

# SAVOY VILLAS CONDOMINIUM ASSOCIATION

## RULES & REGULATIONS

Pursuant to Article II Section 2.3 (a), and Article V, Sections 5.1 and 5.2 of the Savoy Villas Condominium Association (the "Association") By-Laws, and Article 5, paragraphs 5.03, 5.04, and 5.05 of the Association Declarations, the Board of Directors hereby exercises its right to establish the following Rules & Regulations this 1<sup>st</sup> day of December 1998 as Amended and Restated as indicated in the bottom footnotes.

### I.

#### RESTRICTIONS ON ANIMALS.

In addition to Article 5, paragraph 5.03 of the Condominium Declarations it shall hereby be prohibited for any tenant of a Savoy Villas Condominium unit owner, leasing said unit either annually, monthly, or nightly to keep or house any pets within the condominium unit, or the limited common element.

### II.

#### PARKING.

In addition to Article 5, paragraph 5.04 of the Condominium Declarations, unit owners and tenants of unit owners shall have the right to park one vehicle in the unit covered garage, and one vehicle in the space provided directly in front of the unit owners unit garage. There shall be no overnight parking permitted along the front berm of the project which parallels Lionsridge Loop. There shall be no parking in the parking spaces adjacent to Building 5 except as so designated for those building owners and/or guests. Vehicles may not be larger than what could fit inside of a garage space whether parked inside or outside of the garage. No "oversized" vehicles including but not limited to large work or utility vehicles, and full sized Hummers. Any vehicles violating this Parking Regulation shall be towed at owner's expense. As outlined in paragraph 5.04, there shall be no parking for recreational vehicles, campers, trailers, etc., nor shall there be any balcony, common area, yard or deck storage for bicycles, motorcycles, or similar items. If any vehicle violating this Parking Regulation is towed, the unit owner, whether occupying or renting his/her unit, shall be levied a fine in the amount of \$150.00 per occurrence. Said fine shall be due within 15 days of receipt in writing, and any unpaid fines shall become interest bearing at a rate of 18% per annum if unpaid after 30 days from the date of the written notice.

### III.

#### TRASH AND UNSIGHTLY USES.

In addition to Article 5, paragraph 5.05 of the Condominium Declarations, it shall be strictly prohibited to store any unsightly objects on the Common Elements, on the unit balconies and/or decks such as, but not limited to, canoes, kayaks, bicycles, skis, trash, clothing articles, boxes etcetera. Owners shall receive one written notice to remove such items, and if such items are not subsequently removed within 10 days, the Association shall have the right to enter any common element and remove such items at the unit owner's expense and levy a fine of \$100.00 to the unit owner. The fine may be assessed daily until the item(s) is removed. Determination of whether an object is unsightly shall rest solely with the Association through the Board of Directors.

### IV. RENTERS.

Unit owners shall be responsible for the actions of their renters and tenants. The Association hereby instructs all owners to communicate these Rules and Regulations to their renters and tenants. Fines for violations of the Rules and Regulations will be imposed on the unit owner, and as referenced herein, shall become interest bearing at a rate of 18% per annum if unpaid after 30 days from the date of the written notice.

### V.

#### INSURANCE POLICY AND PROCEDURES

1. From time to time, the Board, in its reasonable discretion, may set, increase or decrease the amount of the deductibles for the Association's insurance policies.

2. Except as otherwise provided in this Section 2, for each and every loss regardless of its amount for which the Association pays or is required to pay all or part of a deductible (the "Deductible"), the Association, through the Board, shall assess such Deductible against the unit owner ("Responsible Owner"), if any, (i) whose act or omission, or the act or omission of such owner's invitee, guest, tenant, licensee, employee, contractor or agent caused the loss, even if such act or omission was not negligent or otherwise improper or unlawful, and/or (ii) who owns the unit from which the loss originated, was caused, or came from. In the event that there is more than one Responsible Owner, the Board in its reasonable discretion may assess each Responsible Owner a pro rata share of the Deductible. In the event that there is a Deductible for which there is no Responsible Owner, or if the Board determines in its reasonable discretion that good cause has been shown to not assess all or part of a Deductible against a Responsible Owner, any such Deductible or part thereof shall be paid by the Association and shall be a common expense.

3. In addition to any insurance that a unit owner maintains in connection with his or her unit, each unit owner shall also obtain and at all times maintain, if and to the extent available, insurance sufficient to pay in full any and all Deductibles such owner may be assessed with and required to pay in accordance with Paragraph 2 of this Policy, and on which the Association shall be named as an additional insured. Each owner shall furnish the Association with a certificate or memoranda of insurance demonstrating that he or she has in place the insurance required by this Paragraph 3. In the event an Owner fails to obtain and maintain such insurance, and such owner is responsible for the payment of a Deductible which would have otherwise been covered under the insurance required by this paragraph, such Owner shall be liable to the Association for the Deductible, and the Association shall be entitled to recover and collect from the Owner and assess against the Owner and his or her Unit the amount of the Deductible in the same manner as any other debts or common expenses owed by the Owner to the Association.

4. Any and all claims by a unit owner upon insurance maintained by the Association shall be submitted solely by and through the Board acting on behalf of the Association. Unit owners shall not submit claims directly to the Association's insurance.

5. The Board in its reasonable discretion may choose not to submit a claim to the Association's insurance, including a claim by a unit owner, provided that the Association causes the claim, including the Deductible, to be paid in full by it and/or the Responsible Owner, if any. The Board shall assess any such Deductible under this Paragraph 5 in accordance with Paragraph 2 of this Policy.

6. The Board, on behalf of the Association, may adjust any and all losses or insurance claims to the fullest extent permitted by law.

7. Notwithstanding anything to the contrary contained in this Rule, any controversy, action or claim arising out of this Rule brought by a unit owner that cannot be settled, shall be submitted to binding arbitration pursuant to the Colorado Uniform Arbitration Act, §§ 13-22-201, C.R.S., et seq., as it may be amended, and judgment on such arbitration award may be entered in any court having jurisdiction. Any such arbitration shall take place within Eagle County, Colorado unless otherwise agreed by the parties. The arbitrator shall award the prevailing party its reasonable fees, costs and expenses, including reasonable attorney and arbitration fees.

Enforcement. These Rules and Regulations shall be enforceable by the Board of Directors of the Association, or its managing agent. The Association reserves the right to amend, modify, or add to these Rules and Regulations at any time, and each owner will receive a written copy of the amended Rules and Regulations within 30 days of such changes. Said changes will become effective on the date referenced on any revised copies. These Rules and Regulations are in addition to the above referenced paragraphs in the Condominium By-Laws and Declarations.

## VI. MEETINGS POLICIES AND PROCEDURES

1. Meetings of the unit owners, as the members of the association, shall be held at least once year. Special meetings of the unit owners may be called by the president, by a majority of the board, or by unit owners having twenty percent, or any lower percentage specified in the bylaws, of the votes in the association. Not less than ten nor more than fifty days in advance of any meeting of the unit owners, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices that may be given pursuant to this policy.
2. The notice shall state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendments to the declaration or bylaws, any budget changes, and any proposal to remove an officer or member of the executive board.
3. All regular and special meetings of the association's board or any committee thereof shall be open to attendance of the unit owners or their representatives. Agendas for meetings of the executive board shall be made reasonably available for examination by all members of the association or their representatives.
4. All meetings of the association and board are open to every unit owner of the association, or to any person designated by a unit owner in writing as the unit owner's representative. At an appropriate time determined by the board, but before the board votes on an issue under discussion, unit owners or their designated representatives shall be permitted to speak regarding that issue.

The board may place reasonable time restrictions on persons speaking during the board meeting. If more than one person desires to address an issue and there are opposing views, the board shall provide for a reasonable number of persons to speak on each side of an issue.

5. The members of the board or any committee thereof may hold an executive or closed door session and may restrict attendance to executive board members and such other persons requested by the executive board during a regular or specially announced meeting or a part thereof and discuss those matters permitted by law. Upon the final resolution of any matter for which the board received legal advice or that concerned

pending or contemplated litigation, the board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting. Prior to the time the members of the executive board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion.

No rule or regulation of the board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

6. Board will follow all other procedures that are set out in the Bylaws of the Association or as otherwise required by law.
7. The association shall endeavor to provide all notices and agendas required by this policy in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the association shall provide notice of all regular and special meetings of unit owners by electronic mail to all unit owners who so request and who furnish the association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting.
8. Votes for contested positions on the board shall be taken by secret ballot. At the discretion of the board or upon the request of twenty percent (20%) of the unit owners who are present at the meeting or represented by a proxy, if a quorum has been achieved, a vote on any matter affecting the common interest community on which all unit owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be unit owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the board or another person presiding during that portion of the meeting. The volunteers shall not be board members and, in the case of a contested election for a board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of unit owners participating in such vote.

(a) Votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. A proxy shall not be valid if obtained through fraud or misrepresentation. Unless otherwise provided in the declaration, bylaws, or rules of the association, appointment of proxies may be made substantially as provided in section 7-127-203, C.R.S.

(b) If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. Notwithstanding anything to the contrary multiple owners of one unit cannot cast more than the votes allocated to that by the Declaration and Bylaws. A unit owner may not revoke a proxy given pursuant to this section except by actual notice

of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

(c) The association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the unit owner.

9. If any provision of this policy conflicts with the association's Bylaws, this policy shall control if and to the extent required by law.

## VII. COVENANT ENFORCEMENT & ALTERNATIVE DISPUTE RESOLUTION POLICY AND PROCEDURES

The Association board shall review the rules and regulations from time to time to make sure that they meet the needs of the Association. The board may appoint at least three members of the association to act as a fine hearing committee (the "Committee") to conduct hearings as to rule or covenant violations, to make findings and to make recommendations to the board, including as to the imposition of fines.

1. A firm, informative and friendly warning will be given for a minor infraction, either verbally or in writing. If, however, damage to property has occurred, said damage must be immediately paid for by the responsible Owner.
2. In the event that a minor infraction has not been promptly resolved after the foregoing warning, and for all other infractions, written warning is issued to the owner that the owner or the owner's tenant has committed an infraction of the Association rules or covenants. Such warning shall identify the rule or covenant violated and the violating act or omission, including the date or time period of the violation.
3. If the owner does not correct or cease the violation within a reasonable time as established by the board a written notice of violation is issued to the owner, advising the owner that the owner may be fined; that a hearing will be held to determine whether to impose a fine; the date, time and location of the hearing; and that the owner or the owner's designated representative may attend the hearing and shall have the opportunity to be heard and to present evidence.
4. If the owner or owner's designated representative does not attend the hearing or otherwise oppose the imposition of a fine, the fine may be automatically imposed. If the owner or the designated owner's representative attends the hearing, such person shall be heard and be permitted to submit documentary and other evidence. The board or the Committee, as the case may be, may place reasonable time restrictions on those persons speaking during the hearing, and impose other reasonable hearing procedures and limitations.

5. If the owner does not pay the fine within the time provided it will be included with the owner's dues and be assessed against the owner's unit.
6. The written notices under this policy shall be provided to the owners by means reasonably determined by the board which may include one or more of the following methods without limitation any of which alone shall be sufficient: regular or certified U.S. mail, electronic mail, facsimile, hand-delivery, posting on the unit door, and/or via courier.
7. A schedule of fines shall be adopted by the board and made available to the owners.
8. No lawsuit between an owner(s) and the Association, its directors and officers, or another owner(s) regarding a violation of a provision of the Association's governing documents, including without limitation its Declaration, Articles of Incorporation, Bylaws, and rules and regulations, or applicable law may be commenced and maintained until such matter has been submitted to non-binding mediation to be held within Eagle County, Colorado. Mediation is an attempt to bring about a peaceful settlement or compromise between disputants through the objective intervention of a neutral party. The mediator shall be mutually selected by the parties. If the parties cannot within 30 days agree to a mediator, a mediator shall be selected by and from Judicial Arbitrator Group. The parties shall share equally the cost of such mediation. Notwithstanding the foregoing, the parties involved do not waive their rights to seek and obtain extraordinary judicial relief, including a temporary restraining order or temporary injunction, if such relief is necessary before a mediation may be held to protect or preserve a party's legal rights, or for the Association to protect or preserve the health, welfare or safety of the Association, the common elements, units or members.
9. This policy does not apply to the collection of assessments by the Association.

#### VIII.

#### ADOPTION OF POLICIES AND PROCEDURES

The Board may from time to time adopt, amend and repeal policies, procedures, and rules as it deems necessary or advisable in its discretion; provided such policies and procedures do not conflict with any provision of the Condominium Declaration, or the Association's Articles of Incorporation or Bylaws (collectively, "Governing Documents") or applicable law. The Board may adopt, repeal and amend such policies, procedures, and rules by majority vote at a meeting at which a quorum is present in person or by proxy, unless otherwise provided by the Governing Documents or by law.

#### IX.

#### EXAMINATION, INSPECTION, AND COPYING OF ASSOCIATION RECORDS

A. The following procedures apply to any unit owner who requests in writing to inspect/copy association records:



1. Except as otherwise provided in this policy, all financial and other records shall be made reasonably available for examination and copying by any unit owner and such owner's authorized agents.
  2. Notwithstanding the foregoing, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a unit owner's interest as a unit owner without consent of the executive board. Without limiting the generality of this subparagraph (2), without the consent of the board, a membership list or any part thereof may not be:
    - (a) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the unit owners in an election to be held by the association;
    - (b) Used for any commercial purpose; or
    - (c) Sold to or purchased by any person.
  3. The Association may charge a fee, which may be collected in advance but which shall not exceed the Association's actual cost per page, for copies of Association records.
  4. As used in this policy, "reasonably available" means available during normal business hours upon notice of five business days, or at the next regularly scheduled meeting if such meeting occurs within thirty days after the request, to the extent that:
    - i The request is made in good faith and for a proper purpose;
    - ii The request describes with reasonable particularity the records sought and the purpose of the request; and
    - iii The records are relevant to the purpose of the request.
  5. This policy shall not be construed to invalidate any provision of the declaration, bylaws, the corporate law under which the association is organized, or other documents that more broadly defines records of the association that are subject to inspection and copying by unit owners, or that grants unit owners freer access to such records; except that the privacy protections contained in subparagraph (2) above shall supersede any such provision.
- B. The Association shall keep a copy of each of the following records at its principal office:
1. Articles of Incorporation
  2. The Declaration
  3. The Covenants, if applicable
  4. Bylaws
  5. Resolutions adopted by its Board relating to the characteristics, qualifications, rights, limitations, and obligations of unit owners.

6. Minutes of all Owners' Meetings, and records of all action taken by unit owners without a meeting, for the past three years.
7. All written communications within the past three years to unit owners generally as unit owners.
8. A list of the names and business or home addresses of its current directors and officers.
9. All financial audits or reviews conducted during the immediately preceding three years.

C. Records pertaining to any of the following matters are considered confidential and/or privileged and are not available for inspection or copying by owners unless otherwise determined by the board:

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; or
6. Review of or discussion relating to or constituting any written or oral communication from legal counsel.

#### X. COLLECTION POLICY AND PROCEDURES

- 1) All accounts appearing delinquent are sent a statement of account at the time they become so.
- 2) An account which becomes delinquent 45 days is sent a statement with a letter stating an assessment lien will be recorded on the property if no payment is received within 10 days of the letter.
- 3) 60 days past due, an assessment lien is recorded on the property, account statement is sent and letter notifying the owner that an assessment lien is in place, and that the account will be turned over to an attorney for collection,



including possible foreclosure of the assessment lien, if payment is not received within 10 days.

- 4) 90 days past due, account turned over to attorney for collection, including foreclosure of assessment lien.
- 5) If owner fails to pay assessments or any money due to the Association, the Association may require reimbursement from the owner for collection costs and reasonable attorney fees and costs, including for the preparation, recording, and release of an assessment lien, incurred as result of such failure without the necessity of commencing a legal proceeding.
- 6) If an assessment is not paid on or before (30) days from the due date, the assessment shall bear interest from the date of the delinquency at the rate of eighteen percent (18%) per annum, and the board may additionally assess a "late charge" thereon in an amount to be reasonably determined by the board from time to time. The board has the option to waive such charges.
- 7) All payments to an account are applied to the oldest balance first.
- 8) If an owner(s) has been delinquent or overdue in the past in paying assessments, the board, in its discretion, may skip or accelerate one or more of the foregoing steps.

## XI.

### POLICY FOR CONFLICTS OF INTEREST

(1) As used in this Policy, "conflicting interest transaction" means: A contract, transaction, or other financial relationship between the Association and a director of the Association, 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, owner, or officer or has a financial interest.

(2) 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 such loan until the repayment thereof.

(3) No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the conflicting interest transaction involves a director of the Association or a party related to a director or an entity in which a director of the Association is a director, owner or officer or has a financial interest or solely because the director is present at or participates in the meeting of the Association's board of directors or of the committee of the board of directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the director's vote is counted for such purpose if:

(a) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a

majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to the Association.

(4) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

(5) As used in this Policy, "officer" of the Association means any person designated as an officer of the Association and any person to whom the board delegates responsibilities, including without limitation, a managing agent, attorney or accountant employed by the board.

(6) For purposes of this Policy, a "party related to a director" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent 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, officer, owner, or has a financial interest.

## XII. POLICY AND PROCEDURE FOR INVESTMENT OF RESERVE FUNDS

### **Purpose**

To ensure that available funds of the Association are invested in securities that preserve principal and liquidity while achieving appropriate returns with appropriate levels of credit risk at appropriate interest rates.

### **Policy**

All cash and investments owned by the Association must be invested in Permitted Investments, as defined below, at all times. All Permitted Investments owned by the Association must have a maturity date not more than 12 months from the date of purchase by the Association.

This policy has been established by the Board of Directors, and there shall be no exceptions without the written approval of the Board of Directors.

### **Procedure**

1. The Association President with the assistance of the Managing Agent shall make all investments consistent with this policy.
2. The investments permitted (the "Permitted Investments") shall consist only of the following:

- a) Checking accounts at banks domiciled in the United States and with branch offices in Eagle County Colorado at amounts which are FDIC insured.
  - b) Savings accounts at banks domiciled in the United States and with branch offices located in Eagle County Colorado at amounts which are FDIC insured.
  - c) Certificates of deposit at banks domiciled in the United States and with branch offices located in Eagle County Colorado at amounts which are FDIC insured.
  - d) Securities issued by the United States Treasury or any agency of the United States government.
  - e) Investments in Money Market Funds rated Aaa by Moody's or AAAM by Standard & Poor's, utilizing a reputable bank, brokerage company or mutual fund firm.
3. A summary of all investments and investing activity will be presented at the Annual Homeowners Meeting.

### XIII. HOT TUBS AND OTHER OUTDOOR INSTALLATIONS

Any owner proposing to install a hot tub or other outdoor installations must obtain approval of the Board and must obtain a building permit. A request to the Board must include:

1. a detailed description of the tub or outdoor installation, size, color, and design;
2. an accurate drawing or schematic illustrating and describing the engineering aspects of the tub installation (or outdoor installation), water and power access, landscaping, drainage, and any other technical and or aesthetic considerations;
3. a signed written statement that the owner, including subsequent owners, if the hot tub is ever sold with the property, assumes all responsibility for all installation costs (including drainage, restoration, and landscaping, all utility costs, and all liability related to the tub or other outdoor installation.
4. Hot tub noise shall not be loud and disruptive to neighboring units. If a unit is found to be disrupting neighboring units, hours of use may be set by the board as well as noise standards.

- Amended July 18, 2006 (re: "unsightly objects" in common area and parking regulation clarifications) by Unanimous Consent of the Board.

- Insurance policies and procedures were added by unanimous consent of the Board on August 29, 2006

- Amended and Restated on January 31, 2008 by Unanimous Consent of the Board (Sections V-XIII were added)