

RULES AND REGULATIONS RIVER CENTRE ASSOCIATION

The following rules and regulations for The River Centre Owners Association, promulgated by the Executive Board of the River Centre Owners Association, Inc. pursuant to Section 7.6 of the of the Condominium Declarations for River Centre Association and adopted by unanimous vote of the Executive Board become effective February 1, 2005, shall govern the use and occupancy of all Units and shall be deemed in effect until amended by the Executive Board, and shall apply to and be binding upon all Owners and their Tenants. These Rules and Regulations amend and replace all Rules and Regulations previously promulgated by the Association, as amended and supplemented from time to time. These Rules and Regulations are adopted by the Executive Board pursuant to Section 4.9 of the Bylaws of the Master Association (the Bylaws”). The Owners shall, at all times, obey these Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their tenants, employees, families, guests, invitees, servants, and persons over whom they exercise control and supervision. These Rules and Regulations is subordinate to and designed to further the purposes and intent of the Declaration of Covenants, Conditions, and Restrictions for the River Centre Owners Association, as amended (the “Declaration”). In the event that there is a conflict between these Rules and Regulations and the Declaration, the Declaration shall control.

These Rules and Regulations are designed to make working in the River Centre Building at Edwards pleasant and comfortable and to ensure harmonious relations. As neighbors, all of us have rights and obligations. The regulations that we impose upon ourselves as Owners are for the mutual benefit and comfort for everyone in the building. Objectionable behavior is not acceptable even if it is not specifically covered in these rules. It is the responsibility of Owners to see that their relatives, employees, guests, or lessees do not violate these rules.

Rules and regulations to be effective must be enforceable. Accordingly, violations by Owners, their tenants, employees, families, guests, invitees, servants, and persons over whom they exercise control will be acted on as follows:

Violations are divided into two categories: Type 1 are those that can be corrected immediately, and include such issues as parking and trash on the homeowner’s property. Type 2 are those that require time to correct, such as house painting and structural issues.

Second, third, and subsequent, offenses/violations are defined as failure to correct the offense/violation by the date specified on written notice, or repeat offenses/violations of the same section of the Covenants, Conditions and Restrictions and Rules and Regulations within a six month period.

All Type 1 and Type 2 violation notices must be in writing and second and subsequent violation notices must be sent certified mail, from the Management Company, on behalf of the Board of Directors, to the owner(s) of record. This written notice must identify the specific violation and cite that section of the Covenants, Conditions and Restrictions and/or the Rules and Regulations that is being violated. The notice must give the date by which the violation must be corrected for Type 1 violations. Homeowners that receive a Type 2 violation must notify the Board of Directors through the Management Company

within ten (10) calendar days, in writing, of their plan to correct the offense. Finally, the notice must provide guidelines for the owner(s) to request a hearing if the owner(s) dispute the violation.

First Notice of Offense/Violation:

Written notice/warning letter to the owner(s). Owner(s) who receive a notice of a Type 1 violation must correct the offense/violation within ten (10) days of the date on the notice to the Owner(s). Owner(s) who receive a notice of a Type 2 violation must notify the Board of Directors through the Management company, in writing within ten (10) calendar days of the date on the notice to the Owner(s). The notification must give the date by which the offense/violation will be corrected and how it will be corrected.

Second Notice of Offense/Violation:

Failure to respond or comply with the First Notice of Offense/Violation within the noted time frame will result in a Second Notice of Offense/Violation sent certified mail and the assessment of a twenty-five dollar fine (\$25.00) against the property where the offense/violation has occurred.

Third Notice of Offense/Violation:

Failure to respond to the Second Notice of Offense/Violation within ten (10) days will result in a Third Notice of Offense/Violation sent certified mail and the assessment of a fifty dollar (\$50.00) fine against the property where the offense/violation has occurred.

Fourth Notice of Offense/Violation:

Failure to respond to the Third Notice of Offense/Violation within ten (10) days will result in the sending of a Notice of Intent to Lien, via certified mail, and the assessment of a one hundred dollar (\$100.00) fine assessed against the property where the offense/violation has occurred. An additional one hundred dollar (\$100.00) fine will be assessed for each subsequent month the offense/violation is not resolved. The homeowner(s) will be assessed any and all legal fees/cost related with such offense/violation and notice of intent to lien.

Homeowners Right to Hearing:

Homeowners who receive a Notice of Offense/Violation may request a hearing to respond and/or dispute the alleged offense/violation. Such request for a hearing must be made, in writing, to the Board of Directors through the Management Company within the time period given to correct or resolve the issue. The Board of Directors shall meet within thirty days (30) to hear both sides of the issue and render a decision. A written notice of the decision shall be provided to the owner(s) within ten (10) days of the hearing. The decision shall be final and binding. The homeowner(s) will be assessed any and all legal fees/cost related with such offense/violation.

THE BOARD OF DIRECTORS RETAINS THE RIGHT TO TAKE CORRECTIVE ACTION AS PROVIDED IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE RIVER CENTRE ASSOCIATION, INC, ARTICLE 8, SECTIONS 8.3 (ASSOCIATION'S RIGHT TO REPAIR, MAINTAIN, AND REPLACE) IN THE EVENT THE HOMEOWNER REFUSES TO COMPLY WITH THE NOTICE.

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

2. Vehicles using the driveway and parking areas may not exceed a speed of five miles per hour.

3. The balconies, terraces, stairways and window shall be used only for the purpose intended, and shall not be used for drying, hanging or storing objects. The sidewalks, driveways and entrances must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Project unless otherwise authorized by the Executive Board.

4. Disposition of garbage and trash shall be only by the use of garbage disposal units, by employees or agents of the Managing Agent or by the use of sealed trash bags placed only in the Association's common trash dumpsters for pick-up by the trash company.

5. The Executive Board and/or Managing Agent may retain a passkey to each Unit within the Project for the fire department KNOX Box. If a Unit Owner changes a lock on any door, the Owner shall immediately provide the Executive Board with a new key.

6. Any antenna or other wiring erected on the room or exterior walls of the Building without the prior consent of the Executive Board in writing is subject to being removed without notice or compensation.

7. Pets are not permitted to run free outside of an Owner's Unit at any time. When outside of a Unit, pets should be on leashes at all times when being walked by their Owners. All pets must be kept off the non-paved areas at all times. Owners of pets must pick up the waste created by their pets immediately. Owners are responsible to prevent pets from damaging any landscaping, buildings or property owned by others.

8. No part of the Common Elements may be used for storage, vehicle repair, construction or any other purpose unless specific written permission for such use is given by the Executive Board, any item must be removed from the applicable area of Common Elements, the Owner of said item shall be charged for the cost of such removal.

9. The storage of flammable material that may unreasonably jeopardize the safety and welfare of any person or property is not permitted on or in the Project.

10. Owners and their families, guests, invitees, employees and lessees are permitted to park ONLY in their assigned space or other areas designated by the Association. No vehicle shall be parked at any time in a manner that will prevent proper

snow removal from the project. No motorized boat, sailboat, or watercraft of any nature, nor trailers or recreational vehicles, may be stored within any Common Elements. Bicycles shall be parked only in areas designated for bicycle parking. In the event any vehicle is parked in violation of these Rules, such vehicle may be ordered removed or towed, at the Owner's expense, at the discretion of the Association.

11. No person shall do or permit anything to be done within the Project, or bring or keep anything therein which would conflict with health and safety laws or with any insurance policy of the Association or with any rules of the Association or with any of the rules, regulations or ordinances of any governmental or quasi-governmental authority having jurisdiction over the Project.

12. No radios, stereos, speakers or any other apparatus may be used, nor shall any activity be conducted which may be an annoyance of other Owners, within any General Common Element.

13. No Unit Owner shall make or permit any disturbing noise within his Unit or on the Limited Common Elements by himself, his family, guests, invitees, employees, agents or lessees, nor do or permit to be done anything that does or may interfere with the rights, comforts or convenience of other Unit Owners of occupants.

14. Except as authorized in writing by the Executive Board, no sign, advertisement or other lettering shall be exhibited, inscribed, painted or affixed by any Owner or other person on any part of the outside or inside of the Common Elements of the Project, nor shall any advertisement, announcements, or solicitation of any kind be distributed or passed out in any part of the Project, without prior written consent of the Executive Board.

15. Except as authorized in writing by the Executive Board, no awnings or other projections shall be attached to the outside walls of the Building.

16. All deliveries and moving of furniture, fixtures, equipment and other items to and from the Units shall be made by authorized entries and elevators only and shall not cause any unreasonable noise or unreasonable disturbance to the Owners or occupants of any other Units.

17. Unit Owners shall not place a load on any floor exceeding the floor load per square foot area which the floor was designed to carry and which is allowed by law or which may, in the reasonable opinion of the Executive Board, constitute a hazard to or may damage the Building.

18. With respect to any modifications to a Unit after the initial purchase, build-out, furnishing and decorating of a Unit, the Owner of such Unit shall comply with the following rules: (a) the Owner shall submit plans, specifications and drawings prepared by a licensed architect, including a certificate showing that proposed modifications will not in any way interfere with or have fully and satisfactorily addressed all impacts on any of the structural, plumbing, mechanical, HVAC or electrical systems; (b) the Owner shall be required to sign an indemnity agreement and provide certificates of insurance referenced therein; (c) the Owner shall be required to deposit \$1,500.00 with the Executive Board toward any cleaning and repair to Common Elements which may be

necessary as a result of the construction work associated with the remodel; (d) the Owner will permit the Executive Board to post Notices of Non-liability pursuant to C.R.S. 38-22-105; (e) the Owner will provide the Executive Board copies of all necessary permits required by eagle County; (f) any additional space or material storage/laydown which may be required outside of the Unit shall be approved solely by the Executive Board; and (g) approval of the modification is contingent upon all construction activity associated with the plans commencing and being completed either between October 1 and November 20, or between April 15 and June 30, of any year, and that, should an Owner not be eligible to receive a Temporary Certificate o f Occupancy from Eagle County Building Department, the Owner shall be obligated to pay the Association an amount equivalent to \$100.00 for each day construction activity continues outside the prescribed time limitations above, and said penalty shall be regarded as a default Assessment as defined in Section 8.12 of the Declaration.

19. No activity may be performed within or outside of any Unit, which causes any noxious odors outside of the Unit. Unit Owners shall take reasonable measures at all times to keep all unreasonable noxious odors associated with a business from emanating the Unit or from the deck of a Unit.