

**POLICY OF THE WHISPERING PINES RANCH
REGARDING RESTRICTIONS ON THE RENTAL OF LOTS AND IMPROVEMENTS**

Adopted February 5, 2011

The following Policy of Whispering Pines Ranch Regarding Restrictions on the Rental of Lots and Improvements (“Policy”) has been adopted by the Board of Directors (“Board”) of Whispering Pines Ranch (“Association”), pursuant to Colorado law.

WHEREAS, the Board of the Association has the authority and duty pursuant to Colorado law and the Declaration of Covenants, Conditions, Restrictions and Easements for Whispering Pines Ranch (“Declaration”) to enforce the provisions of the Declaration; and

WHEREAS, the Association is a single family residential community located in Dillon, Colorado created for residential purposes and not as a resort or rental community; and

WHEREAS, Article 10, Section 10.3 of the Declaration regulates the use of Lots in the Association and provides in pertinent part: “A Lot may be used for residential purposes only. The improvements on the Lot may be used for permanent or short-term occupancy by its Owner, its family, servants, agents, guests, invitees and tenants, and such Owner shall be allowed to rent or arrange for rental of such Owner’s improvements for any length of time equal to or greater than 30 days, except that such improvements may not be used for retail or commercial purposes. . .”; and

WHEREAS, the plain meaning of Article 10, Section 10.3 of the Declaration provides that Owners shall not rent their Lots and improvements thereon (referred to hereafter as “Lot”) for a period of less than 30 consecutive days; and

WHEREAS, the use and enjoyment by Owners of their Lots and common areas of the Association are negatively affected by violation of the rental restrictions set forth in Article 10, Section 10.3 of the Declaration.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy for enforcement of the Association’s restrictions on the rental of Lots:

1. Short-Term Rental of Lots. Owners may not rent their Lots to a Tenant or Tenants (referred to hereafter as “Tenant”) for a period of less than 30 consecutive days.
2. Submission of Written Statement to Association. Within 2 business days of a Tenant taking occupancy of a Lot, the Owner or Owners of the Lot (referred to hereafter as the “Owner”), or Agent of the Owner, shall deliver to the Association a signed, dated and written statement of the Owner setting forth the following: address of the Lot, dates of occupancy of the Lot by the Tenant and names of the Tenant. Delivery of the statement to the Association may be made in the following ways:

Electronic Delivery to: debborel@msn.com

Delivery by United States mail, postage prepaid, to the following address:

Attn: Whispering Pines Ranch
c/o Summit Resort Group
PO Box 2590
Dillon, CO 80435

Physical Delivery to the following address:

350 Lake Dillon Drive
Dillon, CO 80435

3. Enforcement of Rental Restrictions. Failure of an Owner to comply with the provisions of this Policy shall result in the Board of Directors of the Association taking enforcement action against the Owner consistent with the procedures set forth in the Enforcement of Covenants Policy as found in the Policy and Procedures of Whispering Pines Ranch.

The provisions of this Policy shall not limit, or be a condition precedent to, the Association's right to enforce the rental restrictions by any means available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action. Without limiting the Association's remedies under the governing documents of the Association, the Board may assess fines, suspend membership privileges, and impose other sanctions.

4. Rental Restrictions Fine Schedule. The general fines schedule provided for in the Enforcement of Covenants Policy as found in the Whispering Pines Ranch Policies and Procedures shall not apply to fines levied for violation of this Policy. Instead, fines levied by the Board for violation of this Policy shall be assessed for each occurrence according to the Rental Restrictions Fine Schedule as outlined below. For purposes of this Policy, an "occurrence" is defined as each separate instance an Owner rents a Lot to a Tenant for a period of less than 30 consecutive days.

Rental Restrictions Fine Schedule:

First Offense:	Warning
Second Offense:	\$500.00
Third Offense:	\$1,000.00
Fourth and Subsequent Offenses:	\$1,500.00

5. Habitual Offenders and Continuing Violations. An Owner who accumulates more than 3 violations in a 12 month period will be deemed to be a habitual offender. For habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, the Board may impose such additional fines as are deemed reasonable without regard to the Rental Restrictions Fine Schedule.

6. Willful and Wanton Violations. In the event of a determination by the Board of a willful, wanton or flagrant disregard for the provisions of this Policy or the Declaration, or based on the severity of the violation, the Board may impose such additional fines as are deemed reasonable without regard to the Rental Restrictions Fine Schedule.
7. Miscellaneous.
- 7.1 Failure by the Association to enforce any provision of this Policy shall in no event be deemed to be a waiver of the right to do so thereafter.
- 7.2 Fines imposed pursuant to this Policy shall become an Assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration.
- 7.3 The provisions of this Policy shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.
- 7.4 The provisions of this Policy shall replace and supersede any other rules or regulations of the Association addressing the enforcement of the Association's rental restrictions.

Whispering Pines Ranch

By: _____
President

This Policy Regarding Restrictions on the Rental of Lots was adopted by the Board of Directors on the 5th day of February 2011, effective the 5th day of February 2011, and is attested to by the Secretary of Whispering Pines Ranch.

Secretary