Form shall provide each Club Member with the ability to select at least three alternative dates for each Planned Vacation and Optional Planned Vacation, so that if a Club Member does not receive his or her first choice of a Planned Vacation or Optional Planned Vacation, such Club Member may then receive his or her second or third choice. In the event the dates selected by a Club Members are unavailable under the Reservation Priority System, the Board of Directors (or the managing Agent) will contact the Club Member with a request for alternative dates.

V. **“Reservation Priority Number”** means the number (one through eight) showing the relative priority of each Group. The Board of Directors (or the Managing Agent) will use this number to assign priority to allocate Planned and Optional Vacations to each Group when the number of reservations requested for a Club Week exceed the number of Club Units of a particular Club Unit Type available during that Club Week.

W. **“Reservations Priority System”** means the system of rotating Groups used to establish priorities for allocating Planned and Optional Vacations when the number of reservation requests exceeds the number of Club Units of a certain Club Unit Type available for any Club Week. An example of the operation of the Reservations Priority System is set forth on Exhibit A attached hereto.

X. **“Sleeping Capacity”** means the maximum number of persons permitted to lodge in a Club Unit. The Sleeping Capacity of a five bedroom Club Unit is fourteen and the sleeping capacity of a four bedroom Club Unit is twelve.

Y. **“Space Available Vacations”** means the unlimited access to and usage of a Club Unit on a space-available basis. Club Members may lodge in a Club Unit of their Club Unit Type during any Space Available Vacation for Club Weeks of up to seven days. The Owner of each Club Interest may have only one Space Available Vacation Reservation on the Project reservation books at a time (except as detailed below). After September 5<sup>th</sup> of each calendar year, Club Members may reserve Space Available Vacations during the remainder of the Winter Season. After March 5<sup>th</sup> each calendar year, Club Members may reserve Space Available Vacations during the remainder of the Summer Season. The Owner of each Club Interest may request one additional Space Available Vacation within five days of the desired arrival date. All Space Available Vacation requests will be processed on a first-come, first-served basis. Club Members using Space Available Vacations will incur Use Fees for housekeeping, dependant on length of stay. Unaccompanied Guests are not permitted to use Space Available Vacations.

Z. **“Summer Season”** means the period of time beginning on the day after the last day of the Winter Season in any calendar year and ending on the day before the first day of the Winter Season in the next

succeeding calendar year. The Board of Directors (or the Managing Agent) will determine and publish annually the exact opening and closing dates for each Summer Season.

AA. “**Unaccompanied Guest**” means any guest who lodges at the Project without a Club Member during a Club Member’s Planned Vacation at the request of such Club Member. A Club Member requesting lodging for an Unaccompanied Guest (a “**Sponsoring Owner**”) must provide the Board of Directors (or the Managing Agent) with written notice of the Unaccompanied Guest’s name, address and telephone number at least 14 days prior to such guest’s arrival so that the Board of Directors (or the Managing Agent) can send a notice to that Unaccompanied Guest, confirming the terms of their stay at the Project. Unaccompanied Guests are required to pay all Use Fees upon checkout unless payment has been arranged in advance by the Sponsoring Owner. The Sponsoring Owner is responsible for any damages to Project facilities caused by their Unaccompanied Guests. The number of persons lodged in a Club Unit cannot exceed the Sleeping Capacity of that Club Unit

BB. “**Use Fees**” means those charges incurred by Club Members in addition to Club Assessments, as further described in Section 4.D.

CC. “**Winter Season**” means the period of time beginning no later than the published winter opening date of Steamboat Ski Resort and ending no earlier than the published winter closing date of Steamboat Ski Resort. The Board of Directors (or the Managing Agent) will determine and publish annually the exact opening and closing dates for each Winter Season.

**EXHIBIT A**

**RESERVATIONS PRIORITY SYSTEM FOR 1/8<sup>th</sup> OWNERSHIP EXAMPLE  
(APPLIES TO EACH 1/8<sup>th</sup> CLUB UNIT TYPE)**

<b>GROUP ASSIGNMENTS</b>	
All Owners having the Owner Number “1” within a Unit Type	A
All Owners having the Owner Number “2” within a Unit Type	B
All Owners having the Owner Number “3” within a Unit Type	C
All Owners having the Owner Number “4” within a Unit Type	D
All Owners having the Owner Number “5” within a Unit Type	E
All Owners having the Owner Number “6” within a Unit Type	F
All Owners having the Owner Number “7” within a Unit Type	G
All Owners having the Owner Number “8” within a Unit Type	H

Reservation Priority Number	2014/2015			2015/2016			2017/2018			2018/2019		
	1st	2nd	Opt	1st	2nd	Opt	1st	2nd	Opt	1st	2nd	Opt
	Year 10			Year 11			Year 12			Year 13		
<b>A</b>	8	1	8	7	2	7	6	3	6	5	4	5
<b>B</b>	1	8	1	8	1	8	7	2	7	6	3	6
<b>C</b>	2	7	2	1	8	1	8	1	8	7	2	7
<b>D</b>	3	6	3	2	7	2	1	8	1	8	1	8
<b>E</b>	4	5	4	3	6	3	2	7	2	1	8	1
<b>F</b>	5	4	5	4	5	4	3	6	3	2	7	2
<b>G</b>	6	3	6	5	4	5	4	5	4	3	6	3
<b>H</b>	7	2	7	6	3	6	5	4	5	4	5	4

Reservation Priority Number	2019/2020			2020/2021			2021/2022			2022/2023		
	1st	2nd	Opt	1st	2nd	Opt	1st	2nd	Opt	1st	2nd	Opt
	Year 14			Year 15			Year 16			Year 17		
<b>A</b>	4	5	4	3	6	3	2	7	2	1	8	1
<b>B</b>	5	4	5	4	5	4	3	6	3	2	7	2
<b>C</b>	6	3	6	5	4	5	4	5	4	3	6	3
<b>D</b>	7	2	7	6	3	6	5	4	5	4	5	4
<b>E</b>	8	1	8	7	2	7	6	3	6	5	4	5
<b>F</b>	1	8	1	8	1	8	7	2	7	6	3	6
<b>G</b>	2	7	2	1	8	1	8	1	8	7	2	7
<b>H</b>	3	6	3	2	7	2	1	8	1	8	1	8



## **EXHIBIT B**

### **RESERVATIONS AT A GLANCE**

#### **Summer Season:**

- |             |  |
|-------------|--|
| January 1   | Summer Season Planned Vacation Reservation Request Form is sent to Club Members.   |
| January 21  | Owners return Summer Season Planned Vacation Reservation Request Form.   |
| February 5  | Written confirmations are sent to Owners of their Summer Season Planned Vacation assignments. Owners also receive a reservations calendar indicating which dates remain available. An Optional Planned Vacation Reservation Request Form for the Summer Season is also sent. |
| February 21 | Owners return Optional Planned Vacation Reservation Request Forms for the Summer Season.   |
| March 5     | Written confirmation is sent to Owners for Summer Season Optional Planned Vacation.  |
| March 5     | Owners begin making Space Available Vacation requests for the Summer Season. Additional Space Available Vacation requests can be made throughout the Season.   |

#### **Winter Season:**

- |             |  |
|-------------|--|
| July 1      | Winter Season Planned Vacation Reservation Request Form is sent to Owners.   |
| July 21     | Owners return Winter Season Planned Vacation Reservation Request Form.   |
| August 5    | Written confirmations are sent to Owners of Winter Season Planned Vacation assignments. Owners also receive a reservations calendar indicating which dates remain available. An Optional Planned Vacation Reservation Request Form for the Winter Season is also sent. |
| August 21   | Owners return Optional Planned Vacation Reservation Forms for the Winter Season.   |
| September 5 | Written confirmation is sent to Owners for Winter Season Optional Planned Vacation.  |
| September 5 | Owners begin making Space Available Vacation requests for the Winter Season. Additional Space Available Vacation requests can be made throughout the Season.   |

## **EXHIBIT C**

### **CLUB UNIT TYPES**

- A. 4 bedroom Club Units, which shall consist of all Club Units containing 4 Bedrooms
- B. 5 bedroom Club Units, which shall consist of all Club Units containing five bedrooms and having less than 4700 square feet
- C. Grand 5 bedroom, which shall consist of all Club Units containing five bedrooms and having greater than or equal to 4700 square feet

## EXHIBIT D

### RESERVATIONS CALENDAR FOR 1/2 OWNERSHIP EXAMPLE

#### One Half Share Club Unit Rotation

Year 1			Year 2		
Week	Saturday to Saturday		Week	Saturday to Saturday	
49	Sat	A	49	Sat	B
50	Sat	A	50	Sat	B
51	Sat	A	51	Sat	B
52	Sat	A	52	Sat	B
1	Sat	A	1	Sat	B
2	Sat	A	2	Sat	B
3	Sat	A	3	Sat	B
4	Sat	A	4	Sat	B
5	Sat	B	5	Sat	A
6	Sat	B	6	Sat	A
7	Sat	B	7	Sat	A
8	Sat	B	8	Sat	A
9	Sat	B	9	Sat	A
10	Sat	B	10	Sat	A
11	Sat	B	11	Sat	A
12	Sat	B	12	Sat	A
13	Sat	A	13	Sat	B
14	Sat	A	14	Sat	B
15	Sat	A	15	Sat	B
16	Sat	A	16	Sat	B
17	Sat	A	17	Sat	B
18	Sat	A	18	Sat	B
19	Sat	A	19	Sat	B
20	Sat	A	20	Sat	B
21	Sat	Maintenance	21	Sat	Maintenance
22	Sat	Maintenance	22	Sat	Maintenance
23	Sat	B	23	Sat	A
24	Sat	B	24	Sat	A
25	Sat	B	25	Sat	A
26	Sat	B	26	Sat	A
27	Sat	B	27	Sat	A
28	Sat	B	28	Sat	A
29	Sat	B	29	Sat	A
30	Sat	B	30	Sat	A
31	Sat	A	31	Sat	B
32	Sat	A	32	Sat	B
33	Sat	A	33	Sat	B
34	Sat	A	34	Sat	B
35	Sat	A	35	Sat	B
36	Sat	A	36	Sat	B
37	Sat	A	37	Sat	B
38	Sat	A	38	Sat	B
39	Sat	Maintenance	39	Sat	Maintenance
40	Sat	Maintenance	40	Sat	Maintenance
41	Sat	B	41	Sat	A
42	Sat	B	42	Sat	A
43	Sat	B	43	Sat	A
44	Sat	B	44	Sat	A
45	Sat	B	45	Sat	A
46	Sat	B	46	Sat	A
47	Sat	B	47	Sat	A
48	Sat	B	48	Sat	A