

EDGEMONT CONDOMINIUM RULES AND REGULATIONS

THESE RULES AND REGULATIONS (these “Rules and Regulations”), are promulgated and effective as of the 16th day of December, 2009 (the “Effective Date”).

I. INTRODUCTION

These Rules and Regulations govern the reservation, use and occupancy of the Units and the Common Elements and Limited Common Elements associated with the Edgemont Condominium (the “Project”). They shall remain in effect until amended by the Board of Directors of the Edgemont Condominium Association, Inc., a Colorado nonprofit corporation (the “Association”), and shall apply to and be binding upon all Owners and Occupants. Owners and Occupants shall at all times comply with these Rules and Regulations and use their best efforts to ensure that such Rules and Regulations are fully and faithfully observed by other Owners and Occupants. The Owners are also subject to and governed by the Condominium Documents, including but not limited to: (i) the Condominium Declaration for the Edgemont Condominium (the “Declaration”), which created the Project and governs all Units and (ii) and the Articles of Incorporation and Bylaws of the Association.

II. 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 are also set forth below and in the text of these Rules and Regulations.

A. “**Managing Agent**” means the person, firm, corporation or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Association. As of the date of these Rules and Regulations, the Managing Agent for the Project is: BREO, Inc., having an address at 2420 Ski Trail Lane, Steamboat Springs, Colorado 80487.

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

C. “**Use Fees**” means fees charged to Owners for certain services provided by the Association at the Owner’s or Occupant’s request and certain incidental charges not included in Assessments.

III. ASSESSMENTS AND FEES

Section 3.1 Assessments. Assessments shall be due in four, quarterly installments on January 1st, April 1st, July 1st, and October 1st of each year and shall be payable on or before the twenty-fifth (25th) day of the calendar month in which it is due. The Association shall bill each Owner quarterly; however, an Owner’s failure to receive a bill shall not excuse payment of

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the Assessment. Failure to pay an installment by the twenty-fifth (25th) day of the calendar month in which it is due shall result in the imposition of a late fee in the amount of five percent (5%) of the unpaid amount, and the unpaid installment plus the late fee shall bear interest at the rate of eighteen percent (18%) per annum from and after the payment due date until the unpaid installment, late fee and all accrued interest are paid.

Section 3.2 **Payments.** Payments of Assessments and any other amounts due to the Association shall be made at the office of the Association, as designated on the bill. Payments made in the form of checks shall be made to the order of such party as the Board shall designate. Payments made by credit card or other electronic means may be assessed up to an additional three percent (3%) credit card service fee.

Section 3.3 **Failure to Pay Assessments.** In addition to all other remedies available to the Association for collection of delinquent Assessments, the Board may (a) file a lien statement on the Unit and commence foreclosure proceedings, and/or (b) commence collection proceedings against the Owner.

Section 3.4 **Use Fees.** In addition to Assessments, Owners may be charged Use Fees. The rates for Use Fees will be distributed to Owners each year with the draft Budget.

IV. TRANSFERS AND RENTAL

Section 4.1 **Transfers.**

(A) **Voluntary Transfers.** All transfers of Units within the Project shall be governed by the terms, conditions and restrictions contained in the Declaration. Within ten (10) days of any transfer of a Unit as permitted by the Declaration, an Owner shall give written notice thereof to the Managing Agent. The written notice shall state the name and address and other applicable information for notice purposes (such as fax number and e-mail address) of the transferee and shall be accompanied by a non-refundable administrative fee of one hundred dollars (\$100.00). 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, the transferee must pay or cause the seller to pay all delinquent Assessments and late penalties.

(B) **Death, Divorce and Bankruptcy.**

(i) **Death.** Upon the death of an Owner who held a Unit as a tenant in common with one or more other Owners, the surviving Owner(s) shall within sixty (60) days of the death of an Owner provide written notice to the Association of the death, and the name and address of the personal representative of the estate of the deceased Owner. If the deceased Owner held the Unit as a joint tenant, the surviving joint tenant shall within sixty (60) days of the death of the Owner provide notice of the death to the Association and a copy of the death certificate. The Association may record the death certificate and an affidavit stating that the deceased was a joint tenant in the Unit.

(ii) **Dissolution.** In the event of a dissolution of marriage or of a legal separation of Owners of a Unit, the Owners shall within thirty (30) days of the date the

dissolution of marriage or legal separation is final, provide written notice to the Association that a dissolution of marriage or legal separation has occurred. The written notice shall also contain an explanation of the pertinent provisions in the final separation agreement pertaining to disposition of the Unit.

(iii) **Bankruptcy.** Any Owner who voluntarily or involuntarily files for bankruptcy shall provide written notice to the Association of the bankruptcy in accordance with the rules of the Bankruptcy Court, but in no event later than thirty (30) days following the filing of such bankruptcy.

Section 4.2 **Rental/Exchange of Residential Units.** An Owner may rent his Residential Unit to others, and may invite guests to share occupancy of his Residential Unit. Owners are responsible for the conduct of their Occupants, and for all financial obligations incurred by their Occupants at the Project. The Managing Agent will not give access to any Residential Unit without written permission from the Owner otherwise entitled to use the Residential Unit. No Residential Unit shall be occupied overnight by a number of persons in excess of the intended sleeping capacity for the Residential Unit. Violation of the rule will result in a fine of fifty dollars (\$50.00) per excess Occupant per night. The restrictions set forth in this Section 4.2 may be varied pursuant to any rental management agreement between the Owner and the Managing Agent. Owners may not submit their Residential Units to any external exchange program or similar club or membership program unless they have obtained the prior written consent of the Board, which may be given or withheld in the Board's sole discretion.

Section 4.3 **Enforcement.** If an Owner fails to provide notice of any of the events for which notice is required by this Article, the Association may assess a fine of fifty dollars (\$50.00) for each instance for which such information was not provided. Such fine, if not timely paid, shall accrue interest at the rate of eighteen percent (18%) per annum until paid. The Association or the Managing Agent shall have the authority to waive the fifty dollar (\$50.00) fine if the circumstances warrant the waiver.

V. **USE RESTRICTIONS**

Section 5.1 **Pets.** Except as permitted by the Declaration, no pets or animals of any kind may be kept in any Unit or elsewhere within the Project. In addition to the requirements of the Declaration, as a condition to permitting any pets at the Project, the Association may require an Owner to post with the Association a reasonable pet security deposit and/or may require a monthly maintenance fee be paid by any Owner desiring to have the right to keep any permitted pets or animals in his or her Unit (which fee may be payable each month regardless of occupancy of the Unit).

Section 5.2 **No Smoking.** No smoking is permitted in the interior of any Unit or the interior areas of any Common Elements. In addition, no smoking shall be permitted in or around the pool area. The foregoing smoking restriction shall not, however, apply to smoking in a Townhouse Unit.

Section 5.3 **Debris.** No garbage cans, supplies, milk bottles, ski boots, ski poles, skis, snowboards, bicycles, or other articles shall be placed on the patios, decks, balconies, or

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entryways, 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 entryways, or exposed on any part of the Common Elements; and the Common Elements shall be kept free and clear of refuse, debris and other unsightly material. Rugs and mats (except those permitted or placed by the Association or its Managing Agent) may not be placed in corridors or hallways outside of the Units.

Section 5.4 **Balconies**. The balconies, terraces, stairways and windows shall be used only for the purposes intended, and shall not be used for drying or hanging garments, barbecuing (except with respect to gas barbecues installed at the time of construction of the Project or as otherwise permitted by applicable law), cleaning of rugs, or storing any objects. No Owner or Occupant shall cause or allow anything whatsoever to fall from the windows, patios, decks, balconies, entryways, or doors of the Project, nor shall he sweep or throw from his Unit any dirt or other substances outside of his Unit or on the Common Elements of the Project.

Section 5.5 **Window Coverings**. No awnings, window guards, light reflective materials, hurricane or storm shutters, ventilator fans or air conditioning devices shall be used in or about the Units except as shall have been approved by the Association in writing, which approval may be given or withheld within the sole discretion of the Board of Directors.

Section 5.6 **Garbage Disposal**. Refuse and bagged garbage shall be deposited only in the areas provided for such purpose.

Section 5.7 **Deliveries**. All deliveries and moving of furniture, fixtures, equipment and other household or commercial items, including personal property, to and from the Units shall be made by authorized entries and elevators only and shall not cause any unreasonable noise or unreasonable disturbance to the Owners or occupants of any other Units, nor damage to the Common Elements or the Units. All deliveries shall be coordinated through the Managing Agent and each Owner shall provide the Managing Agent not less than forty-eight (48) hours notice of any scheduled deliveries. Unit Owners shall not place or permit a load on any floor exceeding the floor load per square foot area which the floor was designed to carry and which is allowed by Applicable Law or which may, in the reasonable opinion of the Board or the Managing Agent, constitute a hazard to or may damage any Improvements.

Section 5.8 **Vehicle Storage and Parking**. No Owner or Occupant shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the Project, except in such areas as may be specifically designated for same, if any. Upon completion of the second phase of the Project containing Residential Units (but not before), an Owner whose Unit is not part of any rental management program may leave not more than one (1) motor vehicle in the Project parking garage when not in residence at the Project. No vehicle repair or service may be undertaken on the Project premises. In order to maximize the efficient use of the parking at the Project, each Owner or other Occupant shall provide to the Managing Agent a key to such Owner's or Occupant's vehicle kept at the Project, the alarm code (if any) to such vehicle, proof of insurance for that vehicle and a copy of the vehicle's registration. The parking facilities shall be used in accordance with such Rules and Regulations as may be adopted from time to time by the Board.

Section 5.9 **Association Employees.** No Owner or Occupant shall direct, supervise, or in any manner attempt to assert any control over the employees or contractors of the Association or the Managing Agent. Employees and contractors of the Association or the Managing Agent shall not be sent off the Project premises by any Owner or Occupant at any time for any purpose.

Section 5.10 **Quiet Time.** All Owners and Occupants are encouraged to observe quiet time in or about the Project from 10:00 p.m. each evening to 8:00 a.m. the next morning. No Owner or Occupant 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 or is likely to interfere with the rights, comforts or convenience of the other Owners. No Owner or Occupant shall allow any musical instrument to be played, or allow the operation of a phonograph, television, radio or sound amplifier in his Unit, in such manner as to disturb or annoy other Owners or Occupants in the Project. The Managing Agent shall have the right to abate all nuisances in or about the Project.

Section 5.11 **Satellite Dishes, Wiring.** No satellite dishes, radio, television installation, or other wiring shall be installed without the prior written consent of the Board.

Section 5.12 **Children.** Owners and Occupants shall be responsible for the conduct of their children and the children of their guests and reasonable supervision of children is required at all times. Children are to play only in areas either designated or clearly intended for play, and they are not to play in corridors or halls, on stairways, or in other Common Element areas which would cause an obstruction. Owners and Occupants shall ensure that such children's behavior is neither offensive to any Owner or Occupant of the Project nor damaging to any Unit or portion of the Project.

Section 5.13 **Signs.** No nameplates, numbers, lighting, doorbells, door knockers, signs, advertisements, notices, or other lettering shall be installed, exhibited, displayed, inscribed, painted or affixed, in, or upon the outside of exterior doors or any other part of a Unit visible from the exterior, or other property in the Project by any Owner or Occupant without the prior written permission of the Board or Managing Agent, provided that the Association and the Board shall not interfere with any rights an Owner may have under the Act relating to certain flags and political signs.

Section 5.14 **Inflammables.** No inflammable, combustible, explosive, or otherwise dangerous fluid, chemical, or substance, and no fluid, chemical or substance prohibited by applicable building codes, shall be kept in any Residential Unit except such as are (i) required for normal household use, and (ii) kept and used in accordance with all applicable laws.

Section 5.15 **Temperature Control.** The Owner of each Residential Unit shall heat such Residential Unit so as to maintain a minimum temperature in the Residential Unit of no less than 55 degrees Fahrenheit from October 1st to May 30th of the year in order to minimize any damage which could result from the freezing of pipes, both Residential Unit specific and common, which pass near or through individual Residential Units. This minimum heating requirement must be met even when the Residential Unit is unoccupied.

Section 5.16 **Solicitation**. There shall be no solicitation by any person anywhere on the Project for any cause, charity or purpose whatsoever, unless specifically authorized in writing by the Board of Directors or the Managing Agent, except for solicitation by the Declarant in marketing the Project and other resorts developed or under development by the Declarant.

Section 5.17 **Swimming Pools/Saunas**.

(A) Swimming in a pool or using a whirlpool is permitted only during the posted hours of operation. Since the pool and whirlpool are not guarded, persons using these facilities do so at their own risk. Persons using all recreational facilities must be appropriately attired. Swimming in any area posted "NO SWIMMING" shall be strictly prohibited. If any person does not fully understand any posted rules or understand the proper use of the facility, that person shall not use such facility without first receiving instruction and/or direction from a representative of the Association or the Managing Agent. In addition to any other posted rules, the following are the basic rules for persons using a swimming pool or whirlpool:

- (i) Shower thoroughly each and every time before entering.
- (ii) Pneumatic floats or other items of similar nature is permitted, provided such use does not disturb others using the pool area and does not otherwise constitute a safety hazard, as determined by the Managing Agent in its sole discretion.
- (iii) Pets are forbidden in the pool and whirlpool areas.
- (iv) Running is not permitted. Users may only play such games that involve ball playing or throwing objects to the extent such activities do not disturb others using the pool area and do not otherwise constitute a safety hazard, as determined by the Managing Agent in its sole discretion.
- (v) Beverages may be consumed within the pool and whirlpool areas, but extreme care must be taken that absolutely NO GLASS, GLASS BOTTLES or other GLASS CONTAINERS be allowed within the pool and whirlpool areas. Anyone who hosts or participates in serving or consuming beverages will be held strictly responsible for cleaning up after such refreshments have been consumed and will further be held strictly liable for any injury resulting from broken glass.
- (vi) If suntan oils, creams or lotions are used, a towel or other form of protection must be placed on pool furniture to protect the attire of others who use the furniture.
- (vii) Children under the age of eight (8) must be accompanied and supervised by a responsible adult in order to use any recreational facility (including the pool and whirlpool).
- (viii) Children must wear appropriate bathing attire at all times including, if necessary, diapers, swim diapers, or any other protective barrier.

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To the extent that a recreational facility, or any other space, constitutes a Limited Common Element appurtenant to a specified category of Units, such recreational facility (or other space) shall not be available to Owners or occupants of Units outside of the specified category to which the facility appertains. Owners and Occupants shall observe all posted rules governing the use of all available recreational facilities.

VI. MISCELLANEOUS

Section 6.1 **Authority; Enforcement.** Pursuant to the Declaration, the Association, acting through the Board, has delegated the power and duty to enforce these Rules and Regulations to the Managing Agent. All Owners are subject to and bound by the Association's delegation of its enforcement rights to the Managing Agent. Any duty or power specified to be exercised by the Association or the Board, or right reserved to the Association or the Board, in these Rules and Regulations may therefore be exercised by the Managing Agent. The Association shall be entitled to recover all Costs of Enforcement incurred in connection with the enforcement of these Rules and Regulations. In addition to the other rights and remedies set forth in the Condominium Documents, violations of these Rules and Regulations may be remedied by injunction or similar relief.

Section 6.2 **Emergencies.** In case of an emergency originating in or threatening the condition of any Unit, Common Element, property owned by the Association or the health or safety of any person, the Board of Directors, through an authorized representative thereof, including but not limited to the Managing Agent, shall have the right to enter any Unit for the purpose of remedying or abating such emergency. In order to facilitate such right of entry, the Board of Directors and the Managing Agent may retain a pass key or other access device to each Unit within the Project.

Section 6.3 **Additional Rules and Regulations; Amendments.** 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' sole discretion, without the consent of the Association or its members, but subject to the provisions of the Declaration relating to Class Voting.

Section 6.4 **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.

VII. COMMERCIAL UNITS

Section 7.1 **General/Definitions.** The provisions of this Article VII shall apply only to Commercial Owners. As used herein, the term "Commercial Owner" shall include the record owner of a Commercial Unit and, where applicable, any lessee(s) or operator(s) of a Commercial Unit.

Section 7.2 **Use Restrictions.** The Commercial Units may be used for any purpose permitted under Applicable Laws.

Section 7.3 **General Provisions Relating to Commercial Units.**

(A) **Violations.** A Commercial Owner shall be deemed to have violated these Rules and Regulations and the Declaration if a Commercial Owner or any lessee, employee, agent, servant, licensee or other person over whom a Commercial Owner exercises control and supervision (i) fails to perform or comply with any of the terms or conditions contained in these Rules and Regulations or the Declaration and if such failure is not remedied within ten (10) days after written notice of such failure is given by or on behalf of the Association to a Commercial Owner (or if more than ten (10) days shall be reasonably required to cure such failure, if a Commercial Owner does not commence to remedy such failure within such ten (10) days or thereafter does not proceed diligently to cure such failure), or (ii) has failed to perform or comply with these Rules and Regulations and receives written notice thereof and said failure is thereafter repeated.

(B) **Requests for Approval.** In the event a Commercial Owner desires to take any action requiring the consent or approval of the Association, the Commercial Owner shall submit a written request therefor to the Association. The Association shall be required to respond to the request within thirty (30) days following receipt of any such written request. If the Association does not respond within thirty (30) days following receipt of the written request, then the Association shall be deemed to have consented thereto. The Association shall not approve or consent to any action requiring its consent or approval unless and until the Commercial Owner has paid all Assessments and other fees required to be paid by the Commercial Owner.