RULES AND REGULATIONS OF TERRACE CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.

Pursuant to the Declaration of Covenants and Bylaws of The Terrace Condominiums Homeowners Association, Inc. (the "Association"), the Board of Directors (the "Board") has adopted the following Rules and Regulations to govern the use and enjoyment of the Terrace Condominiums (the "Premises"). The Board desires to ensure the highest possible standard of living experience, consistent with the surrounding community, within the Premises. In order to accomplish this, the following Rules and Regulations have been adopted, subject to change at the discretion of the Board.

- 1) USE: The Premises shall be used solely for residential purposes and for services, activities, and recreation in conjunction with said residential use. No business may be conducted within a condominium unit ("Unit") unless all of the following conditions are satisfied in the sole discretion of the Board:
 - The business conducted is clearly secondary to the residential use of the Unit and is conducted entirely within the Unit;
 - ii. The existence or operation of the business is not detectable from outside the Unit by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted;
 - iii. The business does not result in an undue volume of traffic or parking within the Premises;
 - iv. The business conforms to all zoning requirements and is lawful in nature;
 - v. The business conforms to any Rules and Regulations that may be imposed by the Board from time to time on a uniform basis.

No "Bed and Breakfast" or "Day Care" may be operated within the Premises. No short term vacation rentals (less than 6 months) will be allowed. In addition, please refer to pertinent sections of the Declaration, as amended from time to time.

- 2) INSURANCE: Nothing may be done or stored within the Premises that might result in the cancellation of or an increase in the premiums for insurance obtained for any portion of the Premises. Individual homeowner condominium insurance covers all privately owned space from inside wall to wall and ceiling to floor and must be acquired and paid for by each Unit owner ("Owner"). The Association shall not be responsible for damage or loss to personal property within Units or garage spaces. Such homeowner condominium insurance must also cover Limited Common Elements serving only that unit, such as the garage, and pipes and wires not serving other units. See also the Resolution of the Terrace Condominium Homeowners Association, Inc. Regarding Procedure for Claim Submissions to the Association's Insurance Carriers on the Association's website.
- 3) VIOLATION OF THE LAW: Nothing shall be done or kept within the Premises or any portion of the Premises that would be in violation of any statute, rule, ordinance, covenant, or other validly imposed requirement of any governmental body, including the Glenwood Springs Municipal Code, or in violation of the Rules and Regulations as enacted from time to time by the Board.
- 4) **INFORMATION REQUIREMENTS:** The Owner of a Unit is required to provide the following information to the Association's Management Company annually on or before March 1 of each year:
 - Names of all occupants.
 - Contact information for all occupants, including telephone number, mailing address, and e-mail address.
 - iii. Pet information.
 - iv. Name of insurance company and effective dates.

A form for providing this information is on the Association's website. If there is any change in such information, Owner is required to update information within thirty (30) days of any change. Failure to provide the required information by the due date each year or when changed will result in a \$250 fine.

- 5) LEASE REQUIREMENTS: The Owner of a Unit shall have the right to lease his or her Unit upon such terms and conditions as the Owner may deem advisable, subject to the following:
 - Any lease shall be in writing and provide that the lease is subject to the terms of the Declaration, Bylaws and these Rules and Regulations and any such lease must be in compliance with applicable local, state and federal laws. No lease shall be for a term of less than six months;
 - ii. Tenants are not allowed to have dogs. Each lease shall have a provision forbidding dogs in Units occupied by tenants. If it is determined that a Unit occupied by tenants has dog(s), then the Owner shall be fined \$250.00 a month until the dog(s) are removed from the Unit;
 - iii. Each Owner shall be individually responsible to send to the offices of the Association's Management Company: 1) a copy of the current lease between the Owner and their tenant(s), (2) all information requested in Section 4, Information Requirements, and 3) a copy of the current Rules and Regulations signed by the tenant. Failure to provide the required information requested in this paragraph and the required information requested in Section 4, Information Requirements, by March 1 each year or when changed will result in a \$250 fine:
 - iv. Failure of any occupant to comply with the terms of the Declaration, Rules and Regulations or any governing documents of this Association may result in fines and penalties being assessed. Any fines or penalties associated with such failure shall be the responsibility of the Unit Owner;
 - v. Each Owner shall be responsible for the transfer of the Terrace Permit described in paragraph 8 below upon the re-leasing of the Unit to new tenants. All tenants without a Terrace Permit will be subject to the parking policies contained herein.
- 6) SPEED LIMIT: The speed limit within the Premises will be seven (7) miles per hour. Speeding and disregard for the safety of others will not be tolerated and will be subject to fines.
- 7) PETS: Only Owner-occupied Units are allowed to have dogs. This requirement does not apply to Tenants who had dogs registered with the Association's Management Company on or before July 15, 2013. NO UNIT SHALL HAVE MORE THAN TWO (2) PETS. All pets shall be kept under strict control at all times either at the Owner's Unit or under the direct supervision of a responsible person. In addition, please refer to the pertinent sections of the Declaration, as amended from time to time.
 - No pets are permitted to run free on the Premises and the Association, its manager, or any Owner may summon any appropriate authority to have an animal removed. No outdoor cats are permitted.
 - ii. Any barking or howling that continues for a period longer than five (5) minutes will be considered a violation of the right of peaceful enjoyment and will be cause for enforcement of these Rules and Regulations by the Association.
 - iii. There shall be no pet allowed on the deck or balcony of a Unit unless accompanied by a person.
 - iv. There shall be no pets tied up on the common areas of the Premises.
 - v. Any pet, which in the opinion of the Board of Directors, causes a repeated nuisance or is objectionable in any way, shall be removed from the Premises permanently upon 24 hours notice to the Unit Owner.
 - vi. All Owners and tenants shall be required to pick up their own dog's waste.
 - vii. All Owners shall pay an annual fee of \$150.00 per dog to the Association and provide a photo of each dog and whatever other information is requested by the Association's Management Company. This fee shall be payable upon move-in and annually on or before March 1 of each year thereafter.

- viii. Each dog shall be properly licensed by the City of Glenwood Springs and shall have a current tag attached to its collar.
- 8) GARAGE USE, PARKING AND VEHICLE MAINTENANCE: Only licensed, operating vehicles of one ton or less in size are permitted on the Premises. All vehicles belonging to Owner or Tenant residents must be registered with the Association pursuant to Section 4 above. They may be registered using the form on the web site.
 - Each Unit has a garage and must maintain space in it to park at least one vehicle. Garages cannot be used solely for storage or any other purpose besides parking. Garages may not be used for business or commercial purposes.
 - ii. Idling a vehicle inside a garage is strictly prohibited whether the garage door is open or not.
 - iii. Each Unit may park at most one vehicle outside the garage. That vehicle must display a parking permit issued by the Association ("Terrace Permit"). Each Unit will receive one Terrace Permit that identifies the Unit number.
 - iv. For Buildings 7 & 8, the outside parking space is the one in front of the garage for that Unit. A vehicle parked in one of these spaces must display the Terrace Permit for that Unit.
 - v. For other buildings, there are not assigned spaces. Each Unit may park at most one vehicle in a space along the entry drive or in one of the marked spaces around each building. That vehicle must display a Terrace Permit.
 - vi. No motor homes, boats, snowmobiles, ATVs, trailers or similar recreational vehicles shall be parked on the Premises, other than for reasonable temporary periods, unless fully enclosed within a garage or parked in the upper lot south of Building 12.
 - vii. No vehicle maintenance or repair shall be carried out at any Unit or in any common area except for such repair or maintenance that is fully enclosed within a garage and out of view of other Units.
 - viii. No recreational vehicle or other vehicle shall be occupied overnight while on the Premises. The unpaved upper south lot may be used to park extra vehicles and utility trailers not to exceed 16 feet, based on availability of space. Any vehicle parked in the unpaved upper south lot for more than 72 hours must have a permit for that lot, which may be purchased from the Association.
 - ix. A vehicle may be booted or towed if:
 - It is parked in a Handicap space without displaying a Handicap permit.
 - · It is parked in a designated fire lane.
 - It is a resident vehicle parked without a Terrace Permit, unless it is parked in the unpaved upper south lot for less than 72 hours.
 - It is parked in front of a garage of Building 7 or 8 and is not displaying the Terrace Permit for that Unit.
 - It is a vehicle registered to a Unit in Building 7 or 8 and parked in any marked space other than the one in front of the garage of that Unit.
 - It is a vehicle blocking access to the garage of another Unit.
 - x. To purchase a permit for the unpaved upper south lot or to purchase a replacement Terrace Permit for your Unit, contact the Association's Management Company. Permits for the unpaved upper south lot cost \$50.00 per vehicle or trailer, and replacement Terrace Permits cost \$50 and may only be purchased by owners. For parking problems or concerns, an Owner or Tenant may contact the Association's Management Company or use the complaint form on the website. The contact information for TnA Booting and Mat Dog Towing is also on the website.
- 9) GARBAGE/TRASH/RECYCLING: All garbage and trash shall be placed in sealed garbage cans and stored in the garage until pick-up day. On pick-up day, Owners or tenants shall place garbage cans and recycle bins on the

driveway in front of their garage door and remove them at the end of the day. Trash, debris and/or garbage left in the common areas may be removed by the Association at cost plus a reasonable premium assessed against the Unit. Any extra or large items left out for trash pick-up that the Association is charged extra for by the trash removal company shall be billed to the Unit Owner.

- BALCONIES, DECKS, PATIOS, COLUMNS, AND WINDOWS: Decks/balconies and patio areas shall not be used for storage except for barbecues or patio furniture. Towels, banners, articles of clothing, linen towels, etc. shall not be hung from the balconies/decks, window sills, or draped across furniture. Anyone caught throwing any objects from the balconies may be evicted and/or prosecuted. No screening material shall be used to enclose the balcony/deck rail fencing unless it has been approved by the Board. No plants, rocks, or other items shall be placed on the railings of the balconies/decks and no items shall be secured to the deck columns. If an Owner wishes to make repairs, at Owner's expense, to a balcony, deck, patio or column, authorization from the Board of Directors is required and Owner must follow the required process for repairs provided by the Board of Directors. The following are allowed to be stored on decks and patios, provided they are stored in a neat and orderly manner:
 - Patio furniture in good condition and in an amount appropriate to the space. No house furniture shall be stored on the patios, decks or balconies or in any outside part of the Premises;
 - One gas or electric cooking grill, in working order and not a fire hazard. No charcoal or wood burning receptacles allowed! Grills in use must not be left unattended.
 - iii Appropriate holiday lights and decorations may be hung from the balconies and decks so long as they are put up no earlier than two weeks before the holiday and removed no later than two weeks after the holiday.
- 11) HARD-SURFACED FLOORS: Hard-surface floors are permissible and in Units above the first level (units with others below them), must be installed using proper acoustical insulating materials to meet a 52 dB FIIC rating so as to avoid problems with sound transfer. The floor manufacturer can supply the proper specifications and materials. If a hard-surface floor is installed in a 2nd or 3rd level Unit without meeting this sound proofing requirement, the Owner shall be required to remove the floor or cover it with carpet. All materials must be approved by the Board of Directors and the Owner must follow the required installation process provided by the Board of Directors.
- 12) GARAGE DOORS AND OPENERS: If an Owner needs or wants to replace a garage door and/or opener, authorization from the Board of Directors is required and the Owner must follow the specifications provided by the Board of Directors.
- 13) FOR SALE OR FOR RENT SIGNS: For Sale and For Rent signs may only be displayed in Unit garage door windows and must be removed immediately upon sale or rental of the Unit. Such signs may NOT be placed on patios, decks, balconies, in Unit windows, or on window sills.
- NUISANCES: Noise volumes shall be appropriate between the hours of 9:00 p.m. to 7:00 a.m., and at all other times determined by the Board. Unit occupants may not make noise that disturbs other occupants, including use of musical instruments, radios, televisions, stereos, speakers, amplifiers, or other devices that create sound. Noise from residents' gatherings, including those on Unit decks, in garages or outside spaces adjacent to Units, must remain at levels reasonable to fellow residents. After 9:00 p.m., noise-generating gatherings may not be held on decks, in garages or outside spaces adjacent to Units. No Owner or tenant of a Unit shall operate any machines, appliances, electronic devices, equipment or accessories in such a manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or to cause any damage to or overloading of any mechanical, electrical, plumbing or other such system serving the Premises. No Owner or tenant shall possess, store, use or permit to be used in its Unit, deck or garage any foul or noxious gas or substance and no odor shall be emitted on any part of the Premises which is noxious or offensive to others, in the judgment of the Board. Such odors may include but not be limited to tobacco smoke, marijuana smoke, food odors or trash odors.
- 15) HALLWAYS: Adjusting or changing of heating systems, fire alarms, light fixtures, doors, carpets or other Common Elements without Management Company notification and permission is forbidden. Exterior and interiors doors must not be propped open except for short periods of time when moving items in or out and they must be unpropped and closed immediately when finished.
- **SMOKING:** Out of consideration for your neighbors, please be aware that smoke of any type from decks and areas immediately outside the building can reach other Units. There shall be no smoking in the hallways, stairways, or other common areas and facilities. Cigarettes, cigars and other smoking materials shall not be

extinguished or thrown in walkways, stairways, sidewalks or other common areas and facilities and shall not be thrown off of patios, balconies or decks.

- **ANTENNA:** No antenna of any sort shall be placed, allowed, or maintained on any portion of the general or limited Common Elements. All "dishes" **MUST** have Board approval before installation. Inactive dishes must be removed at Owner's expense. Prior to removal, Owners must contact the Management Company to arrange removal.
- **18)** AIR CONDITIONING UNITS: Any purchase and installation of a central air conditioning unit must have Board approval prior to installation. No window air conditioning units are allowed.
- 19) PERSONAL PROPERTY: Any personal property left OR STORED in ANY OF the general Common Elements may be presumed abandoned and will be disposed of by the Association with no notice and at no liability to the Association.
- **20)** GARAGE SALES: The Association will hold a Property-wide garage sale every spring during the spring clean weekend. The Association will provide advertising for the garage sale. No other garage sales are permitted during the year.
- **21) VANDALISM:** Vandalism on the Property leads to increased Association dues. Anyone found to have vandalized the Property, falsely triggered an alarm, used a fire extinguisher (in a non-emergency situation), or otherwise damaged the Property shall be fined and turned over to the police.
- **22) REPAIRS TO COMMON ELEMENTS:** The Association is responsible for all repairs to Common Elements. All requests for repair to Common Elements shall be made through the Association's Management Company. No Unit Owner shall hire a contractor to make repairs to Common Elements without prior Board approval. Unit Owners will not be reimbursed for repairs to Common Elements that have not been previously approved by the Association Board. Please refer to the pertinent sections in the Declaration, as amended from time to time.
- 23) ASSESSMENT: LATE PAYMENT INTEREST begins after the 15th of each month. Any HOA dues or any assessment received after the 15th day of the month when due shall have a \$100 late fee assessed and shall also accrue interest at the rate of 1.5% per month on any amount that is not paid each month. Any dues paid quarterly or yearly must be paid in advance.
- **ENFORCEMENT AND RIGHT OF ACTION:** Any complaint that alleges a violation of the Declaration, Rules and Regulations or Bylaws shall be made in writing, and shall contain all information set forth in the Complaint Form on the Association's website. Owner shall be notified of the complaint and alleged violation by the Association, by delivery by e-mail or mail. Such notification shall also include the fine imposed for such violation and demand for payment. Should Owner wish to be heard by the Board regarding the alleged violation, Owner may request a hearing within seven (7) business days after delivery of the notification to the Owner by delivering such request to the Association's Management Company. A hearing shall be conducted not later than thirty (30 days) after receipt of the request for a hearing. The determination of the Board after the hearing shall be final and binding on the Owner and the Association. If the Owner, or the Owner's tenant, is found to have violated the Declaration, Rules or Bylaws, a warning will be given for the first violation, and then the following fines shall be imposed for each subsequent violation, without regard to the nature of the violation, of the Declaration, Rules or Bylaws:

First Violation: \$50.00 Second Violation: \$100.00 Third Violation: \$200.00 Failure to provide required information (#4, 5) \$250.00.

Further Violation during 12 month period: At discretion of the Board

Dogs in non-owner-occupied units \$250.00 upon notice

After 30 days from date of notice \$50/day

All fines are the responsibility of the Unit owner. Any violations shall run with the Unit, not with the tenant, unless the Association's Management Company has been provided with all the information requested in Section 4, Information Requirements, and Section 5, Lease Requirements. A fine for a continuing violation will accumulate at a per day rate until the violation has been eliminated and the Association has received notice of cessation of the violation. Owner shall be responsible for damages and legal expenses and costs resulting from the violation(s). Such fines shall be paid within thirty (30) days following notice to the Owner.

The remedies provided herein are not exhaustive. The Board may take any additional action provided at law or equity, or as provided in the Declaration or Bylaws.

IN WITNESS WHEREOF, the undersigned President of the Association certifies adoption of the foregoing Rules and Regulations of the Terrace Condominiums Homeowners Association, Inc., by the Board on the 474 day of September, 2018.

TERRACE CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.

By: President