

**RULES, REGULATIONS AND POLICIES
OF
ELK RIDGE TOWNHOME ASSOCIATION**

The Elk Ridge Townhome Association ("Association") has adopted these Rules, Regulations and Policies ("Rules") pursuant to the Declaration of Covenants, Conditions, Restrictions and Easements for Elk Ridge Townhomes, as that document may be amended from time to time ("Declaration"). All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Declaration and/or the Bylaws.

1. Purpose and Scope. The primary functions of the Association are to manage the Common Elements and enforce the Declaration and Bylaws, including adopting these Rules in connection with such management and enforcement responsibility. The Executive Board has adopted these Rules in order to protect the value and desirability of the Project. These Rules supplement other rules that may be found in the Articles, the Declaration and the Bylaws.

2. Common Elements and Townhomes. All areas used in common by Owners and Occupants shall not be obstructed or used for any purpose other than access to and from Townhomes or other purposes for which they are intended. The Common Elements and Townhomes may not be used for the storage of trash or garbage. Littering is prohibited on the Project. Owners may not alter or modify any portion of the Common Elements or the exterior of a Townhome without first obtaining the written approval of the Executive Board. Any unapproved item or fixture attached to the Common Elements or the exterior of a Townhome may be removed and discarded by the Executive Board.

3. Leasing and Management Companies. All leasing companies and management companies, and/or Owners, must provide the Manager with the names and contact information for renters, upon request of the Association or the Manager. Upon the execution of a rental agreement or lease for a Townhome in the Project, all leasing companies and management companies, and/or Owners must provide their emergency contact information to the Manager. All individuals renting or leasing any Townhome in the Project must be: (1) at least eighteen (18) years of age; (2) able to legally enter into a contract; and (3) legal citizens or able to provide documentation of legal status. All leasing companies and management companies, and/or Owners are responsible for providing copies of these Rules, the Declaration and the Bylaws to their Occupants. Owners are required to provide the Association with a signed copy of all leases for all rentals in excess of five (5) months in the Project.

4. Smoke Detectors and Carbon Monoxide Detectors. Owners must keep a current and working smoke detector in a Townhome at all times, as well as a working carbon monoxide detector as required by Colorado law.

5. Fireworks. No fireworks or other incendiary devices are allowed anywhere on the Project.

6. Firearms. No firearms may be fired or otherwise discharged on the Project.

7. Grills and Stoves. No open flame and/or gas, charcoal or wood burning devices, including grills and stoves, may be used or stored anywhere on the Project. One (1) electric grill may be kept

on the deck or ground level patio of each Townhome, provided that electric grills have covers and a fireproof surface underneath. No flammable liquid for the purposes of starting fires may be used or stored anywhere on the Project.

8. Noises and Nuisance. No Owner or Occupant shall make or permit any noise within a Townhome that will disturb or annoy the Owners or Occupants of any other Townhome. Smoking is prohibited in the Common Elements. No odor may be emitted in any part of the Project which is noxious or offensive to others. No inside lights which are unreasonably bright or cause unreasonable glare are permitted. No activity may be conducted on any part of the Project which is or might be unsafe or hazardous to any person or the Project as a whole. No activity may be conducted on any part of the Project which interferes with the peaceful possession and use of the Project by Owners or Occupants. Loitering and loud noises are prohibited in the Common Elements. Loud noises are prohibited anywhere in the Project during quiet hours from 10:00 p.m. to 8:00 a.m. daily

9. Trash. Owners and Occupants are responsible for placing all trash and garbage in the dumpsters. Trash may not be left anywhere else on the Common Elements. If the dumpster is full and requires an extra pickup, please contact the Manager.

10. Powers of Manager. The Manager has full responsibility and authority to enforce the Declaration and Rules. All infractions of the Declaration and Rules should be reported to the Manager and shall be handled pursuant to paragraph 25. The Manager has full authority to handle all issues as directed by the Executive Board. All Owners and Occupants shall comply with requests of the Manager regarding the Declaration and Rules. Violators are subject to all procedures which may result in a penalty assessment against an Owner. The Manager is not responsible for taking or delivering personal messages. Emergency messages will be taken and delivered, if possible. The Manager is not responsible for addressing any rental related problems, or for showing rental or sales properties.

11. Pets. The keeping of pets on the Project are subject to the following:

(a) Only Owners are allowed to keep up to a total of two (2) domesticated dogs, cats and/or birds in their Townhomes. An Owner must obtain prior written approval of the Executive Board before keeping any additional domesticated dogs, cats and/or birds in their Townhomes. For the purposes of this paragraph, "Owners" include an Owner, an Owner's spouse, children, grandchildren and parents. "Owners" does not include other relatives not previously enumerated or Occupants. Owners may not authorize Occupants to bring pets into the Project. No other animals except those previously enumerated or approved by the Executive Board in writing are allowed to be kept, trapped, or transported anywhere on the Project, including inside Townhomes.

(b) Owners are required to clean up after and are responsible for any damage caused by their pets.

(c) Any noise or disturbance by a pet anywhere on the Project is prohibited.

(d) Any kennel, breeding or commercial pet operations anywhere on the Project are prohibited.

(e) All pets on the Project must be kept under the Owner's physical control at all times when not in a Townhome. The leash must be under the control of a person physically capable of controlling the pet. Any pet in an open vehicle must be tethered so the pet cannot extend beyond the confines of the vehicle.

(f) Pets may not be left unattended anywhere in the Common Elements. The Manager may remove any such pet at the expense of the pet owner.

(g) The Executive Board may order the removal of a pet from the Project if any of the rules set forth in this paragraph are violated.

12 Use of Townhomes. The use of Townhomes are subject to the following:

(a) Townhomes may be used for residential purposes only. Boarding house arrangements are prohibited.

(b) Only Owners may use their Townhomes for home occupations, which do not cause unreasonable disturbances to other Owners or Occupants and are permitted by applicable zoning, municipal or land use codes.

(c) All Townhomes' entry door locks must be accessible by the Manager's master key. Owners must obtain the permission of the Manager before adding a lock to the Townhome's entry door. In the event of an emergency where the Manager must forcibly enter a Townhome, and the Owner is not in compliance with this provision, all expenses for repairs, replacements, keying or rekeying of damaged locks shall be the responsibility of the Owner.

(d) The Manager shall not provide keys to any Occupants, unless the Owner provides notice to the Manager in writing and the Occupants provide proper identification.

(e) The number of individuals allowed to reside in any Townhome for a period of thirty (30) days or more is restricted to:

4	Bedroom Townhome	11 people
5	Bedroom Townhome	14 people

If a Townhome is leased, the Owner, or the management company of the Owner, is responsible for the knowledge and enforcement of this paragraph.

13. Decks/Patios. Owners may keep deck furniture, consisting of chairs and tables suitable for decks and compatible with their surroundings, plus the one (1) electric grill permitted in accordance with 7 above, on a deck or patio. Unsightly, oversized, or excessively brightly colored deck furniture may not be kept on decks. From May 1 to November 1 only, Owners may keep well maintained bird feeders, flower boxes and hanging boxes with flowers. No artificial plants are allowed. Swimsuits, towels, clothing, rugs and similar items may not be hung on decks or patios, or the Common Elements, or attached to any building.

14. Satellite Dishes. Except for satellite dishes installed prior to the adoption of these Rules, satellite dishes may not be installed anywhere on the Project without the prior written consent of the Executive Board.

15. Improvements. Items that attach to the exterior of any building on the Project, including decks, partitions, railings or any other Common Element, or in any way alter such areas, may not be installed without the prior written consent of the Executive Board.

16. Signs and Flags. No sign, notice, billboard or other advertisement shall be placed in any window, on any balcony, on any Townhome, without the written permission of the Executive Board, except as set forth in this paragraph.

(a) An Owner or Occupant is allowed to display one political sign per political office or ballot issue with the maximum dimensions of such sign limited to the lesser of: (a) 36" by 48" inches, or (b) the maximum size allowable by any applicable local ordinance that regulates the size of political signs on residential property. Any political sign shall be displayed only in a window of a Townhome and shall not be displayed earlier than forty-five (45) days before an election, or later than seven (7) days after an election day.

(b) An Owner or Occupant may display an American flag in a window of a Townhome only if the American flag is displayed in a manner consistent with the applicable sections of the federal flag code and does not exceed 36" by 48".

(c) An Owner or Occupant may display a service flag bearing a star denoting the service of the Owner or Occupant, or a member of the Owner's or Occupant's immediate family in the active or reserve military service of the United States during a time of war or armed conflict, on the inside of a window or door of the Townhome. The maximum size of a service flag shall be 9" by 16".

17. Emergency Vehicle Parking. The Association shall not prohibit the parking of a motor vehicle on the Project if the Owner or Occupant is required by its employer to have the vehicle at his or her residence during designated times, and:

- (a) The vehicle weighs less than ten thousand pounds (10,000 lbs.);
- (b) The Owner or Occupant is a bona fide member of a volunteer fire department, or is employed by an emergency service provider;
- (c) The vehicle bears an official emblem or other visible designation of the emergency service provider; and
- (d) Parking of the vehicle will not obstruct emergency access or interfere with the reasonable needs of the other Owners or Occupants to use parking areas and driveways within the Project.

18. Parking Regulations. Subject to paragraph 17, parking is provided as follows:

- (a) Parking is provided for only Owners and Occupants. Except for Townhomes 400 and 406, each Townhome is provided with one (1) garage parking space, and one (1) parking space in front of the garage.
- (b) Townhomes 400 and 406 have one (1) garage parking space each. There is no parking in front of the garages for Townhomes 400 and 406. Each of these Townhomes has one (1) exterior parking space located in the paved area on the north side of Townhome 400.
- (c) A vehicle may not occupy more than one (1) parking space, and cannot extend out of the garage or onto the street. Garage doors must be closed overnight. Driveways and sidewalks shall not be obstructed in any way or used for any other purpose other than entering or departing Townhomes. All vehicles must be parked in full compliance with any posted signs.
- (d) No trucks (pickup trucks and SUVs excepted), trailers, mobile homes, detached campers, boats, recreational vehicles, trucks over six thousand pounds (6,000 lbs.) gross weight, extended vans, commercial vehicles, off-road vehicles, snow mobiles or trailers (with or without anything on it) or similar crafts or vehicles may be kept, stored, parked or maintained anywhere on the Project.
- (e) All vehicles parked in the Project must be licensed, registered and operating. No damaged or unsightly vehicles may be kept, stored, parked or maintained anywhere on the Project. No junk vehicle, inoperative vehicles, unlicensed vehicle, or vehicle under repair may be parked, stored or maintained on the Project for more than three (3) days.
- (f) No vehicle maintenance, including oil changes, may be performed on the Project.
- (g) All vehicles must be removed from the driveways of Townhomes for snow removal no later than 10:00 a.m. on the morning following the accumulation of four

(4) inches of snow, regardless whether the accumulation was caused by one or several snowfalls.

(h) Sleeping or camping in the Common Elements, including the parking areas, are strictly prohibited.

(i) Any vehicle left on the Project for more than any seventy-two (72) hour period shall be considered abandoned and is subject to towing at the vehicle owner's expense.

(j) All vehicles parked in any outside parking space on the Project must have an Elk Ridge Parking Permit ("Permit") issued by the Manager visibly displayed. The Permit must be suspended from the rear view mirror or placed on the dashboard in a position clearly visible from the outside of the vehicle. It is the responsibility of all Owners or their leasing or management companies to ensure all Occupants have a Permit. If an Owner or Occupant needs a Permit, the Owner or his or her leasing or management company must contact the Manager.

(k) If a violation of any parking rule as set forth herein has occurred and the vehicle operator is unwilling or unavailable to immediately resolve such violation, the Manager may, in its sole discretion, have the vehicle towed by a professional towing service at the expense of the vehicle's owner or operator or, if applicable, the responsible Owner. Information relating to any vehicle towed from the Project is available from the Manager.

(l) The Association is not responsible for any damage to vehicles parked on the Project.

19. Entry of Townhomes. In the case of emergency originating in or threatening any Townhome, regardless of whether the Owner or Occupant is present at the time of such emergency, the Association or anyone authorized by it, as well as fire, police and other emergency personnel, shall have the right to enter such Townhome for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. The Association also has the right to access any Townhome for maintenance and repair purposes, including inspection of electrical and plumbing equipment.

20. Liability Insurance. Each Owner shall obtain liability insurance covering such Owner's liability for claims and liabilities arising in connection with the ownership of the Townhome or the use thereof with a combined single limit of not less than \$1,000,000 in respect to any one (1) accident or occurrence. A certificate for this insurance required to be carried by each Owner shall be provided to the Association within thirty (30) days of notice from the

Association of this provision of the Rules and at least annually or upon any change in such insurance, thereafter.

21. Insurance Claims by Owners. Subject to C.R.S., § 10-4-110.8(5), as may be amended, an Owner shall have the right to file a claim against the insurance policy of the Association. The Association's insurer, when determining premiums to be charged to the Association, shall not take into account any request by an Owner for clarification of coverage. In making such a claim against any insurance policy of the Association, the Owner must follow this procedure:

(a) The Owner must first contact the Executive Board in writing regarding the subject matter of the claim;

(b) The Owner must give the Association at least twenty (20) days to respond in writing, and give the Association a reasonable opportunity to inspect the damage; and

(c) The Owner will only be allowed to make a claim if the subject matter of such claim falls within the responsibility of an insurance policy of the Association.

22. Assessment of Insurance Deductibles. When the Association, or an Owner, settles a property insurance claim with any insurance policy of the Association, the Association shall have the power to assess the negligent Owners causing the loss or Owners benefiting from the repair or restoration all deductibles paid by the Association. If more than one (1) Townhome is damaged by a loss, the Association, in its reasonable discretion, may assess each Owner a pro-rata share of any deductible paid by the Association. Any such deductible shall be levied and collected as an assessment against the Townhome of the responsible Owner.

23. Performance of a Reserve Study. The Executive Board may, from time to time and in its discretion, cause a reserve study ("Reserve Study") to be performed for those portions of the Common Elements and Townhomes of which the Association is responsible for the maintenance, repair, replacement and improvement. A Reserve Study may be based upon a physical analysis and/or a financial analysis, as determined by the Executive Board. The Reserve Study may discuss the projected sources of funding for replacement of the Common Elements and Townhomes, and whether there is a current funding plan in place. The Executive Board may perform an internally conducted Reserve Study, or may retain a reserve study analyst or specialist to complete the Reserve Study. Any Reserve Study conducted may be updated at any time in the discretion of the Executive Board.

24. Investment of Reserve Funds and Assessment Reserves. If the Executive Board is to invest any reserve funds or Assessment reserves to generate revenue that will accrue to the balance of such reserve funds or Assessment reserves, such investment shall be made in accordance with the following policies, listed in order of their priority:

(a) Safety of Principal. Promote and ensure the preservation of the principal of any Assessment reserves.

(b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(c) Minimal Costs. Minimize investments costs, such as redemption fees, commissions, and other transactional costs.

(d) Diversify. Mitigate the effects of interest rate volatility upon Assessment reserves.

(e) Return. Invest funds to seek the highest level of return.

25. Resolution of Rules Violations.

(a) Violation Resolution Process. The Executive Board hereby establishes the following policy for resolving violations of or noncompliance with the Declaration and these Rules by an Owner or Occupant.

(i) Any Owner or Occupant may notify the Manager or Executive Board regarding the existence of an alleged violation. The Executive Board shall refer any such complaints to the Manager. In the event a member of the Executive Board independently becomes aware of an alleged violation, he or she must promptly notify the Manager. The Manager must promptly proceed under subparagraph (ii) if it receives a complaint or independently becomes aware of an alleged violation.

(ii) The Manager shall promptly investigate all alleged violations. The Manager, in its sole discretion, may require the claiming Owner or Occupant ("Complainant") to provide additional information or set forth the allegations of the violation in writing. If the Manager is satisfied that there may be a violation, the Manager shall promptly contact the alleged responsible Owner ("Respondent") in person, by telephone, or in writing regarding the possible violation. The Manager may also, but is not required to, contact the Occupant in the Respondent's Townhome, if any, regarding the possible violation. The Manager, in its sole discretion, may require the Respondent to set forth an explanation regarding the violation in writing. Any writings collected hereunder by the Manager shall be kept in the Association's records and shall not be reproduced or distributed unless required by the Executive Board or law.

(iii) After evaluating the positions of the Complainant and Respondent, the Manager shall determine, in its sole discretion, whether there has been a violation. If the Manager determines that there has been no violation, the Manager shall notify both the Complainant and Respondent, and place a written statement to that effect in the Association's records. If the Manager determines that there has been a violation, it shall mail a written notice of violation ("Notice") to the Respondent in an envelope marked "URGENT – FINANCIAL

CONSEQUENCES INVOLVED” by Certified Mail, Return Receipt Requested. The Notice shall set forth the date of Notice, details and date of the violation, any deadline for terminating the violation before the imposition of penalties and/or legal action, the dollar amount of any potential financial penalty, and the right to request a hearing before the Executive Board to contest the finding of the violation or the potential financial penalty.

(iv) For purposes of this paragraph, service of the Notice on one Owner shall be service on all Owners of the Townhome. It is the Owners’ obligation to keep the Manager notified of any change of address. Failure to do so will not affect the validity of service hereunder.

(v) Subject to a Respondent’s request for hearing under subparagraph (c) (i), if the alleged violation is not corrected within the time set forth in the Notice or occurs again within the next twelve (12) months following service of the Notice, the Manager shall, in its sole discretion, satisfy itself that there is a repeated or continuing violation, at which time financial penalties pursuant to the Notice shall be assessed and/or the Association may initiate legal action to abate the violation.

(b) Financial Penalties.

(i) The Executive Board hereby establishes the financial penalties for violation of or noncompliance with the Declaration, the Bylaws or these Rules by a Respondent or Occupant, as follows:

	One-Time Occurrence	Continuing Occurrence
First Offense	\$100	\$50/day until resolved
Second Offense	\$200	\$50/day until resolved
Third or More Offenses	\$300	\$50/day until resolved

(ii) The applicable penalty is determined by the type of violation. One-Time Occurrence penalties apply to a violation that constitutes a discrete incident (e.g., barking dog). Continuing Occurrence penalties apply to violations that are of a continuous nature, including, but not limited to, the Respondent’s refusal to remove an inappropriate item from a balcony or improper use of a parking space. The Manager may, in its sole discretion, determine that a violation is a One-Time Occurrence. The Manager may, in consultation with at least one (1) member of the Executive Board, determine that a violation is a Continuing Occurrence.

(iii) Any penalty assessed, if not voluntarily paid to the Association before the next scheduled payment of dues, will be added to the next billing

statement and is payable within thirty (30) days thereafter. If, after a hearing or a waiver thereof, a violation or series of violations is deemed to have occurred, the penalties shall be assessed from the date of the first violation and added to the next billing statement. Any unpaid amount shall be charged against the Respondent's Townhome and will be collectible as any other assessment charged against the Townhome. In the event the assessments are not paid in a timely manner, the Executive Board may impose charges for late payments, recover legal costs for the collection of assessments and other actions to enforce the Rules of the Association, regardless of whether an action was initiated. Nothing herein shall operate to limit the Association's remedies.

(iv) Assessments of financial penalties may be waived in whole or in part or adjusted downward in the sole discretion of the Executive Board. Waiver or adjustment in a particular case will not set a precedent in any other case.

(c) Hearing Process.

(i) Any Respondent who has received a Notice of violation resulting in the assessment of a financial penalty shall have an opportunity to request a hearing for the purpose of contesting the violation or the financial penalty set forth in the Notice. The Respondent must contact the Manager in writing within ten (10) days following the date of service of the Notice and request a hearing. The Manager shall, within ten (10) days of receiving the request for hearing, schedule a formal hearing before the Executive Board, who may be present in person or via teleconferencing technology. The Respondent must participate in person during the hearing and may have witnesses present. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived.

(i) The Executive Board may act as an impartial decision maker as that term is defined in C.R.S. § 38-33.3-209.5. Any member of the Executive Board, who has a direct personal or financial interest in the outcome of a hearing and, therefore, is incapable of acting as an Impartial Decision Maker, shall disclose such interest to the other members of the Executive Board. The remaining members of the Executive Board not having a direct personal or financial interest in the outcome of the hearing will determine if such member is disqualified as an Impartial Decision Maker and, therefore, from participating in the hearing. A member of the Executive Board shall not be deemed to have a direct personal or financial interest in the outcome if he or she will not, as the result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. If disqualification of members of the Executive Board results in an even number of remaining members eligible to make a decision, the Executive Board may appoint an Owner in good standing to serve as an Impartial Decision Maker. If disqualification of members of the Executive Board results in no eligible members, the Executive Board may appoint

one (1) or more Owners in good standing to serve as Impartial Decision Makers.

(i) The Impartial Decision Makers may confer with witnesses or other members of the Executive Board or the Manager before rendering a decision. A final decision will be rendered at the end of the hearing. In the event there are circumstances that prevent the Impartial Decision Makers from rendering its decision at the end of the hearing, a final decision will be made within five (5) days after the hearing, and the Respondent will be notified verbally and in writing of the Impartial Decision Makers' decision at that time.

(iv) If, after the opportunity to be heard, a violation or series of violations is deemed to have occurred, the assessment of penalties shall be upheld from the date of the first violation. The Respondent shall also be responsible for all expenses, if any, incurred by both parties in completing the resolution and hearing process.

(v) If the Impartial Decision Makers overturn the assessment of penalties, the Manager will refund any payment already made by the Respondent or, if no payment has yet been made, the assessment will be removed from the Respondent's next billing invoice. In that event, each party will be responsible for their own expenses, if any, incurred in completing the resolution and hearing process.

26. Dispute Resolution. Except in connection with a proceeding regarding the violation of the Association Documents or in connection with the collection of any past due Assessments, fines or other charges, if a dispute ever arises between an Owner and the Association, or between two or more Owners, the parties shall use the procedures set forth in the following provisions for any dispute that does not involve an imminent threat to the peace, health, or safety of the Project.

(a) Negotiation. The Owner and the Association, or the Owners, shall attempt in good faith to resolve any dispute promptly by negotiations between persons who have authority to settle the controversy ("Representatives"). Any party may give another party written notice of any dispute not resolved in the normal course of business. Within twenty (20) days after receipt of said notice, Representatives of the parties to the dispute shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within sixty (60) days of the notice of dispute, or if the parties fail to meet within twenty (20) days, any party to the dispute may initiate mediation of the controversy as provided below.

(b) Mediation. If the dispute has not been resolved by negotiation as provided above, either party may give written notice to mediate (Mediation Notice) and the parties shall endeavor to settle the dispute by mediation between their respective Representatives with a neutral third party mediator. If the parties encounter difficulty in

agreeing on a neutral third party, each of the Owner and the Association may appoint a neutral third party, and such third parties shall appoint a neutral third party to mediate.

(c) Arbitration. Any dispute which has not been resolved by mediation as set forth above within sixty (60) days of the date of the Mediation Notice, shall be finally settled by binding arbitration conducted in accordance with the terms of this subparagraph, upon written demand for arbitration made by any party (Arbitration Demand@) provided, however, that if one party has requested the other to participate in mediation and the other has failed to participate, the requesting party may make demand for arbitration before expiration of such sixty (60) days.

(i) As soon as reasonably possible following the Arbitration Demand, but not later than fifteen (15) days after the date of such Demand, the parties, in good faith, shall attempt to select a mutually acceptable arbitrator to hear and decide the matter or matters in controversy. In the event the parties cannot agree on a mutually acceptable arbitrator within thirty (30) days after the date of such Demand, each party shall appoint an unrelated third party within forty (40) days after the date of such Demand and, within fifteen (15) days of the date of the appointment of the last of such unrelated third parties, such third parties shall appoint an arbitrator to hear and settle the dispute in accordance with the terms and provisions hereof. If any party does not appoint an unrelated third party in a timely manner or if such third parties cannot or do not appoint an arbitrator in a timely manner, then any party may make application to the District Court for Summit County, Colorado for appointment of an arbitrator.

(ii) The arbitration shall be conducted by a single arbitrator and the decision of the arbitrator shall be final, enforceable, binding and unappealable to any court or tribunal, except as otherwise may be provided by Colorado law. Such decision shall be enforceable with the same force and effect as if issued by any court of competent jurisdiction. The decision of the arbitrator shall be based upon the evidence and facts presented by the parties and shall be in accordance with Colorado law. The arbitrator is not empowered to award damages in excess of compensatory damages.

(iii) The costs of the arbitration, including reasonable attorney fees, shall be awarded to the prevailing party. If there is no prevailing party, such fees and costs may be awarded at the discretion of the arbitrator who, in making such award, shall assess the relative good or bad faith of the parties throughout the dispute.

(iv) All arbitration proceedings shall be conducted to expedite resolution and minimize cost. Disclosures shall be required and discovery shall be allowed and both shall be governed by Rules 26-37 of the Colorado Rules of Civil Procedure, as amended, except that upon application of either party, the arbitrator, in the interest of justice and efficiency, may limit discovery as such

arbitrator deems appropriate.

(v) The place of arbitration shall be Summit County, Colorado.

(d) Provisional Remedies. The procedures specified in this paragraph entitled Dispute Resolution shall be the sole and exclusive procedures for the resolution of disputes between an Owner and the Association, or between two or more Owners; provided, however, that a party may seek a preliminary injunction or other provisional judicial relief if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the parties will continue to participate in good faith in the procedures specified herein.

(e) Performance to Continue. Each party is required to continue to perform its obligations under the Declaration and these Rules pending final resolution of any dispute.

(f) Extension of Deadlines. All deadlines specified in this paragraph may be extended by mutual agreement.

(g) Costs. Each party shall pay its own costs with respect to negotiation and mediation. The prevailing party in any arbitration or provisional judicial relief shall be entitled to reimbursement from the other party for all reasonable costs and expenses, including attorney fees in connection with such arbitration or provisional judicial relief.

(h) Notices. All notices or demands under this paragraph shall be in writing and provided in accordance to the addresses required to be provided by the Association, and the address of the Owner required to be kept on file by the Association.

27. Amendment. The foregoing Rules are subject to amendment as more fully provided for in Article 15 of the Bylaws.

Certification

The undersigned certifies that the foregoing Rules, Regulations and Policies were adopted by the Executive Board of the Association as of the ____ day of _____, 2025.

President