

EOLUS CONDOMINIUM ASSOCIATION, INC.

RULES AND REGULATIONS (w/Revision of December 9, 2014)

GENERAL

1. The Eolus Condominium Association, Inc., ("Association"), acting through its Board of Directors, has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Board of Directors.
2. Wherever in these Regulations reference is made to the "Association", such reference shall include the Association, the Board of Directors, and the Property Manager when the Property Manager is acting on behalf of the Association. Wherever in these Regulations reference is made to "Owners", such term shall apply to the owner of any unit, to his family, tenants whether or not in residence, employees, agents, visitors and to any guest, invitees or licensees of such Owner, his family or tenant of such Owner. Wherever in these Regulations reference is made to "Unit Owners", such term shall apply to the owner(s) of a unit only. Wherever in these Regulations reference is made to "Premises", such term means the real property subject to the Declaration.
3. The Owners shall comply with all the Regulations hereinafter set forth governing the building, walkways and decks, drives, recreational areas, grounds, parking areas and common areas of the condominiums (the General Common Elements).
4. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations and any consent or approval given hereunder at any time by resolution of the Association or Board of Directors.
5. These Regulations are supplemental to and not in lieu of provisions governing the condominiums which are set forth in the Declaration and Bylaws of the Association. To the extent of any inconsistency between any of the foregoing, the following shall prevail in the order noted: the Declaration, the Bylaws, and these Regulations.

RESTRICTIONS ON USE

6. No part of a Unit or the Limited Common Elements associated therewith shall be used for any purpose except housing and the common purposes for which the Units were designed. Each Unit shall be used as a residence for a single family and their guests.
7. Nothing shall be done or kept in any Unit or in the General Common Elements, which will increase the rate of insurance for any of the buildings or contents thereof applicable for residential use without prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit or in the General Common Elements which will result in the cancellations of insurance on any of the buildings or contents thereof or which would be in violation of any public law, ordinance or regulation. No gasoline or other explosive or inflammable material may be kept in any Unit or storage area.
8. All garbage and trash must be placed in the containers on each level provided therefor by the Association and no garbage or trash shall be placed on the floor or elsewhere on the General Common Elements.

9. Each Owner shall keep his or her Unit in a good state of preservation, repair and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, or decks thereof, any dirt or other substance.
10. Nothing shall be done in any Unit or in, on, or to the General Common Elements which may impair the structural integrity of the building or which may structurally change the building, nor shall anything be altered or constructed in or removed from the General Common Elements except upon prior written consent of the Board of Directors. Any structural modification or construction shall have American Institute of Architects (AIA) architectural plans (or licensed engineering plans) and be approved by the Architectural Committee prior to submission to the Board.
11. Any request for improvement to a Unit that makes use of any portion of the any General Common Element will have attached a lease agreement similar to Exhibit "B" of Resolution 2001-01 by the Board. The lease provides the means to pay rent to the Association for use of a General Common Element area.
12. No work covered by the lease agreement referred to above may be performed after November 1st until the last day of the skiing season as determined by Durango Mountain Resort.
13. Upon approval of construction activity by the Board, the contractor (or Unit Owner) will provide a \$1000 or 10% of the estimated cost, whichever is greater, damage deposit to the Association. This deposit will be held in escrow and returned upon completion of the project if no damage to General Common Elements has occurred. Construction debris will be removed from all General Common Elements each work day and construction materials will not be permitted to be stored on General Common Elements outside of working hours, which are restricted to the hours of 8 a.m. to 5 p.m. An exception may be made for activity within a Unit if it does not produce disturbing noise to other Units. Contractors or other craftsmen will not use baggage carts for the transfer of materials but will provide their own dollies or carts as necessary.
14. No noxious or offensive activity shall be carried on in any Unit or in the General Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners or occupants. No Owner shall make or permit any disturbing noises, or do or permit anything, which will interfere with the right, comforts or convenience of other Owners. All Owners shall keep the volume of any radio, television or musical instrument in their Units sufficiently reduced at all times so as not to disturb other Owners. Despite such reduced volume, no Owner shall operate or permit to be operated any such sound-producing devices in a Unit between the hours of 11 p.m. and 8 a.m. if such operation shall disturb or annoy other occupants of the building.
15. No Unit shall be used for any unlawful purpose, and no Owner shall do or permit any unlawful act in or upon his Unit.
16. No Unit Owner shall offer or sell any interest in a Unit under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Durango Mountain Master Association and the Eolus Condominium Association.
17. No Unit Owner shall lease a Unit other than on a written lease: (a) requiring the Lessee to comply with the Declaration, Bylaws, and Rules and Regulations, (b) providing that failure to comply constitutes a default under the lease, and (c) providing that the Board has power to terminate the lease or bring summary proceedings to evict the tenant in the name of the Lessor. Each Unit Owner of a condominium shall promptly following the execution of a long-term lease of that Unit, supply a copy thereof to the Board.

18. Motorcycles, mopeds, and bicycles are not allowed in any Unit, nor will maintenance of such be done on any General Common Element (except the garage areas) or any Limited Common Element. An exception is made that Unit Owners may have bicycles in their Unit.

19. Only Unit Owners are allowed to have orderly domestic pets without the prior approval of the Board of Directors, kept in a Unit, and subject to the Bylaws and these Regulations. Unit Owner pets shall not be permitted upon the General Common Elements unless accompanied by a responsible person and unless carried, leashed, or under positive voice control. An Owner who keeps or maintains any pet upon any portion of the Premises shall be deemed to have indemnified and agreed to hold the Association, the Board of Directors, and Property Manager free and harmless from any loss or claim of liability of any kind or character whatever arising by reason of keeping or maintaining such pet on the Premises.

20. No Owners shall cause or permit anything to be hung, displayed, exposed, or placed on the exterior of a Unit or General Common Elements appurtenant thereto, whether through or upon windows, doors, roofs, walls or walkway of such Unit. The prohibition herein includes, without limitation, laundry, clothing, rugs, signs, awnings, canopies, shutters, or any other item. No clothes line, clothes rack, or other device may be used to hang any items on any deck, nor may such devices be used anywhere the General Common Elements except in such areas as may be designated specifically for such use by the Board of Directors. Exception to this paragraph is made for small satellite dish antennas, flowers, flower boxes, hummingbird feeders and temporary (such as Christmas) decorations that do not extend outside the exterior building walls or deck rails.

21. No deck shall be enclosed, or covered by any awning or other material, without prior consent in writing of the Board of Directors. The temporary installation of clear plexiglass on the inside of deck rails is allowed for the protection of small children.

22. No Unit Owner may pass on to guests or tenants any privileges that accrue only to the Unit Owner (pets, bicycles, etc.).

PARKING AND STORAGE

23. Walkways, parking spaces, and decks shall not be used as storage areas. All personal property placed in any portion of any building or any place appurtenant thereto, shall be at the sole risk of the Unit Owner, and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

24. Should an employee of the Association at the request of an Owner move, handle or store any articles or handle, move, park or drive any automobile placed in the parking areas, then, and in every such case, such employee shall be deemed the agent of the Owner. The Association shall not be liable for any loss, damage or expense that may be sustained in connection therewith.

25. Unless otherwise authorized by the Association, the parking areas may not be used for any other purpose than parking vehicles that are the personal property of an Owner or Guest. All vehicles must have current license plates and be in operating condition.

26. All Owners shall observe and abide by all parking and traffic regulations as posted by the Association. Vehicles parked in violation of any such regulation may be disabled (booted) or towed away at the Owner's sole risk and expense. The charge for removal of a boot shall be as determined by the Board from time to time.

27. Parking so as to block elevators, emergency or service entrances, or driveways shall not be permitted. The Owner shall indemnify the Association against any liability which may be imposed as a result of such illegal parking, and any consequences thereof.

28. Contractors, delivery persons, and craftsmen will be informed by Owners to follow parking and loading/unloading instructions of the Property Manager.

ENTRY INTO UNITS

29. No Owner shall alter any lock or install additional locks on any doors of a Unit without notification to the Board of Directors. The Association or the Property Manager shall have the right to make and keep a copy of any key required to gain entry to any Unit to be used if entry to such Unit is necessary because of fire, flood or other conditions which may effect the General Common Elements or other Units. Any key required to gain entry to any Unit is also required to be in the Fire Marshal's emergency access box in Village Center.

30. The agents of the Board of Directors or Management, may enter any Unit in the building at any reasonable hour of the day after notification (except in case of emergency in which case entry may be immediate without notification) for the purpose of exercising and discharging their respective powers and responsibilities.

31. Employees and agents of the Association are not authorized to accept packages, keys, money (except for Association assessments and parking violations) or articles of any description from or for the benefit of an Owner. If packages, keys (whether for a Unit or an automobile), money or articles of any description are left with the employees or agents of the Association, the Owner assumes the sole risk therefore, and the Owner, not the Association, shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. The Association does not assume any responsibility for loss or damage in such cases. Deliveries requiring entrance to an Owner's unit will not be accepted without the prior written permission of the Owner accompanied by a written waiver of all liability in connection with such deliveries.

32. All persons using any of the recreational facilities do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident or injury in connection with such use. No Owner shall make any claim against the Association, its servants, agents or employees, for or on account of any loss or damage to life, limb or property sustained as a result of or in connection with any such use of any of the recreational facilities. Each Unit Owner shall hold the Association harmless from any and all liabilities and any action of whatsoever nature by any tenants, guests, invitees or licensees of such Owner growing out of the use of recreational facilities except where such loss, injury or damage clearly can be proved to have resulted from and been proximately caused by the direct negligence of the Association or its agents, servants or employees in the operation, care or maintenance of such facility.

33. Any damage to the building, recreational facilities, or Common Elements or equipment caused by an Owner or Owner's pet shall be repaired at the expense of the Unit Owner.

SUSPENSION OF RIGHT TO USE RECREATIONAL FACILITIES

34. In addition to all other rights which the Board of Directors has for nonpayment of assessments, the Board of Directors of the Association shall have the right to bar the use by an Owner of any of the recreational facilities for failure to make payment of any assessments or fees due as provided for in the Bylaws of the Association.

MISCELLANEOUS

35. All charges and assessments imposed by the Association are due on the first day of each month for that billing month, unless otherwise specified. Interest at the rate of 1.5 percent per month will be imposed for all charges that are not paid by the end of the billing month and will continue in following months until paid. Payment shall be made at the Association's office by check or money order, payable to the Eolus Condominium Association, Inc.

36. Complaints regarding the management of the Association or regarding actions of other Unit Owners shall be made in writing to the Property Manager or the Board of Directors. No Unit Owner shall direct, supervise or in any manner attempt to assert control over or request favors of any employee of the Property Manager or the Association.

37. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by above stated equipment in such Unit.

38. No charcoal burners or grills of any kind (including electric grills) are permitted on the decks or walkways in compliance with National Fire Protection Association (NFPA) Code 1. The Board of Directors may designate a location on the General Common Elements (such as the pool/spa area) more than 15 feet from any adjacent structure for use of a grill.

39. Because of potential Unit security violation or fire alarms, all Owners should notify the hotel front desk upon first arrival, whether or not they need keys or other services. Failure to do so may result in embarrassing police inquiries or fire trucks on property, or failure to be notified by the front desk in case of emergencies or false alarms. Likewise, an owner who inadvertently activates a burglar or fire alarm should immediately inform the front desk.

FEES AND SPECIAL CASES

40. In the case of a sale or other transfer of a condominium with respect to which sums assessed for Common Expense (assessments, penalties and interest) shall be unpaid, the purchaser or other transferee of an interest in such condominium shall be jointly and severally liable with seller or transferor thereof for such unpaid assessment. The Association or Property Manager will add any unpaid assessments, interest, legal fees and penalties to the assessment bill of the purchaser (the current property owner) in case of a sale. The Association assumes no responsibility for whether or not the transactions are properly performed. The expense is a Unit expense and can lead to a property lien.

41. In addition to any other the remedies available to the Association, the Association may serve a written notice to a Unit Owner who is two (2) months arrears on assessments. Unless all assessments are paid in full within 30 days of this notice, the Board will take further legal action to recover the assessments due. All costs of this legal action whatsoever will be charged to the said Unit Owner. At three (3) months in arrears, the Association will place a lien on the Unit if no owner response has occurred. In addition, during the period of delinquency, the Association shall have the power (a) to revoke the Owners right to use the recreational facilities, (b) to cause utility service to the Unit to be suspended, and (c) to suspend the Owner's voting privileges.

42. Unit Owners who have permanent or semi-permanent renters or guests who do any damage whatsoever to the General Common Element property will be charged the full cost of repairs of the damage. The Association will assume no responsibility to force payment from the off property rental agency or the renters or guests. The Unit Owner will be charged thru the normal assessment billing invoice procedure and these charges will follow the same interest bearing and property lien rules.

ADDENDUM

RESOLUTION

(Adopted By Eolus Board of Directors on February 7, 2004)

The following changes in policies and procedures were voted on and passed by the Eolus Condominium Association Board of Directors and will take effect immediately.

1. Eolus Condominium unit owners are required to provide current keys and/or a card-lock for their units and for all lock-out closets in their units to the Eolus Property Manager as soon as possible. These keys will be securely kept and will be used only for inspection of your unit by the Property Manager in order to prevent freeze-ups, leaks, and building damage.

2. In spring and fall an inspection will be made by the Eolus Property Manager of all kitchen sink garbage disposal units, bathroom toilets, and water fixtures to see if they are in proper working order. These inspections will help prevent water damage to all owners' units. If a garbage disposal is not in proper working order, it will be disabled. All work on toilets and water fixtures is to be done by licensed plumbers or by a person approved by the Eolus Property Manager. A new seal and caulking are required if a toilet is leaking. Unit owners will be notified immediately if replacement or repair work is needed. Eolus Property Manager is to be notified in advance of when any plumbing work is scheduled, in order to facilitate the process, and to keep records up-to-date.

3. Eolus Property Manager will continue to put microbes down sink drains in all units twice a year in spring and fall in order to prevent clogs and overflows.

4. In winter a minimum heat level of 50 degrees F. is required to be maintained in all Eolus units. Eolus Property Manager will make sure that each thermostat is set on a minimum heat level of 50 degrees F. Heaters in lock-out closets will be turned on to the minimum 50 degree F. requirement. This change goes into effect immediately in order to prevent most costly freeze-ups and building damage. Interior closets without heaters or ventilation holes for air circulation will need to be modified to get heat.

5. If an Eolus unit has a water leak, the owners will be required to have it fixed immediately. In an emergency damage threat situation, the Eolus Association will repair the problem in order to prevent damage to other units and will bill the owner. Any water damage to second and third units originating from a first unit will be the sole responsibility of the owners of the first unit where the resultant damage originated.

6. All built-out space added onto regular units in the Eolus Building is leased to individual unit owners, and any built-out space is subject to all regular unit policies and procedures. Unit owners with leased built-out space/spaces are responsible for all water damage originating in their built-out space/spaces. This includes leak damage originating from an added sprinkler system in a leased built-out area.

7. If Eolus unit owners participate in a rental program, it is their responsibility to inform the rental program manager of these additions to Eolus Condominium Association Policies and Procedures. Unit owners need to check that these additions are understood, followed, and implemented in a timely manner on a consistent basis.

8. No ashes or burnt logs will be placed in the garbage cans located on floors three through seven. All ashes and burnt logs will be placed in a metal container at the south end of Parking Level 1 to ensure that no fire occurs. Additionally, no ashes or burnt logs will be thrown off the back of the building.

9. If a water leak, fire or electrical problem occurs in any Eolus unit, it should be relayed to the Eolus Property Manager immediately.

10. The Eolus Property Manager is prohibited from performing maintenance within a private or rental unit , except in emergency situations, or with the express approval of the Board according to a fee schedule that may be established from time to time.

These Revised Rules and Regulations were adopted by the Board of Directors at the Special Meeting of March 29, 2002, and again revised at the Regular Board Meeting on January 26, 2003. The Addendum Resolution was adopted at the Regular Board Meeting on February 7, 2004. The revision of Paragraph 41 was adopted at the Regular Board Meeting on May 6, 2005. The revision of Paragraph 38 was adopted at the Regular Board Meeting on December 9, 2014.