

**RULES AND REGULATIONS
FOR
SOLARADO TOWNHOMES HOMEOWNER ASSOCIATION, INC.**

These Rules and Regulations (“Rules”) are adopted by the Solarado Townhomes Homeowner Association Inc., a Colorado nonprofit corporation (“Association”), pursuant to the authority set forth in Section 6.1 of the Declaration of Covenants, Conditions and Restrictions for the Solarado Townhomes recorded in the real property records of the Clerk and Recorder of the County of Summit, Colorado (“Declaration”).

RECITALS

WHEREAS, Section 6.1 of the Declaration authorizes the board of directors of the Association (“Board”) to adopt rules and regulations to govern the affairs of the Association; and

WHEREAS, pursuant to the authority vested in the Board by the Declaration, the Board has promulgated the following Rules for the purpose of protecting and enhancing the rights and interests of the Members of the Association who are the Owners of the Units, and to preserve the property value of the Project subject to the Declaration.

NOW, THEREFORE, the Board hereby establishes, makes and adopts the following Rules of the Association.

**ARTICLE 1
DEFINITIONS**

All capitalized terms herein shall have the meaning provided in the Declaration, unless otherwise defined herein.

The use of the word “Owner” herein shall also apply to and include any person who is permitted to be on the Project by an Owner, including, but not limited to, an Owner’s customers, family, guests, invitees, tenants, visitors and independent contractors.

**ARTICLE 2
USE RESTRICTIONS**

2.1. Use of Unit and Project. Subject to the provisions of the Declaration and the Bylaws, no part of the Project shall be used for any purpose other than housing and the related common purposes for which the Project was designed with respect to the Units. Each Unit shall be used as a residence for a single family or such other uses permitted by the applicable Affordable Housing Covenant, the Declaration or by these Rules, and for no other purpose. No Unit or other portion of the Project may be used for any purpose which is unlawful or which fails to comply with the applicable Affordable Housing Covenant and rules and regulations which the Board

may enact from time to time or which constitutes a nuisance or disrupts the reasonable use and enjoyment of the Property by other Owners.

2.2 General Use Restrictions.

a. No Owner shall operate any machines, appliances, electronic devices, accessories or equipment in such a manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or cause any damage to or overloading of any mechanical, electrical, plumbing, or any other system serving the Project. There will be no loud noises or playing of musical instruments, radios, stereos, televisions, etc. in such a manner so as to disturb other Owners. Volumes shall be appropriate between the hours of 10:00 p.m. and 8:00 a.m., and at all other times, as determined by the Board.

b. Each Owner shall maintain their Unit in good condition and in good order and repair, at the Owner's expense, and shall not do or allow to be done in their Unit or on the Common Areas anything which may increase the cost or cause the cancellation of insurance on other Units or on the Common Areas, or increase any risk of loss to said Units or the Common Areas.

c. No industry, business, trade, occupation or profession of any kind, commercial, religious, education, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted in any Unit except as provided in Section 4.1 of the Declaration.

2.3 Pets. No animals of any kind, including, but not limited to, dogs, cats, livestock, poultry, lizards, snakes, and birds, shall be kept, maintained or raised within the Project, including the Units, except as follows:

a. No more than a total of three (3) personal household pets may be kept and raised within any Unit. The Board may prohibit keeping within a Unit certain breeds or kinds of dogs, cats and birds, and other pets, restrict the size of such pets, and impose conditions and restrictions upon keeping such pets, based upon a specific determination that such type or size of pet or that more than one (1) of a particular type of pet may constitute a safety concern or nuisance to other Owners.

b. No animal of any kind may be kept, raised, bred or boarded for commercial purposes within any Unit.

c. All Owners shall immediately clean up after their pets and dispose of their pet's refuse in a suitable container as defined from time to time by the Board.

d. Pets shall not be allowed to damage grass, shrubs, trees or any other portion of the Project or to become a nuisance or annoyance to others. Expenses and costs incurred by the Association as a result of damage caused by any pet shall be reimbursed to the Association by the owner of the pet responsible for causing the damage.

e. Pets shall not be allowed outside of an Owner's Unit unless restrained by a suitable leash or enclosure and under the direct control of the pet's owner.

f. Pets shall not be leashed, chained or tethered to any building, stake, sprinkler, fence, tree or other improvement or landscaping contained within the Project or the Common Areas or otherwise left unattended.

g. Owners agree to comply with:

i. Current inoculations of pets as required by applicable Department of Health guidelines; and

ii. All other applicable governmental laws and regulations pertaining to keeping, maintaining or raising a pet.

2.4 Signs. Except to the extent in conflict with applicable law, and except for rights reserved to Declarant pursuant to Section 4.5 and Article 15 of the Declaration, no signs or advertising devices of any nature shall be displayed, hung, stored or used on any part of the Project, including outside of any Unit, within any Unit in such a manner as to be visible from any location outside of such Unit, or in any hallways or elsewhere on the Project, without the prior written permission of the Board.

Any signs not in conformance with the foregoing restrictions may be removed by or on behalf of the Association or Declarant and any damage caused by the placement and removal of such nonconforming sign shall be paid for by the Owner responsible for the placement of such sign.

2.5 Trash.

a. No Owner shall sweep or throw any debris onto the Common Areas. Owners shall keep all Common Areas free from trash. Disposition of garbage and trash shall be by the use of common trash facilities in strict accordance with these Rules and also with any statute, ordinance or governmental regulation. Trash receptacles shall not be used for the disposal of hazardous waste or large items such as, but not limited to, building materials and large quantities of landscape materials, furniture, appliances or hot water heaters. Removal of these items from the Property is the responsibility of the applicable Owner.

b. All roadways and walkways shall be clear for emergency traffic. No cars, furniture, bicycles, barbecues, toys or other items of personal property shall be stored, left or parked on a roadway, walkway or any other place within the Common Areas.

c. The Association assumes no liability for any loss or damage to articles left or stored in any Common Area or other area.

2.6 Flammable Substances. No flammable, combustible or explosive fluids, chemicals or substances shall be kept within the Project except those required for normal household use. In

no case shall flammable, combustible or explosive fluids, chemicals or substances be stored in exterior patios, decks, yards, garages or carports.

2.7 Parking.

a. No vehicle may be parked in such a manner as to impede or prevent ready access to any entrance or exit of a building or parking space, nor shall any vehicle be parked on any grass, sidewalks or patios of the Project, block garbage trucks from access to any dumpsters in the Project, or be parked in a fire lane or designated “no parking” area.

b. All vehicles parked within the Common Areas at the Project must have current license plates. Inoperative or abandoned vehicles may not be parked on any part of the Project. Vehicles shall be deemed to be abandoned or inoperative if they meet one (1) or more of the following criteria:

- i. The vehicle has not moved from its location for twenty (20) days, except with the written permission of the Board.
- ii. The vehicle has a flat tire or other condition rendering it inoperable.
- ii. The vehicle does not have current license plates.
- iii. The vehicle is in an obvious state of disrepair, such as having a missing tire, smashed window, missing or damaged body panel or other parts, or the vehicle is on jacks or blocks.

c. Motorcycles’ kickstands must have a block of wood, or some other method to support the stand when in use, so as not to damage the surface beneath.

d. Vehicles in violation of parking regulations are subject to being towed at the owner’s expense and or being fined by the Board.

2.8 Occupancy/Leasing.

a. *Occupancy.* No Owner shall permit their Unit to be occupied by more than two (2) persons multiplied by the total number of bedrooms in the Unit, except that any child under the age of one (1) year shall not count toward the above occupancy limit.

b. *Leasing.* Each Owner shall have the right to lease their Unit subject to Section 4.2 of the Declaration and the applicable Affordable Housing Covenant. All leases must be in writing and must affirmatively obligate the lessee and all other residents to abide by the provisions of the Association Documents and applicable Affordable Housing Covenant that relate to the use of the Unit or the Common Areas. The Owner leasing the Unit shall deliver a copy of the signed lease to the Board and the SCHA within ten (10) days after the lease is executed and prior to occupancy by the tenant. The Association or the SCHA may prohibit a tenant from occupying a Unit until the lessor-Owner complies with the leasing requirements prescribed by this Section and/or other provisions of the Association Documents and applicable Affordable Housing Covenant. A failure by the lessee to comply therewith shall be a default

under the lease and shall constitute a violation of the Declaration and/or these Rules by the Owner of such Unit.

2.9 Household Items. Rugs, clothing or other household items may not be hung from any window, balcony, fence, or facade of the buildings. No clothesline of any type shall be allowed which is visible from the Common Areas, the street, or any neighbor's Unit. Patios and balconies are for the storage of standard size outdoor furniture and potted plants only. No boxes or trash may be stored on the patios and balconies. In order to provide a uniform appearance from the exterior of the Units, no Owner shall display, store or use any articles outside the Unit or which may be visible from the outside of the Unit (other than draperies, curtains or shades of a customary nature and appearance with a white or off-white exterior), or paint or decorate or adorn the outside of the Unit, or install outside the Unit any canopy or awning or outside radio or television antennae or other equipment, fixtures or items of any kind, without the prior written permission of the Board.

2.10 Fireworks. No fireworks or firearms may be fired or discharged within the Project.

2.11 Wiring; Air Conditioning. No Owner may install exterior wiring for electrical or telephone installation or for any other purpose, nor shall any items, including, but not limited to, television, cable, or radio antennae, furnace or other vent, machines or air conditioning unit vents, be installed on the exterior of the Common Areas or protrude through the walls or the roof of Units, except as may be authorized in writing by the Board.

2.12 Satellite Dish. Owners may install satellite dishes of one meter (39.37") or less and wireless cable antennas one meter or less in diameter or diagonal measurement within their Unit and on their Limited Common Area patios and balconies; *provided, however*, that such dish or antenna is installed in such a way so as not to protrude unreasonably beyond the balcony railing or patio wall. Written notice of the proposed size and location of the dish or antenna shall be given to the Board or the Manager prior to installation. No dish, antenna or related wiring may be installed on or in any portion of the General Common Areas (including the roof and exterior walls of Units) or Limited Common Areas allocated to more than one (1) Unit without the prior approval of the Board.

2.13 Garage. Owners shall not store any flammable, chemical, odorous, explosive or other inherently dangerous materials within a garage. The Association reserves the right to require Owners to remove any contents that the Association believes might constitute a hazard in the Project. Owners agree to remove such contents upon receipt of written notice from the Association.

2.14 Balconies, Patios and Terraces. Balconies, patios and terraces are intended for personal recreational use and may not be used for storage or other purposes, except that seasonal furniture and seasonal plants in leakproof containers may be kept on balconies, patios or terraces in season. No boxes, trash, bicycles, motorized vehicles or tires may be stored on the balconies, patios or terraces. No propane gas, electrical or charcoal grills or other cooking equipment shall be used on the balconies or terraces. All unattached items must be secured when not in use so as to avoid being blown off of the buildings by wind. No object of any type may be thrown,

dropped or otherwise cast off of the balconies or terraces. Loud or otherwise disturbing activities on the balconies, patios and terraces are prohibited. Structures or other improvements may not be constructed on a balcony, patio or terrace unless approved in writing by the Board (see Alteration Guidelines promulgated pursuant to Article 16 of the Declaration). Maintenance of balconies, patios and terraces is the responsibility of the Owner of the Unit served.

2.15 Storage Spaces.

Owners shall not store any flammable, chemical, odorous, explosive or other inherently dangerous materials, illegal substances, perishables or other food items within the storage spaces. The Association shall not be liable for any loss or damage to any items kept or stored in the storage spaces.

2.16 Non-Delegation. Owners may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of an Owner under the Association Documents; and such an attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void.

2.17 Sound and Noises.

a. *General Requirements.*

- i. Stereos, radios, speakers or other sound equipment shall not be placed or operated on any portion of the Common Areas.
- ii. Wind chimes shall not be placed outside of any Unit building or any location where they can be heard by other Owners.

b. *Modifications.*

- i. No holes shall be made in the Party Wall assemblies without permission of the Board and the other affected Owner(s).
- ii. No modifications to the construction of the Unit which is in common with another Unit shall be made by an Owner without the express approval of the Board and the other affected Owner(s).
- iii. No modifications to the construction of the Unit, including HVAC, plumbing and electrical shall be made by an Owner without the express approval of the Board.

c. *Cabinets on Party Walls/Entry Doors.*

- i. Any installation of cabinets or drawers on a Party Wall shall also contain a means of controlling the slam of the cabinets or drawers.

- ii. If the entry door to a Unit is replaced, the slam of the door shall be adjusted such that when the door is closed the sound level from the close is not intrusive to other Units. The Board shall evaluate and determine acceptability for each Unit when the entry door is replaced.

d. *Home Theater Systems and Stereo Systems.*

In adding or modifying a home theater or audio equipment to a Unit, the Owner should be aware that the sound isolation between Units is limited in acoustical performance and there may be times when systems, like home theaters, can be heard.

Speakers for a home theater or other audio equipment shall not be supported from or penetrate Party Walls. The goal of this Section 2.19 (d) is to maintain a level of acoustical privacy intended for the Units, given the understanding of the variability in power and capability of home theaters and other audio equipment.

ARTICLE 3 ENFORCEMENT

3.1 Any complaint which alleges a violation of the Declaration and/or Rules shall be made in writing and shall contain substantially the same information as that set forth in the Witness Statement attached hereto as **Exhibit A**. At a minimum, the complaint shall set forth:

- a. The name, Unit number and phone number of the complaining witness.
- b. The name and Unit number of the violator.
- c. The specific details or description of the violation, including the date, time and location where the violation occurred.
- d. A statement by the complaining witness that he or she will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary.
- e. The signature of the complaining witness and the date on which the complaint is made.

3.2 The Owner shall be notified of the complaint and alleged violation by the Association or its duly authorized agent. If the complaint is based on the conduct of the Owner's tenant, the tenant shall also be notified of the alleged violation. The notification shall be in a manner prescribed by the Board in a form similar to that which is attached hereto as **Exhibit B** ("Notice of Violation").

3.3 Except as other wise provided in the Association Documents, any Owner charged with a violation of the Declaration and/or Rules is entitled to an opportunity for a hearing. If the Owner desires a hearing, the Owner must proceed as follows:

- a. Within seven (7) days after the Notice of Violation has been delivered to the

Owner, the Owner must complete the Request for a Hearing form, which is attached to the Notice of Violation (see **Exhibit B-2**), and return it to the Association or its Manager.

b. If a Request for a Hearing is timely filed, a hearing on the complaint shall be held before the Board. The hearing shall be conducted no later than twenty-one (21) days after receipt of the Request for a Hearing, as determined by the Board. An Owner may request an expedited hearing.

c. At any such hearing, the Board shall hear and consider arguments, evidence or statements regarding the alleged violation. Following a hearing, the Board shall issue its determination regarding the alleged violation. The decision of the Board shall be final and binding on the Owner and Association.

d. Notification of the Board's determination shall be made in a form similar to that which is attached hereto as **Exhibit C**.

3.4 If no Request for a Hearing is filed within seven (7) days, a hearing will be considered waived, the allegations in the Notice of Violation shall be deemed admitted by default, and appropriate sanctions shall be imposed at a meeting of the Board. The Owner shall be notified by the Association of any such determination using the same form and in the same manner as if a hearing had been conducted.

3.5 If an Owner is found to have violated personally or is otherwise liable for a violation of the Declaration and/or Rules, the following shall occur:

a. If found to be guilty of a first violation of a provision of the Declaration and/or Rules, the Owner shall be notified of the finding by the Board or its duly authorized agents that a first violation has occurred. The first violation, at the discretion of the Board, may be considered a warning that if any further violations occur a fine for the violation will be imposed. In the alternative, the Board may elect to assess a fine.

b. If found to be guilty of a second or continuing violation of the same provision of the Declaration and/or Rules, the Owner shall be notified of the finding by the Board or its duly authorized agents. The Owner shall be assessed a fine.

c. Where a fine is imposed, unless expressly provided in another section of the Association Documents, it shall be in the amount of One Hundred and No/100 Dollars (\$100.00) for a single incident of violation of a given provision of the Declaration and/or Rules, One Hundred Fifty and No/100 Dollars (\$150.00) for a second single incident of violation of the same provision of the Declaration and/or Rules, and Two Hundred and No/100 Dollars (\$200.00) for a third or subsequent single incident of violation of the same provision of the Declaration and/or Rules; or the sum of Fifty and No/100 Dollars (\$50.00) per day for a violation of a continuing nature. A FINE FOR A VIOLATION OF A CONTINUING NATURE WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE BOARD HAS RECEIVED NOTICE OF IT.

d. If found to be guilty of any violation, including a first violation, the notice of determination may also require the Owner to pay for any damage or any unauthorized condition on the Property for which the Owner has been found responsible, to pay the costs of any repairs

which have previously been made or will be made by the Association, or to pay any legal expenses and costs incurred by the Association as a result of the violation. Any damage to the Common Areas, which has been repaired by the Owner, must be inspected by the Board's representative to verify that the repair has been properly done. The cost of such inspection and any necessary repairs shall be assessed to the Owner as part of their share of the Common Expenses.

3.6 Any Owner assessed herein shall pay any charges imposed within thirty (30) days of notification that such charges are due. Failure to make the payment on time shall subject the Owner to all of the legal or equitable remedies necessary for the collection thereof. All charges imposed herein shall be added to the Owner's account and shall be collectible as a Common Expense in the same manner as any Assessment against the Unit.

3.7 Time is of the essence of this policy. Notices are deemed delivered either:

- a. At the time of delivery if by personal delivery; or
- b. On the second business day after deposit in the U.S. Mail.

3.8 The remedies provided for herein are not exhaustive, and the Board may, in addition, take any action provided at law, in equity, or in the Declaration or Bylaws to prevent or eliminate violations of these Rules.

ARTICLE 4 MISCELLANEOUS FEES

4.1 Pursuant to Section 11.7 of the Declaration and the Bylaws, each Owner shall pay to the Association a late fee in the sum of Fifty and No/100 Dollars (\$50.00) per month, plus an interest charge from the due date at the yearly rate of six (6) percentage points above the prime rate charged by the Association's bank, for any Assessment not paid on or before five (5) days after its due date.

4.2 Owners may be charged a fee for services or materials. The services, materials and related fees that may be charged include, without limitation:

1. Transfer Fee: \$_____ to \$_____
(Transfer Fee is determined pursuant to the Association's Board or property manager)
2. Governing Documents & other Association information: \$25.00 + copy costs
3. Association Assessment Certification: \$55.00
less than 24-hour notice: \$110.00

ARTICLE 5 MISCELLANEOUS

5.1 Declaration Prevails. In the event that there is any inconsistency between the provisions of these Rules and the Declaration, the Declaration shall prevail.

5.2 Amendment. The Board may amend, supplement, repeal, replace or modify these Rules from time to time as it deems appropriate or convenient.

IN WITNESS WHEREOF, the undersigned President of the Association certifies adoption of the foregoing Rules by the Board on the _____ day of _____, 2009.

Steve Everist, President

EXHIBIT A
VIOLATION COMPLAINT - WITNESS STATEMENT

PLEASE PRINT OR TYPE. Complete all the information you know. If unknown, please state so. Attach additional sheets if necessary.

INFORMATION CONCERNING WITNESS(ES) TO VIOLATION

Reporting Witness Name

Date

Unit #

Area Code - Phone number

ADDITIONAL WITNESSES

Name & Address

Area Code - Phone Number

Name & Address

Area Code - Phone Number

INFORMATION CONCERNING THE VIOLATOR

Violator's Name

Area Code - Phone Number

Unit #

Owner's Name, Address & Phone No. if different than the Violator

INFORMATION CONCERNING THE VIOLATION

Violation Date

Time

Location

Section(s) of Declaration, Bylaws or Rules that was violated

Reporting Witness' Observations:

Were any photographs or sound recordings made? Yes _____ No _____ By whom? _____
Include any audio or videotapes or photographs with this form or forward as soon as possible. Include the name of the person who made the tape or photograph(s), the date it was made, the location it was made and the name of an one else who was present.

I HAVE MADE THE ABOVE STATEMENTS BASED ON MY PERSONAL KNOWLEDGE AND NOT UPON WHAT HAS BEEN TOLD TO ME. I WILL FULLY COOPERATE WITH THE ASSOCIATION AND ITS AITORNEYS TO PROVIDE ADDITIONAL STATEMENTS OR AFFIDAVITS, AND IN THE EVENT A HEARING OR TRIAL IS NECESSARY, I WILL APPEAR TO TESTIFY AS A WITNESS.

Signature

**EXHIBIT B
NOTICE OF VIOLATION**

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF VIOLATION

Re: Violation of Declaration, Bylaws or Rules

You are hereby notified, as the Owner/Tenant of Unit # _____ at (Address, City) _____, Colorado that you violated the Association's Declaration, Bylaws or Rules. The actions complained of occurred on or about _____, 20__ and are described as follows:

UNDER THE ASSOCIATION'S RULES, IF YOU FAIL TO REQUEST A HEARING WITHIN SEVEN (7) DAYS OR FAIL TO APPEAR AT A HEARING ON THESE CHARGES, YOU WILL BE FOUND GUILTY BY DEFAULT, AND FINES, CHARGES, COSTS, EXPENSES AND LEGAL FEES MAY BE ASSESSED AGAINST YOU AND ADDED TO YOUR MONTHLY ASSESSMENT.

IF A VIOLATION EXISTS, WHICH HAS NOT ALREADY BEEN CORRECTED AND YOU FAIL TO MAKE AN APPROPRIATE CORRECTION, THE ASSOCIATION MAY CORRECT THE VIOLATION AT YOUR EXPENSE.

Please consult the Association's Rules for further details.

You may request a hearing by signing, dating and returning the attached Request for a Hearing form within seven (7) days to the Association at the address below.

Very truly yours,

SOLARADO TOWNHOMES HOMEOWNER ASSOCIATION, INC.

By: _____

Title: _____

Address

City, State, Zip

Area Code and Phone #

EXHIBIT B-2
REQUEST FOR A HEARING

REQUEST FOR A HEARING

I hereby request a hearing on the statements made against me as contained in the Notice of Violation dated _____, 20__ , alleging a violation of the Declaration, Bylaws or Rules of Solarado Townhomes Homeowner Association, Inc.

Owner/Tenant's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date

EXHIBIT C
NOTICE OF DETERMINATION

TO: _____
 (Owner/Tenant)

Date: _____

NOTICE OF DETERMINATION REGARDING VIOLATION

On _____ 20 ____ you were notified of a violation of the Declaration, Bylaws, or Rules of the Association. Pursuant to the Association's Rules:

- () A hearing was held at your request regarding the alleged violation.
- () You have admitted to the violation by default and waived your right to request a hearing.

After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:

- () You were found not guilty and no action will be taken.
- () A 1st, 2nd, 3rd or subsequent violation (circle one) of the Association's Declaration, Bylaws or Rules has occurred and a fine in the amount of \$_____ is now due.
- () A violation of the Association's Declaration, Bylaws or Rules of a continuing nature has occurred and a fine in the amount of \$_____ per day from _____, 20__ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS BEEN NOTIFIED.
- () Damages & expenses in the amount of \$_____ have accrued and are due.
- () Legal expenses in the amount of \$_____ have been incurred by the Association and are due.
- () Damages have occurred or an architectural violation exists, as charged in the complaint. The Association will proceed to have the damages or violation corrected or repaired at your expense.
- () As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and the fees and expenses incurred will be assessed to you.

SOLARADO HOMEOWNER ASSOCIATION, INC.

By: _____
Title: _____
Address: _____