

**RULES AND REGULATIONS
OF THE OWL MEADOWS AT TELLURIDE,
A COLORADO COMMON INTEREST COMMUNITY**

These Rules and Regulations (the “**Rules**”) of the Owl Meadows at Telluride, a Colorado Common Interest Community (“**Owl Meadows**”) have been adopted and implemented to protect the investment of the Members and to preserve and enhance the value of the Property subject to regulation by the Association. Terms which are defined in the Amended and Restated Condominium Declaration of the Owl Meadows at Telluride, a Colorado Common Interest Community (the “**Declaration**”) shall have the same meaning herein, unless defined otherwise in these Rules.

I. COLLECTION PROCEDURES. The Association has adopted the following procedures and policies for the collection of Assessments and other charges of the Association. These collection procedures complement and augment the procedures defined the Responsible Governance Policies and Procedures for the Owl Meadows Homeowners Association (the “**Policies and Procedures**”):

A. Annual Assessment. The Annual Assessment, as determined by the Executive Board and as allowed for in the Declaration, shall be due and payable in 12 installments due on the first day of each month.

B. Other Assessments. The Special, Curative and Default Assessments shall be due and payable in accordance with the terms of the Declaration.

C. Invoices. The Association may, but shall not be required to, invoice a Unit Owner as a condition to a Unit Owner's obligation to pay Assessments or other charges of the Association. If the Association provides a Unit Owner with an invoice for monthly installments of the Annual Assessments, although invoices are not required, the invoice should be mailed or sent to the Unit Owner by the 25th day of the month preceding each due date.

D. Late Charges Imposed on Delinquent Installments. Assessments or other charges not paid to the Association by the 5th day after the date they are due shall be considered past due and delinquent. A monthly installment of the Annual Assessment shall be past due and delinquent if not paid by the 5th day of the month in which it is due. The Executive Board may impose a \$50.00 late charge on the outstanding or past due balance then due the Association

E. Interest. Delinquent Assessments, fines or other charges due the Association shall bear interest at the rate set forth in the Responsible Governance Policies and Procedures for the Owl Meadows Homeowners Association (the “**Policies and Procedures**”), which is 1.5% per month, compounded monthly.

F. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration, Articles and/or Bylaws, the Association shall be awarded all reasonable attorney's fees and/or costs incurred in connection with any demands or collection efforts related to unpaid Assessments or other charges due the Association from a delinquent Unit Owner including, without limitation, all costs of obtaining payment and though final collection.

G. Collection Letters.

1. After a monthly installment of the Annual Assessment or other charge due the Association becomes 30 days past due, the Executive Board shall cause a collection letter to be sent to the Unit Owner or Unit Owners who are delinquent in payment.

2. Additionally, the Executive Board may, but shall not be required to, send a letter to the Unit Owner advising that such Unit Owner's account has been referred to the Association's attorneys for collection.

H. Use of Certified Mail/Regular Mail. In the event the Executive Board shall cause a collection letter or notices to be sent to a delinquent Unit Owner by regular mail, the Executive Board may, but shall not be required to, also cause an additional copy of that letter or notice to be sent by certified mail.

I. Liens. After any account has been delinquent for more than 60 days, the Association, acting through the Executive Board, may file a notice of lien against the Unit of any delinquent Unit Owner in accordance with the terms and provisions of the Declaration.

J. Referral of Delinquent Accounts to Attorneys and Collection Agencies. After any account has been delinquent for more than 60 days, the Executive Board may, but shall not be required to, refer delinquent accounts to its attorneys and/or to one or more collection agencies for collection. Upon referral to the attorneys and/or collection agencies, the attorneys and/or collection agencies shall take all appropriate action to collect the accounts referred. The Unit Owner(s) of the Unit with the delinquent account shall be responsible for, and shall pay as an Assessment on such Unit, any attorneys' and/or collection agencies fees incurred in this instance.

K. Ongoing Evaluation. Nothing in this Section I shall require the Executive Board to take any specific actions, other than to notify Unit Owners of the adoption of the procedures set forth herein. The Executive Board has the option and right to continue to evaluate each delinquency on a case-by-case basis and to settle at its discretion.

II. SERVICE AND MAINTENANCE POLICY STANDARDS.

A. In General. The policy statements set forth in the paragraph below define the diverse responsibilities of the Association and the Unit Owners with regard to the maintenance of individual Units and Common Elements. These policy statements, which are to be considered a measure of the responsibility of the Association and the Unit Owners, are to be interpreted at the sole discretion of the Executive Board. The maintenance obligations of both the Unit Owners and the Association are outlined more fully in Article 8 of the Declaration.

The Association shall be responsible for outdoor maintenance of the exterior of all buildings located within Owl Meadows (the "**Buildings**") and the Units, all as more specifically set forth in these Rules, and the Declaration. Inside maintenance and repair of each Unit, and the Limited Common Elements appurtenant to such Unit, shall generally be the responsibility of the Unit Owner, as more specifically set forth in the Declaration. Each Unit Owner assumes responsibility for maintenance and repair upon the purchase of such Unit Owner's Unit.

B. Maintenance Service.

1. General Policy. It is the policy of the Association to maintain the exterior of the Buildings and the General Common Elements in a condition comparable to that which existed when the Declaration was recorded. In certain instances, cycle periods have been established for items which require maintenance at regular intervals.

2. Specific Policy.

a) Buildings--Exterior. The exterior of the Buildings shall be maintained, cleaned and repaired at the sole discretion of the Executive Board.

(1) **Exterior Siding, Roofs, Balconies, Drains and Trim.** All normal wear and tear, maintenance, repairs and replacements shall be at the cost and expense of the Association. Notwithstanding the foregoing, all such maintenance, repair and replacement costs incurred due to the acts or negligence of Unit Owner(s) shall be assessed against such Unit Owner's Unit(s).

(2) **Exterior Light Fixtures.** Exterior light fixtures outside the Units shall be the responsibility of the Association, and the Association shall replace light bulbs on Buildings fixtures. Notwithstanding the foregoing, the Association shall not be responsible for the replacement of light bulbs in or on individual Units or personal property of Unit Owners.

(3) **Yards and Open Spaces.** Maintenance of the Buildings and landscaped General Common Element areas shall be the responsibility of the Association.

(4) **Roofs and Roof Drains.** The Association will repair or replace damaged or loose roof tiles. Snow and ice will be removed, if weather conditions result in an ice dam formation or blockage of roof drains which causes water to enter a Unit. In that event, damage will be repaired when weather permits this work to be done. The area around strainers will be kept free of leaves. Icicles which form over General Common Elements that pose

a potential safety hazard will be removed by the Association.

(5) Windows and Glass Doors. Repairs and replacement of windows and doors of a Unit shall be considered the responsibility of each individual Unit Owner. If glass in any window or door of a Unit is broken, the Unit Owner will be considered responsible for the cost incurred in repairing or replacing such glass. Window operating mechanisms and encasements are the responsibility of each individual Unit Owner. Glass exteriors will be professionally cleaned by the Association no less than once a year, at the sole discretion of the Executive Board and as a Common Expense. All exterior doors providing access to a Unit must be approved in advance by the Executive Board and/or any Owl Meadows Building Committee (the “**Building Committee**”), if any should be appointed by the Board.

b) Buildings-Interiors.

(1) Alterations. Any alterations to Unit interiors made by Unit Owners shall be at the Unit Owner's sole cost and expense and must comply with the Association Documents, all applicable building codes, permit requirements and the following:

(a) Prior to the commencement of construction on any Unit Owner's Unit, the individual Unit Owner shall simultaneously submit to the Executive Board (or the Building Committee, if established) a detailed schedule and construction and mitigation plan regarding such construction (the “**Construction Plan**”), which Construction Plan shall include such information as may be reasonably required by the Executive Board (or the Building Committee, if established). Such Construction Plan shall require the approval of the Executive Board (or the Building Committee, if established), in their sole and absolute discretion. At the sole discretion of the Executive Board (or the Building Committee, if established) in approving such Construction Plan, the Executive Board may require the Unit Owner to post a bond and/or security against damage to, and/or interference with, the Common Elements as a result of such construction.

(b) Construction work undertaken by a Unit Owner shall be performed in a good and workmanlike manner and responsibly so as not to unreasonably interfere with the occupancy, use or enjoyment of other Units and/or the Common Elements. Each Unit Owner shall contract directly for the work to be performed on such Unit Owner's Unit in accordance with the approved Construction Plan. The Unit Owner and/or the Unit Owner's contractor and the construction work to be performed shall comply in all respects with applicable federal, state, county and/or local statutes, ordinance, regulations, laws and codes.

(c) Each Unit Owner shall secure, pay for and maintain, or cause its contractor to secure, pay for and maintain during the continuance of construction within such Unit Owner's Unit, such insurance as may be required by the Executive Board. Insurance policies shall name the Association as an additional insured. Certificates of insurance shall provide that no change or cancellation of such insurance coverage shall be undertaken without 30 days' written notice to the Association. The Unit Owner's contractor shall deliver the necessary insurance certificates to the Association prior to the commencement of work.

(d) If in connection with construction to be performed on a Unit, access through another Unit (e.g. through showers, dropped ceilings, etc.) is required, then the Unit Owner requiring access shall provide the Unit Owner whose Unit is being accessed with as much notice as is reasonably possible (but in no event less than 48 hours), except in the event of an emergency.

(2) Common Electrical Wiring and Plumbing. If repair is required to plumbing or electrical wiring common to more than one Unit, the Association will perform the repair and will restore the structure as closely as possible to the original standard condition. If necessary, the Association reserves the right to charge these additional costs to the Unit Owners as a Special Assessment.

(3) Unit Electrical and Plumbing Fixtures. The electrical and plumbing fixtures within the Unit, serving that Unit, are considered part of the Unit and the property of the Unit Owner. Repair or replacement is the responsibility of the Unit Owner. Such fixtures include, but are not limited to, the following: light switches, outlets, sconces, sinks, appliances, faucets (within the Unit), electrical appliances and all plumbing, piping and electrical wiring located within a Unit.

(4) Interior and Exterior Doors. Repair and replacement of Unit interior and exterior doors will be the responsibility of the Unit Owner, at the Unit Owner's cost and expense.

(5) Heating and Air Conditioning. Unless a part of the Common Elements, the maintenance, repair and replacement of the heating and air conditioning systems serving each Unit shall be the responsibility of the Unit Owner. Other maintenance should be performed by the service representatives of the manufacturer and shall be the responsibility of the Unit Owner served by those systems.

(6) Floor Covering. All carpet and floor covering in the Unit is the property of the Unit Owner. No maintenance responsibility is assumed by the Association.

(7) Insects. In the case of an infestation, the Association will treat for insect or other vermin extermination in the Buildings at the expense of the Unit Owner of the Unit infested, unless the infestation was caused from another Unit, in which case it will be at the expense of the Unit Owner from which the infestation emanated. An infestation is defined as a swarm of insects.

(8) Windows – Interior. Each Unit Owner shall keep the interior of the windows of his or her Unit clean and free of decoration and/or ornamentation that has not been approved in advance by the Executive Board, in its sole discretion.

(9) Contractor Requirements. Any work performed on the physical structure of any Unit may only be performed by a contractor approved in advance by the Executive Board, in its sole discretion.

(10) Interior Window Treatments/Blinds. No interior window treatments visible from the exterior, other than window blinds approved in advance by the Executive Board (in its sole discretion), shall be allowed. Type, manufacturer, color, stain and materials may be considered by the Executive Board in making this determination.

A.) Snow. The Association will endeavor to clear snow prior to 9 a.m. on the next day following a snowfall. In major storms, interim clearing will be provided, as necessary and practical. Primary drives and walkways in front of the Buildings will be cleared first. Secondary walkways (side and rear of the Buildings) will be cleared on a time-available basis only. Parking areas will attempt to be cleared to within approximately two inches of parked cars, as practical. Sanding or salting will be done in anticipation of and during icing conditions, where it is needed, on a time-available basis by the Association's snow plowing contractor.

B.) Trash. Each Unit Owner shall be responsible for the removal of trash from his or her Unit and shall place trash in the appropriate location, as designated by the Executive Board from time to time. Trash shall be collected from the areas designated on a regular schedule by the Executive Board. Certain materials must be segregated and left in designated containers for recycling.

C. Landscaping--General Policy. All landscaping of General Common Elements shall be installed, maintained, repaired and replaced by the Association. It shall be the policy of the Association to maintain such landscaped areas in a first-class condition, at least equal to that which existed at the time the initial landscaping was completed.

D. Fire Protection. Each Unit Owner will have and maintain at least one fire extinguisher in his or her Unit. This extinguisher should be of the dry chemical or similar type which would be suitable for use in combating electrical as well as other kinds of fires. Smoke detectors, which will be installed by the Declarant, will be maintained by the individual Unit Owners.

III. PETS. No animals, livestock, poultry or insects of any kind, including dogs, cats, rodents, birds or bees, shall be raised, kept or allowed on any part of the Project, except as provided below.

A. Dogs Prohibited in Short Term Rentals. All short-term rental units are strictly prohibited from allowing dogs on the premises. This rule applies to all guests and their visitors. Exceptions will not be made for any reason. Violation of this rule may result in penalties and fines.

B. Permitted Pets. Seeing eye dogs will be permitted for those persons holding Certificates of Blindness and Necessity (20/200) in the better eye with correction. Additionally, no more than two domesticated dogs may be kept in any Unit, which dogs must be under leash control at any and all times that they are on any part of the General Common Elements. Any Unit Owner/tenant keeping an animal in violation of any part of this provision may be subject to a fine of up to \$250.00 per day per violation, as

determined and enforced by the Executive Board. The Executive Board, in its sole discretion, and considering the number and size of the dog(s), as well as any reported problems, complaints or concerns regarding the dog(s) in or at any Unit may reasonably restrict the number of dog(s) kept in any Unit on a case-by-case basis.

C. Prohibited Pets. In no event will any dog whose breed is known for its viciousness or ill temper, in particular, the American Staffordshire Terrier, known as a "*Pit Bull Terrier*," Rottweiler, Doberman Pinscher or German Shepherd, be permitted on the Property or in the Buildings. The Executive Board shall have the right to decide that any particular dog or breed is too dangerous to be allowed on the Property and in the Buildings.

D. No Livestock. No animals, including livestock, poultry, birds or bees of any kind shall be bred, raised or boarded or kept for any commercial purpose.

E. Unit Owner's Responsibilities. Dog owners shall clean up after their dog(s) and dispose of any bodily wastes in suitable containers.

F. Damage Caused by Pets. Dogs shall not be allowed to damage grass, shrubs, trees, or any other portion of the Common Elements or become an annoyance or nuisance to other pets or people. Expenses and costs resulting from damage to shrubs, trees or Common Elements will be the responsibility of the Unit Owner of the Unit at which the responsible pet is kept.

G. Tethering of Pets. Dogs shall not be chained or tethered to any Common Element for more than ten (10) minutes. No pets shall be left chained or tethered outdoors, unattended, so as to become an annoyance or nuisance to others from barking or such other cause.

H. Violations. Any violation of the Declaration or of these Rules concerning pets, shall subject an Unit Owner to the rights and remedies allowed or provided the Association and/or the Executive Board in the Declaration, and shall also subject the Unit Owner to a reasonable fine assessment imposed by the Executive Board, as follows:

(1) First offense/violation. Written notice/warning letter to pet owner and/or Unit Owner.

(2) Second offense/violation. A \$100.00 fine may be assessed against the Unit Owner, except for a violation of Section III.C. of these Rules, which shall carry a fine of \$500.00 per day until cured.

(3) Third offense/violation. A \$200.00 fine may be assessed against the Unit Owner.

(4) Fourth offense/violation and each subsequent offense/violation. A \$500.00 fine may be assessed against the Unit Owner.

IV. MOTOR VEHICLES/PARKING.

A. Inoperative, Unused or Abandoned Vehicles. No inoperative, unused or abandoned vehicle shall be stored, parked, maintained or kept upon any part of the Property, including any street, or way of access within the Owl Meadows. "Inoperative, abandoned or unused vehicle" shall mean any automobile, truck, motorcycle, motorbike, boat, trailer, camper, house-trailer, or similar vehicle which has not been driven under its own propulsion or has not been moved out of the Owl Meadows property for a period of one week or longer, or which does not have an operable propulsion system. In the event that the Executive Board shall determine that the vehicle is an abandoned or inoperable vehicle, then a written notice describing the vehicle shall be personally delivered to the Unit Owner thereof, if known, or shall be conspicuously placed upon the vehicle. If the vehicle is not then removed within 72 hours of such notice, except in the event of emergencies, the Executive Board shall have the right to remove the vehicle and the vehicle owner shall be responsible for all towing and storage charges.

Exemptions from this one-week provision, for the purpose of keeping a vehicle on the Property during vacation periods, may be applied for by a Unit Owner by written request by such Unit Owner (or by a tenant and Unit Owner jointly, if applicable) to the Association. No vehicles may be parked with a "For Sale" sign designated within or without the vehicle. No request for exemption shall be deemed granted in the absence of written approval thereof by the Executive Board.

B. Restrictions on Parking and Storage. Each automobile, motor driven cycle, truck, self-contained motorized recreational vehicle, van, or other type of vehicle parked on Owl Meadows property shall be parked, at any one time, wholly within the boundaries of the parking space; except that any such vehicle may be otherwise parked as a temporary expedience for loading, delivery, or emergency. This restriction, however, shall not restrict trucks or other commercial vehicles on Owl Meadows property which are necessary for construction or for the maintenance of the Common Elements or Units.

C. Recreational or Commercial Vehicles. No commercial vehicle, trailers, mobile homes, detached camper units, utility and boat trailers, snowmobiles, race cars, or house-trailers shall be parked, kept, stored, or maintained anywhere on Owl Meadows property, except as approved in advance in writing by the Executive Board.

D. Motor Vehicle Fines. In the event of any violation of the Declaration or these Rules concerning motor vehicles and parking, then in addition to all rights and remedies provided by the Declaration, a reasonable fine assessment may be imposed by the Executive Board, as follows:

(1) First Offense/Violation. Written notice of intent to tow may be given to the Unit Owner/vehicle owner or posted on the subject vehicle. If the vehicle in violation is not removed within 48 hours after notice of intent to tow (except in emergencies or in the event of health or safety issues, as determined in the sole discretion of the Executive Board), the Association shall be entitled to tow the subject vehicle and the Unit Owner and vehicle owner (if different) shall be jointly and severally liable for all expenses, costs and fees incurred in such towing and/or storage. The Unit Owner and vehicle owner (if different) shall hold the Association, Association officers and all directors serving on the Executive Board members harmless from any claims arising from any such towing activities.

(2) Second Offense/Violation. A \$250.00 fine may be assessed against the Unit Owner and/or vehicle owner. Additionally, if the vehicle in violation is not removed within 48 hours after notice of intent to tow, the Association shall be entitled to tow the subject vehicle and the Unit Owner and vehicle owner (if different) shall be jointly and severally liable for all expenses, costs and fees incurred in such towing and/or storage. The Unit Owner and vehicle owner (if different) shall hold the Association, Association officers and all directors serving on the Executive Board members harmless from any claims arising from any such towing activities.

(3) Third Offense/Violation. A \$500.00 fine may be assessed against the Unit Owner and/or vehicle owner. Additionally, if the vehicle in violation is not removed within 48 hours after notice of intent to tow, the Association shall be entitled to tow the subject vehicle and the Unit Owner and vehicle owner (if different) shall be jointly and severally liable for all expenses, costs and fees incurred in such towing and/or storage. The Unit Owner and vehicle owner (if different) shall hold the Association, Association officers and all directors serving on the Executive Board harmless from any claims arising from any such towing activities.

(4) Fourth and Subsequent Offense(s)/Violation(s). A \$1,000.00 fine may be assessed against the Unit Owner and/or vehicle owner. Additionally, if the vehicle in violation is not removed within 48 hours after notice of intent to tow, the Association shall be entitled to tow the subject vehicle and the Unit Owner and vehicle owner (if different) shall be jointly and severally liable for all expenses, costs and fees incurred in such towing and/or storage. The Unit Owner and vehicle owner (if different) shall hold the Association, Association officers and the Executive Board harmless from any claims arising from any such towing activities.

E. Restrictions on Vehicle Maintenance. No automotive maintenance, mechanical, body or engine work overhauling or similar automotive repair work for commercial and/or business purposes shall be performed on any portion of the Project. In the event of violation hereof, in addition to the rights and remedies available under the Declaration, a reasonable fine may be assessed by the Executive Board, as follows:

- (1) First Offense/Violation. Written notice/warning letter to the Unit Owner and/or vehicle owner.
- (2) Second Offense/Violation. A \$250.00 fine may be assessed against the Unit Owner and/or vehicle owner.
- (3) Third Offense/Violation. A \$500.00 fine may be assessed against the Unit Owner and/or vehicle owner.
- (4) Fourth Offense/Violation. A \$1,000.00 fine may be assessed against the Unit Owner and/or vehicle owner.

V. INCREASED RISKS, DAMAGE. Nothing shall be done or kept in or upon a Unit or upon the Common Elements, or any part thereof, which would result in the cancellation of the insurance as maintained by the Association, without the prior written approval of the Association. Nothing shall be done or kept in or upon any Unit or in or on the Common Elements, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof, shall be committed by any Unit Owner, or by any guest, invitee, employee or contract purchaser of any Unit Owner. This specifically refers to, but is not limited to, the storage of flammable liquids & open fire pits in any Unit or on the Common Elements. In the event of any violation of this Section V of these Rules concerning increased risks and damage, in addition to the rights and remedies available under the Declaration, a reasonable fine may be assessed by the Executive Board, as follows:

- (1) First Offense/Violation. Written notice/warning letter to the Unit Owner.
- (2) Second Offense/Violation. A \$250.00 fine may be assessed against the Unit Owner.
- (3) Third Offense/Violation. A \$1,000.00 fine may be assessed against the Unit Owner.
- (4) Fourth Offense/Violation. A \$2,500.00 fine may be assessed against the Unit Owner.

VI. LEASING OF UNITS. No Unit or any structure located thereon shall be occupied or leased except under the terms and conditions set forth in the Declaration. In the event of a violation of the leasing or occupancy provisions of the Declaration or these Rules, in addition to all rights and remedies available under the Declaration, a reasonable fine may be assessed by the Executive Board, as follows:

1. First Offense/Violation. Written notice/warning letter to the Unit Owner.
2. Second Offense/Violation. A \$500.00 fine may be assessed against the Unit Owner.
3. Third Offense/Violation. A \$1,000.00 fine may be assessed against the Unit Owner.
4. Fourth and Subsequent Offense(s)/Violation(s). A \$2,500.00 fine may be assessed against the Unit Owner.

VII. ELECTRICAL DEVICES OR FIXTURES; TEMPERATURE OF UNITS. No electrical device which creates electrical overloading of standard circuits may be used without written permission from the Executive Board. Misuse or abuse of appliances, circuits, or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from this misuse shall be the responsibility of the Unit Owner from whose Unit it was caused. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes. Each Unit Owner shall be responsible for keeping the temperature of such Unit Owner's Unit, when vacant, at no lower than 55° Fahrenheit during the day and 50° Fahrenheit at night, and no higher than 80° Fahrenheit during the day and 75° Fahrenheit at night.

VIII. SIGNAGE

A. Requirements. Unit Owners shall submit or cause to be submitted all proposed internal and external signs to the Executive Board for approval, which approval may be withheld in the sole discretion of the Executive Board. All such signs shall be in compliance with the association documents and with all applicable

governmental requirements, including the requirements of the Town of Telluride regulating signage.

IX. ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO COMMON ELEMENTS. No alteration, additions or improvements may be made to the General Common Elements without the prior written consent of the Executive Board (or the Building Committee, if established). The Unit Owner or any benefited party shall be responsible for any installation, maintenance or damage to any General Common Elements or Units in connection with any such alteration, addition or improvements. No sign, awning, canopy, or shutter shall be affixed to or placed upon any exterior walls, doors, roof or any part thereof or exposed on or at any window without prior approval by the Executive Board (or Building Committee, if established).

X. CLEANLINESS. All Unit Owners shall keep their Units in a good state of preservation and cleanliness at all times.

XI. OBSTRUCTIONS. There shall be no obstruction of the Common Elements, nor shall anything be stored outside of the Buildings without the prior written consent of the Executive Board. Notwithstanding the foregoing, access to, and use of, the Common Elements may be subject to limited and reasonable restrictions as determined by the Executive Board, such as for customer parking, storage and closure for repairs and maintenance.

XII. STORAGE OF UNSIGHTLY/UNSAFE ITEMS. No person shall place, store or maintain any unsightly or unsafe furniture, fixture, device, article or other item or thing, including but not limited to, appliances, automobile parts and tires, cardboard boxes, newspapers, or anything flammable, on any patio, deck or area visible from the Common Elements. Storage of materials in areas designated by the Executive Board shall be at the risk of the person storing the materials and in no event shall the storage of flammable materials be permitted in or upon any part of the Owl Meadows property. In the event of violation hereof, in addition to all rights and remedies available under the Declaration, a reasonable fine may be assessed by the Executive Board, as follows:

(1) First Offense/Violation. Written notice/warning letter to Unit Owner. (2) Second Offense/Violation. A \$200.00 fine may be assessed against the Unit Owner. (3) Third Offense/Violation. A \$500.00 fine may be assessed against the Unit Owner.

(4) Fourth and Subsequent Offense(s)/Violation(s). A \$1,000.00 fine may be assessed against the Unit Owner.

XIII. PROPER USE. Common Elements shall be used only for the purposes for which they were designed. No person shall commit waste on the Common Elements, interfere with their proper use by others, or commit any nuisances, vandalism, or damage on or to the Common Elements.

XIV. ANNOYANCE OR NUISANCE. No noxious, offensive, dangerous or unsafe activity shall be carried on in any Unit, 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 Unit Owners or occupants or which may interfere with their peaceful enjoyment of the Common Elements for the purposes for which they were designed. No Unit Owner or occupant shall make or permit any disturbing noises or nuisance activities or do or permit anything to be done that will interfere with the rights, comforts of convenience of other Unit Owners or occupants.

XV. COMPLIANCE WITH LAW. No unlawful use may be made of any portion of the Project. Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Colorado, and with all local ordinances and rules and regulations. Any violating Unit Owner shall hold the Association, Association officers and the Executive Board and other Unit Owners harmless from all fines, penalties, costs and prosecutions for any violation or noncompliance (including legal fees).

XVI. RETURNED CHECK CHARGES. In addition to any and all charges imposed or allowed under the Declaration, Articles of Incorporation, Bylaws or these Rules, a \$100.00 fee shall be assessed against an Unit Owner in the event any check or other instrument attributable to or for the benefit of such Unit Owner or Unit Owner's Unit is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon notice thereof,

in the same manner as provided for payment of Assessments under the Declaration. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.

XVII. APPLICATION OF PAYMENTS MADE TO THE ASSOCIATION. The Association reserves the right to apply any and all payments received on account of any Unit Owner or the Unit Owner's property, to payment of any and all fees and costs (including attorney's fees, any expenses of enforcement and collection, late fees, return check charges, lien fees, and interest) owing or incurred with respect to such Unit Owner pursuant to the Declaration, Bylaws, and Rules prior to application of the payment to any Assessments due or to become due with respect to such Unit Owner.

XVIII. FINE ASSESSMENTS. All fines shall be due and payable immediately upon notice of such fine, as more particularly described herein. Notwithstanding anything to the contrary in these Rules, the Executive Board shall be entitled to take such action and perform such work as specified in these Rules or as otherwise permitted or required by law, the Declaration or the Bylaws. If any fine is not paid within 5 days after the due date, a late charge in the amount of \$100.00 may be assessed to compensate the Association for the expenses, costs and fees involved in handling such delinquency.

Unit Owners shall be personally, jointly, and severally liable for all fines/penalty assessments. Fines and/or penalty assessments may be collected in the manner set forth in Section I herein.

XIX. NOTICES; ENFORCEMENT; MISCELLANEOUS.

A. Notice of Violation. Notice of violation of any provisions of the Declaration, Bylaws or Rules shall be provided to the applicable Unit Owner as soon as reasonably practicable following discovery by the Executive Board of such violation. The Executive Board may also, at its option, provide a copy of such notice to any non-owner violator. The notice shall describe the nature of the violation and shall further state that the Executive Board may seek to protect its rights as they are specified in the Association Documents.

B. Services of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows:

If to an Unit Owner and/or tenant: By personal delivery to the Unit Owner and/or Lessee; or by U.S. Mail, postage prepaid, addressed to the last registered address of the Unit Owner as contained in the Association's records.

If to the Association: By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing.

C. Enforcement and Attorney's Fees. In accordance with the Declaration, Bylaws and Rules, it is hereby declared to be the intention of the Association to enforce the provisions of the Association Documents by any and all means available to the Association at law or in equity, and to seek recovery and reimbursement of all attorney's fees, Association expenses and costs incurred by the Association in connection therewith.

D. Modification, Amendments, Repeal and Re-Enactment. Notwithstanding anything to the contrary contained in these Rules, these Rules may, at any time and from time-to-time hereafter, be modified, amended, repealed and/or re-enacted in accordance with the Declaration, Bylaws and applicable law by (i) the Executive Board; or (ii) the affirmative vote of not less than $\frac{3}{4}$ of those Units represented at any properly noticed meeting of the Members, all in accordance with the Declaration, Bylaws, and applicable law.

E. Miscellaneous.

1. Failure by the Association, the Executive Board or any person to enforce any provision of these Rules shall in no event be deemed to be a waiver of the right to do so thereafter.

2. The provisions of these Rules shall be deemed to be independent and several, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.

3. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

4. The captions to the sections are inserted herein only as a matter of convenience and for reference and are in no way to be construed so as to define, limit or otherwise describe the scope of these Rules or the intent of any provision hereof.

IN WITNESS WHEREOF, the undersigned, as Treasurer of the Association, certifies these Rules were adopted by the Executive Board on October 9, 2024.


Tim Moore, Owl Meadows Treasurer