

**RULES, REGULATIONS AND POLICIES
OF
SNOWBRIDGE SQUARE CONDOMINIUM ASSOCIATION**

May 1, 2015

**RULES, REGULATIONS AND POLICIES
OF
SNOWBRIDGE SQUARE CONDOMINIUM ASSOCIATION**

Table of Contents

1. Purpose and Scope	1
2. Smoke Detectors and Carbon Monoxide Detectors	1
3. Fireworks	1
4. Firearms	1
5. Leasing and Management Companies	1
6. Noises and Nuisance	2
7. Structural Alterations, Exterior Appearance and Internal Changes	2
8. Trash	3
9. Pets	3
10. Satellite Dishes	3
11. Signs and Flags	3
12. Emergency Vehicle Parking	4
13. Parking Rules and Regulations	4
14. Rules Regarding Wood and Gas Fireplaces	6
15. Storage Units	7
16. Common Storage Room	8
17. Use of Residential Units	8
18. Use of Commercial Units	8
19. Uses of General Common Elements and Limited Common Elements	8
20. Master Key Rule.	8
21. Maintenance and Repair	9
22. Policy for Allocation of Assessments for Common Expenses.	9
23. Dues and Assessments from Commercial Units.	10
24. Notice of Lien or Suit	10
25. No Waiver of Rights	10
26. Mechanics Liens	10
27. Entry of Units	11
28. Insurance Claims by Owners	11
29. Assessment of Insurance Deductibles	11
30. Performance of a Reserve Study	11
31. Investment of Reserve Funds and Assessment Reserves	12
32. Resolution of Rules Violations	12
33. Dispute Resolution	15
34. Amendment	18

**RULES, REGULATIONS AND POLICIES
OF
SNOWBRIDGE SQUARE CONDOMINIUM ASSOCIATION**

May 1, 2015

The Snowbridge Square Condominium Association (“Association”) has adopted these Rules, Regulations and Policies (“Rules”) pursuant to the Declaration for Snowbridge Square Condominiums, 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 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 Property. These Rules supplement other rules that may be found in the Articles, the Declaration and the Bylaws, or that may be adopted separately.

2. Smoke Detectors and Carbon Monoxide Detectors. Unit Owners must keep and maintain a working smoke detector and working carbon monoxide detector in each Unit at all times. The Managing Agent shall inspect all Units annually to ensure compliance with these requirements. The Managing Agent may replace or repair an inoperable smoke detector or carbon monoxide detector, and the Unit Owner shall be responsible for the cost of the same.

3. Fireworks. No fireworks or other incendiary devices are allowed anywhere on the Property.

4. Firearms. No firearms may be fired or otherwise discharged on the Property.

5. Leasing and Management Companies. All leasing companies and management companies, and/or Unit Owners, must provide the Managing Agent with the names and contact information for renters upon request of the Association or the Managing Agent. Upon the execution of a rental agreement or lease for a Unit in the Property, all leasing companies and management companies, and/or Unit Owners must provide their emergency contact information to the Managing Agent. All individuals renting or leasing any Unit in the Property must be: (1) at least eighteen (18) years of age; (2) able to legally enter into a contract; and (3) legal citizens of the United States of America or able to provide documentation of legal status. All leasing companies and management companies, and/or Unit Owners are responsible for providing copies of these Rules and the Bylaws to their tenants. Unit Owners are required to provide the Association with a signed copy of all leases for all rentals of Units for a term in excess of six (6) months.

6. Noises and Nuisance. No Unit Owner, tenant or guest shall make or permit any noise within a Unit that will disturb or annoy the occupants of any other Unit. Smoking is prohibited in the Common Elements. No odor may be emitted in any part of the Property which is noxious or offensive to others. No inside lights which are unreasonably bright or cause unreasonable glare outside of the Unit are permitted. No activity may be conducted on any part of the Property which is or might be unsafe or hazardous to any Person or the Property as a whole. No activity may be conducted on any part of the Property which interferes with the peaceful possession and use of the Property by Unit Owners or Occupants. Loitering and loud noises are prohibited in the Common Elements. Loud noises are prohibited in the Property during quiet hours from 10:00 p.m. to 8:00 a.m. daily. Unit Owners, tenants and guests shall not emit loud noises, including but not limited to voices, televisions, electronic equipment and musical equipment, from their Units, especially during quiet hours. Entry doors for buildings shall be kept closed in order to contain as much noise as possible. For purposes of this Rule, a “loud noise” is any noise that is likely to disturb or annoy the occupants of any Unit other than the Unit from which such noise emanates.

7. Structural Alterations, Exterior Appearance and Internal Changes. The following, hereinafter referred to as the “Alterations,” shall not be made or caused to be made without the prior written approval of the Executive Board:

(a) Structural alterations to any Unit, including the construction of any additional skylight, window, door, or other alteration visible from the exterior of the Unit or to any Common Element; or

(b) Subdivision of Units or relocation of boundaries between adjoining Units.

To apply to the Executive Board for the required written approval for a proposed Alteration, the Unit Owner must submit plans and specifications showing the nature, kind, shape, height, color, materials, and location of the proposed Alteration in sufficient detail for the Executive Board to review them. The Unit Owner shall submit five (5) copies of the plans and specifications to the Managing Agent. The Unit Owner is responsible for any processing and/or review fees, which may include professional fees, the Association may incur in retaining architects, engineers or attorneys to review the plans and specifications. In reviewing the plans and specifications, the Executive Board shall specifically consider the impact of the proposed Alteration on the harmony of external design and location in relation to surrounding structures and topography, as well as any impact on neighboring Units, the Common Elements, or the facilities of the Project. Unless the Executive Board specifically approves in writing a proposed Alteration within thirty (30) days of the Managing Agent receiving the correct number of plans and specifications, the Executive Board is deemed to have denied the proposed Alteration. The decision regarding a proposed Alteration is within the sole discretion of the Executive Board and is final. In addition to the foregoing, changes to the interior of a Unit that are not required to be approved by the Executive Board in accordance with this paragraph 7 shall be performed by a licensed contractor and under a building permit issued by Summit County when such is required

by the Summit County Land Use and Development Code and the Summit County Building Department.

8. Trash. Unit Owners and Occupants are responsible for placing all trash and garbage in the appropriate facilities. Trash may not be left anywhere else on the Common Elements. The disposal of any furniture, refrigerators, appliances, mattresses, tires, car batteries and motor oil is forbidden anywhere on the Property, including, but not limited to, the dumpster area.

9. Pets. The keeping of pets on the Property are subject to the following:

(a) Unit Owners and their tenants, so long as such tenants have written permission from the Unit Owner, may bring and keep no more than two (2) pets within the Property.

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

(c) Any noise or disturbance by a pet anywhere on the Property is prohibited. No kennel or commercial pet operations are permitted.

(d) All pets on the Property must be kept either on a leash or under voice control when not in a Unit. The pet must at all times be under the control of a Person 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. Pets may not be otherwise tethered outside of a Unit. If a pet that is not in a Unit and not on a leash is not being properly controlled the Managing Agent may require the pet to be leashed.

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

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

10. Satellite Dishes. Satellite dishes may not be installed anywhere on the Property without the prior written consent of the Executive Board.

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

(a) A Unit 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 eight (8) square feet. Any political sign shall be displayed only in a window of a Unit 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) A Unit Owner or Occupant may display an American flag 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 60".

(c) A Unit Owner or Occupant may display a service flag bearing a star denoting the service of the Unit Owner or Occupant, or a member of the Unit 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. The maximum size of a service flag shall be 9" x 16".

12. Emergency Vehicle Parking. The Association shall not prohibit the parking of a motor vehicle on the Property if the Unit 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 Unit 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;

(d) Parking of the vehicle will not obstruct emergency access or interfere with the reasonable needs of the other Unit Owners or Occupants to use parking areas and driveways within the Property; and

(e) The vehicle must, at all times, be in compliance with all other Parking Rules and Regulations.

13. Parking Rules and Regulations.

(a) Garage Parking Rules. The Association has assigned all 35 parking spaces in the Snowbridge Square garage, as follows: (i) one space for each Residential Unit; (ii) 10 spaces for Commercial Unit tenants; and (iii) 1 space for Property Management.

(i) All parking spaces in the garage must remain cleared and open for use by a vehicle so as not to require vehicles with assigned garage spaces to use shared outside spaces during the ski season, which runs from November 1st to April 15th.

(ii) Any vehicle/trailer parked in a garage space which has not been approved by its assigned Unit Owner shall be towed at the expense of the vehicle's owner.

(iii) Trailers and other non-vehicular equipment may not be kept in the garage during the ski season, which runs from November 1st to April 15th, without permission of the Executive Board. Trailers and other non-vehicular equipment that have not been moved for 14 consecutive days, without prior notification to the Managing Agent of long term storage, shall be considered abandoned.

(b) Outside Parking Rules. There are 33 parking spaces in the Snowbridge Square outside parking lot.

(i) The southwest spaces (building side of lot, right of garage opening) are unpermitted commercial access parking spaces and may have signs designating the preferred commercial use. Residential permit holders and commercial employees shall not use these spaces.

(ii) The southeast (building side of lot, to left of garage) and north side parking spaces (25 total) will have signs designating them as Snowbridge Square permitted parking.

(iii) Outside parking permits will be assigned yearly to Unit Owners by the Managing Agent and shall be displayed in front windshield to assist in controlling improper parking lot use. Parking spaces will not be assigned to individual Units and will be on a first-come first-serve basis.

(iv) Additional temporary outside parking permits maybe requested from the Managing Agent for Unit Owner guest usage.

(v) Trailers and other non-vehicular equipment shall not be kept in parking lots during the ski season, which runs from November 1st to April 15th. Trailers and other non-vehicular equipment that have not been moved for 14 consecutive days, without prior notification to the Managing Agent of long term storage, shall be considered abandoned.

(vi) During the ski season, which runs from November 1st to April 15th, whenever Copper Mountain Resort reports snowfall of 4 inches or more, all vehicles must be cleared of snow and moved to a new location as soon as possible, and in all instances within 48 hours after the snow report. After this initial 48 hour grace period, the vehicle will be flagged, and must be cleared of snow and moved within 24 hours to avoid being subject to towing at the vehicle owner's expense. Exceptions can be made for extended absences with notification of and agreement with the Managing Agent.

(c) Common Garage and Outside Parking Rules.

(i) Inoperable, abandoned vehicles, or vehicles with expired license plates, shall not be kept on the Property. Vehicles without valid and current license plates will be considered abandoned vehicles. Any vehicles that have not been moved for 14 consecutive days, without prior notification to the Managing Agent of long term storage, shall be considered abandoned.

(ii) A 14-day storage allowance is permitted to accommodate moving and construction activities. The Executive Board may issue a waiver to the 14-day storage limit upon a special request from a Snowbridge Square Unit Owner.

(iii) Motor homes and/or recreational vehicles shall not be occupied.

(iv) No vehicle shall be parked in such a manner as to impede parking lot traffic or prevent ready access to any entrance into or exit from the building.

(v) No major automobile repairs shall be permitted on any vehicle on the Property.

(vi) Commercial vehicles shall not be permitted on the Property except when performing their commercial duties.

(vii) The Association, at the vehicle owner's expense, may remove any vehicle in violation of Association's Parking Rules and Regulations.

14. Rules Regarding Wood and Gas Fireplaces.

(a) Because defective wood and gas burning devices represent a potential danger to the entire Property, which could result in loss of life or property, all wood and gas burning devices located within any Unit must be inspected annually by the local fire department or other inspector approved by the Executive Board. Such inspection shall be conducted at the direction of the Association and any cost associated with such inspection shall be paid by the Association.

(b) Any wood or gas burning device that fails inspection shall cease to be used by the Owner of such Unit where the wood or gas burning device exists, including use by any Lessees or guests, until the device is repaired or replaced and passes a follow-up inspection and the results of such inspection have been delivered to the Executive Board.

(c) The Executive Board shall give written notice to the Owner to repair or replace any wood or gas burning device which fails inspection. If the Owner does not show proof that the wood or gas burning device has been repaired and has passed inspection within thirty (30) days of the notice, the Executive Board shall undertake such

repairs or replacement to the wood or gas burning device as are required in order for the device to pass inspection. The Executive Board, in its sole discretion, may extend the thirty (30) day period upon a showing by the Owner that the Owner is making a substantial and diligent effort towards repairing or replacing the device.

(d) The cost of any repairs to, or replacement of, a wood or gas burning device in need of repairs or replacement incurred by the Association shall become an assessment against that Owner's Unit pursuant to the Association Documents. The cost of such repairs shall also be a personal obligation of the Owner.

(e) Use of a wood or gas burning device which has failed inspection and which has not been repaired or replaced and which has not passed a follow up inspection, as set forth herein, by any Owner, or such Owner's guest or tenant, shall subject the Owner of such Unit to a fine for each separate use incident, as allowed by the Association Documents. The Association may, if deemed necessary by the Board of Directors in its sole discretion, in order to provide for the safety of the Snowbridge Square Condominiums, seek a restraining order, preliminary injunction and/or permanent injunction against any Owner of any Unit who continues to use a wood or gas burning device in violation of these Rules.

(f) If, for any reason, a wood or gas burning device cannot be repaired or replaced in such a manner as to pass an appropriate safety inspection, such device shall be removed and its flue shall be permanently sealed and closed off by the Association so as to render such device inoperable. The cost of such work shall be treated the same as a repair or replacement as set forth in paragraph (d) above.

15. Storage Units. Storage units will be allowed in the garage of Snowbridge Square if the following conditions are met:

(a) The storage units will only be allowed in the assigned parking space of an Owner of a Snowbridge Square Unit. If an Owner does not have an assigned parking space with a front wall, the Owner may request a relocation of their garage space so as to provide for a front wall. Storage of personal items in a parking space is permitted without a storage unit as long as such items are in bins or completely covered, so as not to be visible, and do not impede proper parking of a vehicle in the space. Nothing can extend beyond the end of the painted lines delineating the space.

(b) The entire cost of installation of a storage unit is to be paid for by Owner. Prior to construction and installation, the design, plans and specifications of the proposed storage unit shall be approved in writing by the Executive Board. No flammable, toxic or illegal substances are to be stored in a storage unit.

(c) If locked, the Owner will provide the Managing Agent with a duplicate set of keys or the combination to lock on the storage unit. Owner agrees that the Managing

Agent shall have access to the storage unit at all times in order to allow for inspection of contents.

(d) Placement of the storage unit will not impede the proper parking of vehicles in the parking space, and must be elevated so the front of the vehicle can fit underneath. Nothing can extend beyond the end of the painted lines delineating the space.

16. Common Storage Room. There is an available secured storage room in the garage area of Snowbridge Square immediately adjacent (west) to parking space #208 (“Storage Room”). Owners may use the Storage Room provided that they have agreed, in writing, to hold the Association, its management, and Executive Board harmless from any loss or damage to items stored in the Storage Room. All items stored in the Storage Room must have a name of the Owner and the Owner’s Unit number attached to such item. No flammable, toxic, or illegal substances may be stored in the Storage Room. No individual Owner may occupy more than 8 square feet of the Storage Room. A combination lock will be installed on the door to the Storage Room and the combination shall be provided to each Unit Owner who has complied with the provisions of this Rule. The Storage Room shall be used solely for the benefit of Unit Owners at Snowbridge Square and shall not be sublet or used in any fashion by non-Owners of Units at Snowbridge Square.

17. Use of Residential Units. All Residential Units shall be utilized only for residential occupancy by the Owner, their family and guests, and by Persons renting the Units.

18. Use of Commercial Units. Each Commercial Unit may be used and occupied only for commercial purposes. No Commercial Unit shall, under any circumstances, be used as a Residential Unit or for living quarters of any Persons.

19. Uses of General Common Elements and Limited Common Elements. Each Owner may use the General Common Elements and the Limited Common Elements of the completed Condominium Property in accordance with the purposes for which they were intended and the provisions of the Declaration without hindering or encroaching upon the lawful rights of the other Owners.

Each Owner shall be entitled to the use of those parts of the General Common Elements such as walks, and other such facilities, all of which are intended to enhance the utility and value of each of the Condominium Units in the Condominium Property subject, however, to the rules and regulations established or to be made with the right to amend same from time-to-time.

20. Master Key Rule. The Managing Agent, or if there is no Managing Agent then the Executive Board, shall retain a pass key to each and every Unit, both Residential and Commercial. All Residential and Commercial Unit keys must be on the building’s master key system established by the Association. No Owner shall alter any lock or install a new lock on any door leading into a Unit without coordinating with the Managing Agent or the Executive Board to insure that such lock and the keys for such lock are compatible with the building’s

master key system. Any electronic key system installed must be on the system established by the Association and must be programmed to be compatible with the building's master electronic key. All re-keying costs and expenses shall be borne by the Unit Owner.

21. Maintenance and Repair.

(a) Every Owner shall be obligated for the expense of all maintenance and repair work within such Owners' Unit, which, if omitted, would affect the value of the Unit. The Association, or its Managing Agent, shall cause necessary work to be accomplished in order to maintain the Unit in a first class condition, if the Owner fails to do the required work.

(b) Except as otherwise provided for herein, all maintenance and repairs of doors, windows and internal installations within a Unit such as water, gas, power, sewage, telephones, sanitary installations, electrical fixtures, all other accessories, equipment and fixtures including furniture and other items of personal property, shall be at the Unit Owners' expense. Telephone installation expense shall be at the Unit Owners' expense. The foregoing notwithstanding, water, gas, power and sewage facilities and installations located within the walls of a Unit shall be considered Common Elements and shall be maintained and repaired by the Association.

(c) An Owner shall be obligated to reimburse the Association or another Condominium Owner promptly upon receipt of a statement for any expenditures incurred by the Association or other Owner or both in repairing, replacing or restoring any Common Element or the interior or any part of a Unit damaged as a result of such Owners' negligence and/or neglect, or the negligence and/or neglect of such Owners' tenants or agents or failure to keep the Unit in repair.

22. Policy for Allocation of Assessments for Common Expenses.

(a) The levying of Common Expenses against the Owners according to the Share of Common Expenses allocated to the respective Units, as set forth in Section 5.2 of the Declaration, shall be subject to the power of the Executive Board to allocate Common Expenses to one or more Units on a basis other than that of the Share of Common Expenses, including, but not limited to:

(i) Common Expenses for utilities or other services which are separately metered or which are supplied to less than all of the Units by either third parties or the Association, which shall be assessed in proportion to the usage by the benefited Units;

(ii) Common Expenses, or portions thereof, predominately or exclusively benefiting fewer than all of the Units, which shall be assessed against

only the Units benefited in proportion to the benefit received;

(iii) any increased cost of insurance based upon risk, which shall be assessed to Units in proportion to the risk;

(iv) any Common Expense caused by the misconduct of any Owner(s), or such Owner's family, guest, tenant, or invitee, which shall be assessed on such equitable basis as the Executive Board shall determine against such Owner(s); and

(v) any expenses which are charged by third party providers unequally to the Units, which shall be assessed in the manner or proportion so charged.

23. Dues and Assessments from Commercial Units. The tenant or lessee of any commercial space in the Condominium Property is entitled, at its option, to pay that portion of Association dues and assessments (including special assessments) attributable to the space leased by such tenant or lessee directly to the Association, and shall receive credit therefore against any rental or other charges owed to the Owner of such space.

24. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon such Owner's Condominium Unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to their Condominium Unit, and such notice shall be given within five days after the Owner has knowledge thereof.

25. No Waiver of Rights. The omission or failure of the Association to enforce the covenants, restrictions, easements, uses, limitations, obligations, or other provisions of the Association Documents shall not constitute or be deemed a waiver, modification or release thereof, and the Executive Board or Managing Agent shall have the right to enforce the same.

26. Mechanics Liens. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanics lien filed against other Units and the appurtenant Common Elements for labor, materials, services, or other products incorporated in the Owners' Unit. In the event such a lien is filed or a suit for foreclosure of mechanics lien is commenced, then within twenty (20) days thereafter such Owner shall be required to deposit, with the Association, cash or negotiable securities equal to one and one half (1½) times the amount of the claim together with the sum of five hundred dollars (\$500.00), which later sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject Owner, and failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a lien against the Owners' Condominium Unit, which may be foreclosed on. All costs shall be paid forthwith by the subject Owner, and failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a

lien against the Owners' Condominium Unit, which may be foreclosed on. All costs and expenses incurred by the Association shall be forthwith reimbursed to it by such Owner(s). All sums or costs to be paid by the Owner of a Unit to the Association pursuant to this paragraph shall be deemed assessments pursuant to the Association Documents.

27. Entry of Units. In the case of emergency originating in or threatening any Unit, regardless of whether the Unit Owner or any 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 Unit 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 Unit for maintenance and repair purposes, including, but not limited to, inspection of electrical and plumbing equipment.

28. Insurance Claims by Owners. Subject to C.R.S., § 10-4-110.8(5), as may be amended, a Unit 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 a Unit Owner for clarification of coverage. In making such a claim against any insurance policy of the Association, the Unit Owner must follow this procedure:

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

(b) The Unit 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 Unit 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.

29. Assessment of Insurance Deductibles. When the Association, or a Unit Owner, settles a property insurance claim pertaining to any insurance policy of the Association, the Association shall have the power to assess the negligent Unit Owners causing the loss, if any, or Unit Owners benefiting from the repair or restoration, all deductibles paid by the Association. If more than one Unit is damaged by a loss, the Association, in its reasonable discretion, may assess each Unit 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 Unit of the responsible Unit Owner.

30. 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 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 united sources of funding for replacement of the Common Elements, 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.

31. 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 united 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.

32. Resolution of Rules Violations.

(a) Violation Resolution Process. The Executive Board hereby establishes the following policy for resolving violations of or noncompliance with the Association Documents by a Unit Owner or Occupant. The foregoing notwithstanding, the provisions of this paragraph 32 shall not apply to collection or payment of Assessments, delinquent fees, fines or other charges, as such are covered and governed by the Collection Policy of Snowbridge Square Condominium Association.

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

(ii) The Managing Agent shall promptly investigate all alleged violations. If the Managing Agent is satisfied that there may be a violation, the Managing Agent shall promptly contact the alleged responsible Unit Owner ("Respondent") in person, by telephone, or in writing regarding the possible

violation. The Managing Agent may also, but is not required to, contact the Occupant in the Respondent’s Unit, if any, regarding the possible violation. The Managing Agent may require the Respondent to set forth an explanation regarding the violation in writing. Any writings collected hereunder by the Managing Agent 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 Managing Agent shall determine, in its sole discretion, whether there has been a violation. If the Managing Agent determines that there has been no violation, the Managing Agent shall notify both the Complainant and Respondent, and place a written statement to that effect in the Association’s records. If the Managing Agent 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 Unit Owner shall be service on all Unit Owners of the Unit. It is the Unit Owners’ obligation to keep the Managing Agent 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 Managing Agent 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 Managing Agent may, in its sole discretion, determine that a violation is a One-Time Occurrence. The Managing Agent 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 Unit and will be collectible as any other assessment charged against the Unit. 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 Managing Agent in writing within ten (10) days following the date of service of the Notice and request a hearing. The Managing Agent shall, within ten (10) days of receiving the request for hearing, schedule a formal hearing before the Executive Board, the members of which may be present in person or via teleconferencing technology. The Respondent must participate in person or via teleconferencing technology 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.

(ii) 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 a Unit 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 Unit Owners in good standing to serve as Impartial Decision Makers.

(iii) The Impartial Decision Makers may confer with witnesses or other members of the Executive Board or the Managing Agent before rendering a decision. A final decision will be rendered within one (1) business day following at the end of the hearing, and the Respondent will be notified verbally and in writing of the Impartial Decision Makers' decision at that time. In the event there are circumstances that prevent the Impartial Decision Makers from rendering its decision as provided for in the preceding sentence, 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 Managing Agent 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.

33. 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, 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 Property.

(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. Except as otherwise provided for herein, 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

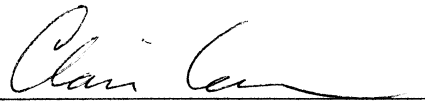
and provided in accordance to the addresses required to be provided by the Association, and the address of the Owner required to be kept on file by the Association.

34. Amendment. The foregoing Rules are subject to amendment as more fully provided for in Article 14 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 29th day of May, 2015.

SNOWBRIDGE SQUARE ASSOCIATION

By: 
Claire Carren, Secretary