

NORTHSTAR CONDOMINIUM ASSOCIATION

AMENDED AND RESTATED RULES AND REGULATIONS

THESE AMENDED AND RESTATED RULES AND REGULATIONS OF THE NORTHSTAR CONDOMINIUM ASSOCIATION are made to be effective on the dated adopted by the Board of Managers set forth below.

RECITALS

WHEREAS, the Northstar Condominium Association (the “Association”) wishes to amend and restate their existing rules and regulations and additionally adopt certain policies and procedures required by the Colorado Common Interest Ownership Act (CCIOA), C.R.S.A. § 38-33.3-209.5;

WHEREAS, the Bylaws of the Association provide the Board of Managers with the power to establish such reasonable rules as may be necessary for the operation, use and occupancy of the condominiums with the right to amend the same; and

WHEREAS, the following rules and regulations and policies and procedures were duly adopted by the Association at a special meeting of the Board of Managers on the 1st day of March, 2015.

RULES AND REGULATIONS

I. Common Assessments

Monthly assessments are due on the first of each month and if not received by the tenth day of each month, the assessment will be considered late. A \$25.00 late fee will be charged on the overdue assessment. All assessments must be paid by check or money order. A charge of \$50.00 will be assessed for each check returned and not paid by the Owner’s bank for any reason. In the event of a default in payment of the assessments, the defaulting Owner shall be obligated to pay interest at the rate of one and one-half percent (1 ½ %) per month on the amount of the assessment from the due date thereof. In the event of a default in payment of the assessments, the defaulting Owner shall be deemed to not be in good standing and shall not be entitled to vote at any annual or special meeting until the assessments, fees and interest are fully paid.

II. General Common Elements

No personal property shall be stored on or in any of the General Common Elements. More specifically, NO FURNITURE, LUMBER, TOYS, BIKES, MOTORCYCLES,

GARBAGE, GARBAGE CANS, SPARE TIRES, or LOUNGE CHAIRS, are to be left unattended on any seeded areas, sidewalks, driveways, entrances, halls, on or under stairways. It is the responsibility of parents and owners to see that their children, pets, guests or tenants do not violate these rules or impede the use by all owners of the General Common Elements.

Any Owner in violation of the rules in this section will be subject to a fine by the Association of \$50.00 per day. The Owner will be notified pursuant to Article XII below.

The Association SHALL NOT BE LIABLE for loss or damage to personal property stored in any common storage area. Any damage to the General Common Elements, including, but not limited to, the parking lot, exterior of buildings, or landscaping, caused by an Owner, his family member, guest, or tenant, shall be repaired by the Association and paid for at the expense of that Owner. If the Owner does not pay the expenses within seven (7) days of a statement from the Association requesting payment, such amounts shall be levied in addition to the Assessments against the Owner's Unit and shall be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such Assessments, as more fully provided in the Declaration.

III. Limited Common Elements

Limited Common Elements, as defined by the Declaration, including but not limited to, balconies, patios, terraces, and decks shall be used only for the purposes intended or otherwise expressly approved in writing by the Board of Managers. Items acceptable to the Association for these areas include doormats, grills, barbeques, cookery, seasonal outdoor furniture, seasonal sports equipment, potted plants, hanging decorations, and firewood. No storage structures, whether permanent or movable, shall be allowed unless authorized in writing by the Board. These areas are NOT FOR HANGING GARMENTS, RUGS, or LAUNDRY. NO charcoal grills can be used on the wooden decks due to the fire hazard.

If the area is a shared Limited Common Element with another unit owner the owners may agree upon the acceptable use of the area. The agreed use must be approved in writing by the Executive Board. Before approval, the Board must consider and find that the use of the area meets or exceeds the limits of ingress/egress as defined by the currently adopted building code or Fire Marshall ruling and any covenant, rule or regulation of the Association, which ever is more restrictive. It is the Owner's responsibility to keep the Limited Common Elements appurtenant to his unit neat, clean and orderly.

Any Owner in violation of the rules in this section will be subject to a fine by the Association of \$50.00 per day. The Owner will be notified pursuant to Article XII below.

The Association SHALL NOT BE LIABLE for loss or damage to personal property located in the Limited Common Elements. Any damage to the Limited Common Elements caused by an Owner, his family member, guest, or tenant, shall be repaired by

the Association and paid for at the expense of that Owner. If the Owner does not pay the expenses within seven (7) days of a statement from the Association requesting payment, such amounts shall be levied in addition to the Assessments against the Owner's Unit and shall be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such Assessments, as more fully provided in the Declaration.

IV. Installations

Residents cannot make installations, alterations, or additions to any part of the exterior of the condominium buildings or the project as a whole. This includes antennas or wiring. No air conditioner units or any other machines may protrude through walls, windows, balconies or roofs except as may be expressly authorized in writing by the Association.

V. Parking

Each Unit shall be entitled to the use of two (2) unassigned parking spaces at all times. No vehicle can park as to impede or prevent immediate access to any entrance or exit from the building. NO VEHICLE CAN PARK SO AS TO PREVENT ACCESS TO THE COMMON TRASH RECEPTICLES. The Association has the right to tow and/or fine the owners of obstructing vehicles. These parking regulations are for the convenience and safety of all residents. EMERGENCY VEHICLES MUST BE ABLE TO HAVE IMMEDIATE ACCESS TO THE BUILDING/UNITS AT ALL TIMES!

All unused automobiles or vehicles of any kind shall not be stored or parked on any portion of the project. "Unused vehicle" shall be defined as any vehicle, trailer, camper, snowmobile, motorcycle, or work truck which has not been driven under its own propulsion for a period of three (3) weeks or longer. A written notice describing the unused vehicle and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle and if such vehicle has not been removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the vehicle without liability and the expense there of shall be charged against the Owner. The costs may be charged to the Owner as an assessment. Temporary vehicle storage may be allowed as expressly deemed by the Association in writing to the unit owner. In this instance, the vehicle must be located in the outer reaches of the parking area until such time as the permission expires.

Any Owner in violation of the rules in this section will be subject to a fine by the Association of \$50.00 per day. Owners are responsible for the acts of their tenants and guests.

VI. Garbage

Dispose of garbage or trash in the common trash receptacle in the parking area. NO GARBAGE OR TRASH SHALL BE LEFT ON THE BALCONIES, PASSAGEWAYS,

STAIRWAYS, OR COMMON AREAS. If residents happen to see trash laying or blowing around, please be considerate and dispose of it.

If a move-in or move-out of any unit, whether by an owner or a tenant, causes extra fees to be incurred by the association by the garbage carrier, the fee shall be allocated to the owner's unit as an assessment.

VII. Pets

As the Declaration of the Association states it is legal to have household pets, the following rules and regulation apply:

1. Pets will be allowed for both renters and owners. For owners/renters to have more than the one (1) pet, the owner must seek and receive written authorization from the Board.
2. Only one (1) free roaming pet per unit is allowed. "Free roaming pet" means a dog or cat. Fish and birds are specifically allowed in addition to the free roaming pet. An owner may seek the approval of the Board for having multiple pets which approval is within the discretion of the Board.
3. All free roaming pets must be on leashes or within clear and verifiable voice control when in common areas. Any pet found wandering around without an owner present or nearby will be treated as a stray and the proper animal authorities notified. If any pet under the care of a unit owner repeatedly violates this rule the Association may also fine the owner \$50.00 per occurrence.
4. All owners must clean any defecation from their free roaming pets to the property receptacle for disposal. (Defecation bag containers have been posted on the property to assist in the disposal.) If any free roaming pet is seen going to the bathroom on the lawn, trees, parking lot, stairwells, flowers, any common areas of the building, or anywhere else on the Association property, the owner will be immediately contacted and will be subject to a \$50.00 fine per incident.
5. Any pet creating any consistent noise that disturbs any unit owner will be given a written warning for the first complaint, and then a \$50.00 fine for all complaints thereafter. This includes dogs barking, cats meowing, birds chirping and all other household pet noises. The Association has ruling authority on what constitutes consistent noise.
6. All owners will be responsible to inform their renters of these rules and regulations as well as any potential buyer and real estate agents.

VIII. Master Keys

The Managing Agent and the Association will retain a master key to each unit. If a resident alters any lock or installs new locks on any door leading into the unit, the owner shall provide a key for the Managing Agent and the Association. This is for the safety of all owners!

In the event a master key is not provided to the Managing Agent and the Association, the Association retains the right to acquire entrance to the unit in the manner deemed necessary in the case of an emergency. Should this occur, it will be the owner's, not the Association's, responsibility.

IX. Nuisances

Please be aware that with condominium living, more attention and consideration must be given to your neighbors. Reasonable care must be used to avoid making or permitting loud, objectionable noises or disturbances, particularly at odd hours, in units and common areas. Any nuisance will be subject to fines in the discretion of the Board.

X. Personal Repairs

Repair on individual units are the responsibility of each unit owner. The Association has the right on an emergency basis to enter the unit.

In the case of negligence by the owner, the Association will not be responsible for any cost associated with that negligence.

XI. Owner Responsibility

All owners will be held responsible for the actions of their tenants. Any and all bills, fines, or damages including towing, ticketing, clean-up and dog charges incurred by the occupants of any unit will be billed back to the owner.

XII. Enforcement of Covenants and Rules

The Board of Managers, Officers, and Managing Agent shall strictly enforce these rules and regulations, by the power invested them by the Articles of Declaration of Northstar Condominium Association.

A. Notice of Violation. A Notice of Violation of any provisions of the Declaration, Bylaws or Rules shall be provided to the applicable Owner as soon as reasonably practicable following discovery by the Board of such violation. The notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents. The notice shall

also state a maximum timeframe within which to cure the violation and the date of which fines will begin to accrue. Fines may begin to accrue immediately or after the timeframe, in the discretion of the Board. The maximum timeframe will be seven (7) days unless otherwise determined by the Board.

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

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

Service may be by email only if the Owner has consented in writing to the Association that email notice is an effective form of notice and shall be effective upon the Association's confirmation that the email was successfully sent.

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

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

C. Fines. Any infraction of any covenant, rule or regulation in which a fine is not already specifically stated will result in a \$50.00 fine per day and/or occurrence. After the violation has been cured by the Owners and verified per the cure section below, the per day fine will cease to accrue and remaining any unpaid balance, will be subject to a one and one-half (1 ½ %) monthly finance charge and may begin the date the daily charges are remedied. Furthermore, until remedied, the defaulting Owner shall be deemed to not be in good standing and shall not be entitled to vote at any annual or special meeting until the violation has been cured as provided below.

D. Cure. It is the responsibility of the unit owner in violation of any of these rules to notify the Board or Managing Agent that the offending item/situation has been remedied and to arrange for verification of said remedy. The Association will continue fines until otherwise confirmed by a Board Member or the Managing Agent and noted in writing to the unit owner for records.

E. In accordance with the Declaration, Bylaws and Rules, it is hereby declared to be the intention of the Association to enforce the provisions by of the documents by any and all means available to the Association at law or in equity, and the

Association shall be entitled to recovery and reimbursement of all attorney's fees, Association expenses and costs incurred by the Association in connection therewith.

XIII. Alternative Dispute Resolution Policy

The Association hereby adopts the following policy regarding Alternative Dispute Resolution which is applicable except in the case of the Association's collection of assessments or enforcement of the covenants, bylaws, or rules and regulations of the Association by the Association:

A. *Meeting with Board.* In the event of any dispute involving the Association and an Owner, it is the intention of the Association to resolve the dispute informally and without the need for litigation. The Owner or the Association shall notify the other in writing of the claim, stating (i) the nature of the Claim, including the date, time, location, persons involved, (ii) the basis of the claim (i.e. the provisions of the Declaration, the Bylaws, the Articles, Rules or Regulations or other authority out of which the claim arises); (iii) what the claimant wants the other to do or not do to resolve the claim; and (iv) that claimant wishes to resolve the claim by mutual agreement and is willing to meet in person with the other at a mutually agreeable time and place to discuss in good faith ways to resolve the claim.

The parties shall make every reasonable effort to meet either in person or by conference call to resolve the claim by good faith negotiation.

B. *Mediation.* If a meeting is unsuccessful or does not occur, all claims or disputes, except in the case of the collection of assessments, shall be initially submitted to mediation in good faith. The parties shall jointly appoint a mediator and will share equally in the cost of mediation. If a party does not respond within ten (10) days of receipt of a request to mediate or if the parties cannot agree on a mediator within ten (10) days of the request, the mediation requirement shall be deemed fulfilled. If mediation does occur, it shall be completed within thirty (30) days from the date of request.

If mediation is unsuccessful or does not occur, the parties shall submit the dispute to arbitration.

C. *Binding Arbitration.* If the matter cannot be resolved by mediation or otherwise within thirty (30) days of the request for mediation, alternative dispute resolution (ADR) in the form of Binding Arbitration, shall be pursued by the Owner and/or the Association.

D. This policy is an agreement of the Association and Owners to mediate and/or arbitrate all claims except the stated exceptions and is specifically enforceable under the applicable arbitration law of the State of Colorado. The arbitration shall be final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

E. *Costs.* If the claims are resolved through negotiation as provided above, each party shall bear all of its own costs incurred in resolving the claim, including its attorney fees, unless the parties otherwise agree. If the claims are not resolved through negotiation and the claim goes to arbitration, the prevailing party shall receive as a part of its award from the opposing party all of its costs, including attorney fees, and any expenses incurred as a result of the dispute resolution procedures of this policy.

F. *Deviations.* The Board may deviate from the procedures set forth in this policy if in its sole discretion such deviation is reasonable under the circumstances.

G. *Amendment.* This policy may be amended from time to time by the Board of Managers.

XIV. Board Members' Conflicts of Interest

A. DEFINITIONS

(1) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

(2) "Director" or "Board Member" means a member of the Association's Executive Board.

(3) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.

B. POLICY

(1) **Loans.** No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

(2) If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any Director or Party related to a Director, then, in advance of entering into that contract, making the decision or taking the action, that interested Board Member shall declare at an open meeting of the Board, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest.

(3) After the interested Board Member makes such a declaration, the interested Board Member may participate in a discussion of the matter giving rise to the conflict of interest. However, the interested Board member may not vote on the issue giving rise to the conflict of interest.

(4) Interested Directors may be counted in determining the presence of a quorum at a meeting of the Executive Board or of a committee that authorizes, approves or ratifies the conflicting interest transaction.

(5) The conflicting interest transaction may not be void or voidable by an Owner or the Association if:

- i. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
- ii. The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
- iii. The conflicting interest transaction is fair to the Association.

XV. Conduct of Meetings

A. Member Meetings. All meetings of the Association are open to every Member, or to any person designated by a Member in writing as the Member's representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings.

B. Executive Board Meetings. All meetings of the Executive Board are open to every Member, or to any person designated by a Member in writing as the Member's representative. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding the issue. The Board may place reasonable time restrictions on persons speaking during the meeting, to allow sufficient time for as many members as possible to comment within the time permitted. Unless otherwise determined by the President or acting chair, the time limit will be three minutes per member. Members will only be allowed to speak more than once at the discretion of the Board. If more than one person desires to address an issue and there are opposing views on that issue, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

C. Executive Session of Board. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board Members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of

CCIOA, as amended from time to time, or other applicable law. Matters for discussion by an executive or closed session are limited to:

- (1) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
- (2) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (3) Investigative proceedings concerning possible or actual criminal misconduct;
- (4) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (5) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (6) Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the members of the Board convene in executive session, the President or acting chair shall announce the general matter of discussion as enumerated in paragraphs (1) to (6) above. No rule or regulation of the Board shall be adopted during an executive session.

D. Recording of Meetings. Note taking, video and/or audio recording of all or any portion of any meeting by Members is allowed.

E. Member Conduct. No Member is entitled to speak until recognized by the chair. There shall be no interruption of anyone who has been recognized by the chair, except by the chair. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chair and not other individual participants. All comments are to be restricted to the agenda item being discussed.

F. Curtailment of Member Conduct. Should the President or acting chair determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the President or acting chair shall have the authority to instruct that member to yield the floor, and that member will be obligated to comply with the President's or acting chair's instruction.

XVI. Inspection and Copying of Records

- A. The Association shall keep as permanent records the following documents:
- (1) Minutes of all meetings of Owners and the Board.

- (2) A record of all actions taken by the Owners or the Board by written ballot or written consent in lieu of a meeting.
- (3) A record of all actions taken by a committee of the Board in place of the Board on behalf of the Association.
- (4) A record of all waivers of notices of meetings of Owners and of the Board or any committee of the Board.
- (5) A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote.

In addition to the above, the Association shall keep a copy of each of the following records at its principal office:

- (1) Articles of Incorporation, Declaration, Covenants and Bylaws.
- (2) Resolutions adopted by the Board.
- (3) The minutes of all Owners meetings and records of all actions taken by Owners without a meeting for the past three (3) years.
- (4) All written communications within the past three (3) years to Owners generally as Owners.
- (5) A list of the names and business or home addresses of the Association's current directors and officers.
- (6) The Association's most recent annual report.
- (7) All financial audits or reviews conducted pursuant to Section 38-33.3-303(4)(b) during the immediately preceding three years.

B. So the Association can have the desired books, records and personnel available, a written Notice of Intent to Inspect must be submitted to the Association's Manager or to the Board of Managers at least five (5) business days prior to the planned inspection. The Notice must describe with reasonable particularity which records are to be inspected and the purpose of the inspection.

C. All records shall be inspected at the following location, between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday: _____.

D. At the discretion of the Association's Manager, certain records may only be inspected in the presence of a Board member or employee of the Manager. No records may be removed from the office without the express written consent of the Board of Managers. Further, if a Member requests to inspect records, the Association may photocopy and provide the requested records to the Member in lieu of the Member's inspection of the records if consented to by the Member.

E. The Association may charge a fee, not to exceed the Association's actual cost per page for copies of the Association records.

F. Consistent with individual member's right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board of Managers:

- (a) Confidential personnel records.
- (b) Confidential litigation files and matters covering consultation with legal counsel concerning disputes that are subject of pending or imminent court proceedings or are privileged or confidential between attorney and client.
- (c) Files dealing with investigative proceedings concerning possible or actual criminal misconduct.
- (d) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
- (e) Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board of Managers.

G. In determining whether records may be inspected, the Association shall consider among other things:

- (a) Whether the request is made, in good faith and for a proper purpose;
- (b) Whether the records requested are relevant to the purpose of the request;
- (c) Whether disclosure is for an illegal or improper purpose, or would violate a constitutional or statutory provision or public policy; and
- (d) Whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information as set forth above.

H. The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorneys fees, for abuse of these rights, including, but not limited to, use of any records for a purpose other than what is stated in the Notice of Intent to Inspect.