

RULES AND REGULATIONS **OF ALCOVE**

These Rules and Regulations (the “Rules”) are promulgated and effective as of _____, 202_ (the “Effective Date”).

Recitals

These Rules and Regulations are made with respect to the following facts:

A. The real property comprising Alcove, a Town Home Planned Community (the “Community”) is subject to the Declaration of Covenants, Conditions and Restrictions recorded in the real property records of Summit County, Colorado on _____ at Reception No. _____ (the “Declaration”). Capitalized terms used but not defined in these Rules shall have the meanings given to such terms in the Declaration.

B. The Community was subjected to the Declaration to establish and in furtherance of the general plan for the subdivision, ownership, improvements, sales, use and occupancy of the property subject to the Declaration and to enhance the value, desirability and attractiveness of the property.

C. The Association was incorporated in order to serve as the governing body of the Community.

D. Pursuant to Section 4.11 of the Declaration, the Association has, among others, the power to make and enforce rules and regulations governing the use of the property subject to the Declaration consistent with the rights, duties, terms and conditions established by the Declaration and the bylaws of the Association.

Rules and Regulations

Therefore, the Association adopts the following rules and regulations pursuant to its authority under the Declaration and in furtherance of its purposes and powers under the Declaration.

1. General.

1.1 These rules are effective as of the Effective Date.

1.2 The Association shall promptly provide all Owners with a copy of these Rules and shall provide each future Owner a copy of the Rules upon such person becoming an Owner.

1.3 These Rules shall apply to all Owners and their Permittees. To the extent the term “Owner” is used, such Rules shall also apply to the Owner’s Permittees. Each Owner is responsible for ensuring that its Permittees know, understand and abide by these Rules.

1.4 All capitalized terms used in these Rules without definition shall have the same meaning assigned to them in the Declaration, unless specified otherwise.

2. Board of Directors. The governing body of the Association is the Board, which is comprised of three (3) directors. The officers are the President, Secretary and Treasurer and, if appointed by the Board, one or more Vice-Presidents. Periodic Board meetings are normally held. Any Owner who wishes to address the Board may do so at that time. Owners may contact a member of the Board or the management company to find out the date and time of the next Board meeting.

3. Annual Meetings. The annual Owners' meeting is held at a time and place selected by the Board in accordance with the Bylaws. Notice of the meeting is mailed to each Owner in accordance with the Bylaws. All Owners who are in good standing with the Association may vote at the annual meeting, either in person or by proxy. At the annual meeting, Members may transact any business that properly comes before the Association, including discussion of finances and the election of one or more Directors.

4. Management. The Community may be managed by a professional management company under contract with the Association.

5. Service and Maintenance Policy Standards.

5.1 In General. These policy statements define the diverse responsibilities of the Association to the Owners with regard to services of the Association and maintenance of the Lots, Residences and Common Elements. The standards below, which are to be considered a measure of the responsibility of the Association, are to be interpreted in the sole discretion of the Association. In some cases, the responsibilities described below may be covered by the limited warranty agreement given by the Declarant to the initial purchasers of Improved Lots.

5.2 Division of Maintenance Responsibility. The Association shall endeavor to maintain the Common Elements and those portions of the Lots and Residences which pursuant to the Declaration are the responsibility of the Association in a manner consistent with the terms of the Declaration, the Articles and the Bylaws. The responsibility for exterior maintenance of each Unit is split between the Association and the Owner according to the terms of the Declaration and these Rules. The Association is responsible for repairing and replacing the roof and siding of every Unit, and for repairing and replacing (including painting) of any patios, balconies, parking areas and entryways allocated to the units, other than any floor coverings, to the extent approved by the Board. Interior maintenance and repair of each Unit is the responsibility of the Owner. An Owner assumes its responsibility for maintenance and repair of its Unit as provided in these Rules and in the Declaration upon purchase of its Unit. The Association shall be solely responsible for maintaining the Common Elements.

5.3 Maintenance Standard. It is the policy of the Association to maintain the exterior of the Buildings and the elements which are a part of the Common Elements in a condition comparable to that which existed when the Declaration was recorded.

5.4 Maintenance Manual. The Association may receive a maintenance manual from Declarant and may further revise and update that manual from time to time. To the extent inspections of particular components of the community are recommended by independent parties or are recommended or required in the manual, the Association will have those periodic inspections of the components of the community inspected. If the inspecting party recommends repairs, maintenance or replacement, the Association will cause the repair, maintenance or replacement to be made.

5.5 Specific Policies.

5.5.1. Painting. Exterior surfaces that are painted or stained will be painted or stained on a periodic basis by the Association.

5.5.2. Roofs. The Association will repair or replace damaged or loose portions of the roofs.

5.5.3. Windows and Doors. Maintenance, repair and replacement of windows and exterior doors will be considered the responsibility of the Association. Window operating mechanisms are the responsibility of the Owner.

5.5.4. Interior Maintenance. Each Owner of each Residence will repair and maintain all interior features of its Residence, including, without limitation, walls, floors, ceilings and appliances.

5.5.5. Party Walls. Each Party Wall shall be maintained by the Owners of such Party Wall; provided, however, that the Association shall repair Party Walls in the event of damage or destruction thereof and the Owner's failure to take appropriate remedial action.

5.5.6. Unit Electrical and Plumbing Fixtures. Repair or replacement of the pipes and wiring within the exterior walls of a Residence, as well as electrical and plumbing fixtures on the exterior of each Residence, will be the obligation of the Association. All other electrical and plumbing fixtures within a Residence are the responsibility of the Owner of the Residence. Fixtures include, but are not limited to, the following: light switches, outlets, lighting fixtures, sinks, appliances, faucets and electrical appliances.

5.6 Improvements and Alterations to Units. Pursuant to Article XII of the Declaration, other than painting, redecorating or remodeling structures on a Lot (provided that such remodeling does not, either during the remodel or after completion, impair the structural stability, or building systems of, or diminish the support of any portion of the Building), no Owner may install, modify, renovate, demolish or remove any Improvement on any Lot without the prior approval of the Design Review Board and, to

the extent required, the Neighbourhood Company. Such requests shall be submitted to the Design Review Board for approval, together with any supporting materials the Design Review Board may request.

5.7 Pets.

5.7.1. No animals, livestock, poultry or bees of any kind shall be raised, bred, kept or boarded within the Community; provided, however, that no more than three (3) domestic animals which are bona fide household pets may be kept on each Unit, so long as no more than two (2) large breed dogs or three (3) small breed dogs are kept in each Residence at any one time. Further, no animals may be (i) kept for a commercial purpose; (ii) allowed to roam freely about the Community without direct supervision and control; or (iii) kept in such a manner or number as to violate any federal, state or local laws or ordinances or so as to create a nuisance.

5.7.2. The Board may determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or as to create a nuisance.

5.7.3. The Board may take such action or actions as it deems necessary to correct any such violation including the imposition of fines.

5.7.4. Each Owner and Permittee is responsible for their pet(s) and accordingly, each Owner and Permittee is financially responsible and liable for any damage caused by their pet. All pets must be confined to their owner's Residence by reasonably reliable means unless leashed and accompanied at all times by an owner or other authorized person. Each pet owner is responsible for cleaning up their pet's waste from the Common Elements and adjacent public ways and to comply at all times with applicable ordinances, laws, and regulations governing pets.

5.7.5. Pet owners shall take appropriate steps to prevent pets from barking, howling, whining, or making other noises for such a time, or at such a time, so as to disturb other Owners' and Permittees' rest or peaceful enjoyment.

6. Restrictions on Parking and Storage.

6.1 General. The use, parking and storage of all vehicles, including, but not limited to, trucks, automobiles, graders, boats, tractors, pickups, mobile homes, trailers, buses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs and snowmobiles, shall be subject to regulation by the Board, which may prohibit or limit the use thereof within the Community in its sole and absolute discretion.

6.2 **[Maximum Number of Vehicles.** Each Owner is entitled to use and store, within the garage of its Residence, a maximum of two (2) vehicles subject to these Rules.]

6.3 Commercial and Other Vehicles. No commercial vehicles, tractors, mobile homes, trailers, campers, camper trailers, boats or boat trailers may be parked within the Community for more than twenty-four (24) consecutive hours, except with the prior written consent of the Board. No tractor-trailer trucks shall be permitted within the Community except as reasonably necessary for Association purposes as determined in the sole discretion of the Board, or for the delivery or removal of personal property to and from Residences. All vehicles parked within the Community must have current license plates. Inoperative, abandoned or unlicensed vehicles may not be parked on any part of the Community. Vehicles shall be deemed to be abandoned or inoperative if the vehicle (i) has a flat tire or other condition rendering it inoperable, (ii) does not have current license plates, or (iii) is in an obvious state of disrepair, such as a missing tire, smashed window, missing or damaged body panel or other parts, or the vehicle is on jacks or blocks.

6.4 Driveways. Those areas of the Common Elements that provide direct access to and from garages of each Residence are “driveways” for each such Residence. No Owner shall park a vehicle in or otherwise block any driveway other than the driveway associated with that Owner’s Residence.

6.5 Repair Work. No repair or maintenance work shall be done on any vehicle other than minor emergency repairs, except in an enclosed garage.

6.6 Storage. Storage on any balcony, patio or visible area from the Common Elements is prohibited. Unsightly or unsafe furniture, fixtures, devices, articles or other items or things, including but not limited to bicycles, sporting equipment, appliances, automobile parts and tires, cardboard boxes, newspapers or anything flammable, may not be stored on any deck or patio area visible from the Common Elements. Patio furniture consisting of all-weather chairs and tables shall only be allowed on balconies and patios, and shall be maintained in good condition and repair. No Owner shall store anything in the Common Elements without the prior written consent of the Board. In such event, any such storage shall be at the Owner’s sole and absolute risk.

7. Grilling and Barbecuing. Charcoal grilling and barbecuing shall not be permitted on any balcony or patio of a Residence, or elsewhere in the Community. Gas and electric grilling and barbecuing is permitted on balconies and patios of Residences, subject to applicable law.

8. Stereo Speakers. No stereo speaker shall be installed in a Residence in a manner that results in the speaker penetrating the wall of the Residence.

9. Deliveries. Owners shall not permit any merchandise, freight, personal property or refuse to accumulate on the sidewalks or near the entrances, sidewalks, driveways or other Common Elements outside of their Residence.

10. Refuse Storage and Removal. Each Owner and Permittee shall store all trash, garbage, debris and other household trash generated within a Lot and awaiting removal

therefrom in sanitary, enclosed containers stored within the garage of the Residence on such Lot. Rubbish, garbage, debris, recyclable material and other household trash shall not be allowed to accumulate in any Residence or on any Lot. Each Owner and Permittee shall regularly remove all rubbish, garbage, debris, recyclable material and other household trash from its Lot and deposit the same in the Community's centralized trash and recycling containers. The Association will contract for regular garbage and recycling pick-up from such centralized containers, the cost of which shall be included in the Common Assessments.

11. Increased Risks, Damage. Nothing shall be done or kept in or upon a Lot 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, which may be granted or denied in the Board's sole and absolute discretion. Nothing shall be done or kept in or upon any Lot 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 Owner, or any member of the Owner's family, or by any Permittee. This specifically refers to, but is not limited to, the storage of flammable liquids in any Improvement on a Lot or on the Common Elements.

12. Electrical Devices or Fixtures. No electrical device which creates electrical overloading of standard circuits may be used without written permission from the Board. Misuse or abuse of appliances, circuits, or fixtures within an Improvement on a Lot which affects other Improvements or the Common Elements is prohibited. Any damage resulting from this misuse shall be the responsibility of the Owner from whose Lot it was caused. Total electrical usage in any Residence or other Improvement shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

13. Alterations, Additions or Improvements to Commons Elements. No alterations, additions or improvements may be made to the Common Elements without the prior written consent of the Board.

14. 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. Recreational scooters, skateboards, Go-Carts, bicycles and other similar objects shall not be used on any of the Common Elements, with the exception of service scooters and/or wheelchairs for disabled or handicapped use.

15. Outside Drying or Laundering. No clothing or other articles shall be hung in or from a balcony, windows, or the Common Elements. No exterior clothesline shall be erected or maintained for drying or airing clothes on a Unit or balcony or other portion of the Condominium.

16. Window Air Conditioners. No window or portable air conditioners of any kind shall be permitted within the Community.

17. Annoyance or Nuisance. No noxious, offensive, dangerous or unsafe activity shall be carried on in any Improvement on a Lot, or the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Permittees or that may interfere with their peaceful enjoyment of the Common Elements for the purposes for which they were designed. No Owner or Permittee 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 or convenience of other Owners or Permittees. No Owner or Permittee shall play, or suffer to be played, any musical instrument or operate, or suffer to be operated, an engine, device, phonograph, television set or radio at high volume or in any other manner that shall cause unreasonable disturbances to other Owners or Permittees.

18. Compliance with Law. No immoral, improper, offensive or unlawful use may be made of a Lot or of the Common Elements. Owners and Permittees 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, rules and regulations. Any Owner or Permittee failing to so comply shall hold the Association and other Owners harmless from all fines, penalties, costs and prosecutions for any violation or noncompliance.

19. Modification, Amendments, Repeal and Reenactment. Notwithstanding anything to the contrary contained in these Rules, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal, and/or reenact these Rules in accordance with the Declaration, Bylaws and applicable law.

20. Miscellaneous.

20.1 Failure by the Association, the 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.

20.2 The provisions of these Rules shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, of 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.

20.3 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.

20.4 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.