GENERAL RULES AND REGULATIONS HERITAGE CROSSING AT THE GONDOLA CONDOMINIUMS

These General Rules and Regulations (the "Rules) have been adopted and implemented to protect the investment of the members of Heritage Crossing at the Gondola Condominium Owners Association, Inc., a Colorado nonprofit corporation (the "Association") and to protect and enhance the value of the properties subject to regulation by the Association. Unless otherwise defined herein, each capitalized term used in these Rules shall have the meaning ascribed in the Declaration of Grants, Covenants, Conditions and Restrictions for Heritage Crossing at the Gondola Condominiums (the "Declaration").

I. <u>COLLECTION PROCEDURES</u>. The Association has adopted the following procedures and policies for the collection of Assessments and other charges of the Association.

A. <u>Due Dates</u>. Annual Assessments shall be paid in four (4) installments, payable in advance on the first day of each quarter. Assessments or other charges not paid to the Association by the fifteenth (15th) day of the quarter in which due shall be considered past due and delinquent.

B. <u>Invoices</u>. The Association may, but shall not be required to, invoice Owners for Assessments and or other charges of the Association.

C. <u>Late Charges Imposed on Delinquent Installments</u>. The Association shall impose a \$15.00 late charge, as a penalty and not interest, on the outstanding or past due balance due the Association. An additional \$15.00 late charge shall accrue during each and every subsequent fifteen (15) day period that the Assessment or charge remains unpaid.

D. <u>Interest</u>. Delinquent Assessments, fines and other charges due the Association shall bear interest at the rate set forth in the Declaration.

E. <u>Attorney Fees on Delinquent Accounts</u>. The Association shall be entitled to recover its reasonable attorney fees incurred in the collection of Assessments and other charges due the Association.

F. <u>Collection Letters</u>. When an Assessment or other charge due the Association becomes sixty (60) days past due, the Association may, but shall not be required to, send a collection letter to the responsible Owner. Additionally, the Association may, but shall not be required to, refer the matter for third party collection and, in such event, the Association may advise the responsible Owner that its account has been referred to a third party for collection.

G. <u>Use of Certified Mail/Regular Mail</u>. In the event the Association shall cause a collection letter or notices to be sent to a delinquent Owner by regular mail, the Association may also, but shall not be required to, send an additional copy of that letter or notice by certified mail.

H. <u>Liens</u>. The Association may file a Notice of Lien against the property of any delinquent Owner in accordance with the terms and provisions of Colorado law, the Declaration, the Articles and the Bylaws.

I. <u>Referral of Delinquent Accounts</u>. The Association may, but shall not be required to, refer delinquent accounts to third parties for collection.

J. <u>**Ongoing Evaluation**</u>. Nothing in this Article I shall require the Association to take specific action, and the Association shall have the option and right to evaluate each delinquency on a case-by-case basis.

II. SERVICE AND MAINTENANCE POLICY STANDARDS.

A. <u>In General</u>. The policy statements and standards in this Article II define the diverse responsibilities of the Association to Owners with regard to the maintenance of individual Units and Common Elements. The standards below are to be interpreted in the sole discretion of the Association.

The Association shall endeavor to maintain the Common Elements and portions of those Units that are the responsibility of the Association in a manner consistent with the Declaration. The Association is responsible for outdoor maintenance of the exterior of buildings and Units. Interior Unit and Limited Common Element maintenance and repair is generally the responsibility of Owners. Except as provided in the Declaration, an Owner assumes responsibility for interior Unit maintenance upon Unit purchase.

B. <u>Maintenance Service</u>.

(1) <u>General Policy</u>. It is the policy of the Association to maintain the exterior of the buildings and those elements that are a part of the Common Elements in a condition comparable to that which existed when the Declaration was recorded. Cycle periods have been established for items which require maintenance at regular intervals.

(2) Specific Policy.

(a) <u>Building--Exterior</u>.

(i) <u>Painting</u>. Exterior wood doors and trim will be painted or stained every five (5) years or as reasonably necessary. Entrances and doorsills will be stained or painted at least as often as the trim.

(ii) <u>Doors</u>. Repair and replacement of Unit interior and entry doors will be at the cost of the Owner. Exterior doors, doors wholly within Common Elements and weather doors are the responsibility of the Association and will be weather-stripped as required.

(iii) <u>Yards and Open Spaces</u>. Maintenance of landscaped Common Element areas will be the responsibility of the Association.

(iv) <u>Roofs</u>. The Association will repair or replace damaged or loose roof tiles. The Association shall remove snow and ice as directed by the Association Manager. If weather conditions result in an ice dam formation or blockage of roof drains which causes water to enter a Unit, damage will be repaired when weather permits such work to be done. Icicles which form over Common Elements and thereby pose a potential safety hazard will be reasonably removed by the Association.

(v) <u>Windows and Glass Doors</u>. Glass breakage within Units is the responsibility of the Unit Owner; provided, the Association may, at its election upon notice to the Owner, repair or replace the same and bill the Owner for the cost thereof plus a fifteen percent (15%) administrative fee. In such event, the Owner shall reimburse the Association for such costs within fifteen (15) days of invoicing therefor. Window operating mechanisms are the responsibility of the Owner. The exterior of glass doors and windows will be cleaned by the Association no less than once per year. Unless breakage is caused by the negligent acts or omissions or willful misconduct of an Owner or an Owner Related Party, glass breakage within the Common Elements is the responsibility of the Association. Breakage for which an Owner is responsible shall be repaired or replaced by the Association and the cost thereof plus a fifteen percent (15%) administrative fee shall be billed to Owner. Each such Owner shall reimburse the Association for such costs within fifteen (15) days of invoicing therefor.

(vi) <u>Siding</u>. Shingle siding, if any, will be stained or resealed by the Association on a five-year cycle or as reasonably necessary.

leaves.

(vii) <u>Roof Drains</u>. The area around strainers will be kept free of

(viii) <u>Snowmelt Systems</u>. Unit Owners shall have no direct responsibility for the operation, repair or maintenance of snowmelt systems. The Association is responsible for the operation, repair and maintenance of shared snowmelt systems (regardless of where located) and for Common Element snowmelt systems, and the cost thereof shall be allocated as set forth herein, in the Declaration and/or as otherwise agreed between the Association and The Telluride Mountain Village Metropolitan District. In the instance of shared systems, expenses shall be shared pro rata. By way of example, and not limitation, if (A) an individual snowmelt system is placed on a deck exclusively used by a Unit Owner (and therefore a Limited Common Element in use only by such Owner), such Owner shall be responsible for the cost and expense of its operation, repair and maintenance, and (B) if a snowmelt system serves a Unit and a portion of the Common Elements (i.e., benefits a Unit Owner as a Limited Common Element and services a walkway), the Association shall undertake operation, repair and maintenance of the system and may assess a portion of the costs and expenses related to the private use and benefit thereof from the Unit Owner of the deck.

(b) **Building-Interiors**.

(i) <u>Alterations</u>. Alterations to Unit interiors made by Owners shall comply with all applicable laws, regulations and ordinances (each a "Law" and, collectively, "Laws") including building code and permit requirements, and Rules and Regulations adopted by the Association (including the Interior Unit Building Design and Construction Rules and Regulations) and permit requirements, and shall be made at Owner's expense. Alterations are subject to reasonable Association approval and the Declarations, and shall not interfere with or damage structural components of the buildings or Common Elements.

(ii) <u>Common Electrical Wiring and Plumbing</u>. If repair is required to plumbing or electrical wiring common to more than one Unit, the Association will perform the repair and will restore the structure as closely as possible to the original standard condition. The cost of such repair attributable to an Owner or Owner Related Party as reasonably determined by the Association shall be the responsibility of such Owner, and such Owner shall reimburse the Association for such cost within fifteen (15) days of invoicing therefor.

(iii) <u>Unit Electrical and Plumbing Fixtures</u>. The electrical and plumbing fixtures contained within and which service each Unit are considered to be a part of the Unit and property of the Unit Owner. Repair or replacement is the responsibility of the Owner. Fixtures include, without limitation, the following: light switches, outlets, sconces, sinks, appliances, faucets within the Unit, and electrical appliances.

(iv) <u>Walls, Floors and Ceilings</u>. Walls, floors or ceilings damaged as a result of water entering a building from outside the building, except where caused by the negligent acts or omissions or willful misconduct of an Owner or an Owner Related Party will be repaired by the Association and restored as closely as possible to the original standard condition. Repair or restoration for which an Owner is responsible shall be repaired or replaced by the Association and the cost thereof plus a fifteen percent (15%) administrative fee shall be billed to such Owner. Such Owner shall reimburse the Association for such costs within fifteen (15) days of invoicing therefor.

(v) <u>Exterior Light Fixtures</u>. Exterior light fixtures outside the Units are the responsibility of the Association. The Association shall replace light bulbs.

(vi) <u>Appliances</u>. All appliances and fixtures in Units are the property of the Unit Owner. No maintenance responsibility is assumed by the Association.

(vii) <u>Heating</u>. The portions of heating elements and systems serving individual Units are the responsibility of the Unit Owner following expiration of any applicable warranty period. Calibration of heating thermostats may, at the Association's election, be performed by the Association at Owner expense. In such event, the cost thereof plus a fifteen percent (15%) administrative fee shall be billed to the Owner, and such Owner shall reimburse the Association for such cost within fifteen (15) days of invoicing therefor. Other maintenance is the responsibility of the Unit Owner and shall be performed by the service representative of the subject manufacturer.

(viii) <u>Floor Covering</u>. All carpet and floor covering in a Unit is the property of the Unit Owner. Repair and maintenance thereof shall be the responsibility of the Unit Owner.

(ix) <u>Insects</u>. In the case of insect infestation (as hereinafter defined), the Association will treat the building or affected area. The Association shall be responsible for standard, periodic treatment of Common Elements; each Unit Owner shall be responsible for treatment of the Unit interior. In the event insect infestation results from an Owner's or Owner related Party's failure to adequately treat a Unit, the Association may, at its election, treat the building and/or affected areas at the Owner's cost and expense, inclusive of other Units infested as a result of such failure. In such event, the cost thereof plus a fifteen percent (15%) administrative fee shall be billed to such Owner, and such Owner shall reimburse the Association for such cost within fifteen (15) days of invoicing therefor. For the purposes of this subsection, "infestation" means a swarm or significant community of insects.

(x) <u>Dryer Vents</u>. Dryer vents will be cleaned by the Unit Owner unless vents become clogged. In such event, the Association shall clean the vents and the cost thereof plus a fifteen percent (15%) administrative fee, shall be billed to the Owner. Such Owner shall reimburse the Association for such cost within fifteen (15) days of invoicing therefor.

(xi) <u>Non-Woodburning Fireplaces</u>. If applicable, each Owner will maintain its non-woodburning fireplace according to manufacturer instructions.

(xii) <u>Corridors</u>. Common Element corridors will be vacuumed weekly or as necessary. Carpets in Common Element corridors will be shampooed when necessary, but not less than once per year. Replacement of carpet that is worn or torn will occur when backing shows or when wear presents a walking hazard. The cost of carpet replacement will be assessed against all Residential Units proportionately. Common Element corridors will be painted at least once every three (3) years.

C. Miscellaneous.

(1) <u>Fire Protection</u>. Each Owner, tenant or occupant will have and maintain at least one (1) operable fire extinguisher in each Unit. The extinguisher shall be of the dry chemical or similar type suitable for use in combatting electrical and other types of fires. Smoke detectors installed in a Unit shall be maintained by the Unit Owner.

(2) <u>Trash Collection</u>. The Association shall be responsible for obtaining trash removal services for the Community. All expenses for trash removal from designated Common Element areas shall be Common Element expenses. Trash shall be collected on a regular schedule established by the Association. Upon written designation by the Association, certain materials shall be segregated and placed in containers specified for such use, including, without limitation, glass and

plastic materials for recycling. Unless otherwise directed by the Association, each Owner and Owner Related Party shall place all trash and other waste from the Units only in receptacles located in the underground parking facility; provided, construction debris and materials shall be disposed of as provided in the Interior Unit Building Design and Construction Rules and Regulations. No Owner shall litter or permit an Owner Related Party to do so. The burning of trash, garbage and other waste materials is prohibited.

(3) <u>Snow</u>. Except for areas served by a snowmelt system, the Association will endeavor to clear snowfalls within Common Element areas adjacent to Buildings prior to 9 a.m. on the next day following the snowfall or sooner if required by applicable Law. In major storms, interim clearing of Common Element areas not served by a snowmelt system will be provided; primary Common Element walkways in front of and to the side of Buildings will be cleared first.

(4) <u>Maintenance of Mechanical and Other Facilities.</u> Periodic and extraordinary maintenance of common heating, ventilating and air conditioning systems, snowmelt, elevators, garage doors and similar Common Elements shall be provided by the Association as necessary in accordance with the Declaration.

III. <u>**PETS**</u>. Except as allowed in the Declaration or by Law (i.e., with respect to the latter, seeing-eye dogs for persons holding certificates of blindness and necessity), no animals, livestock, poultry or insects of any kind shall be raised or kept in the Community or a Unit. Any Owner or Owner Related Party keeping an animal in violation of this provision shall be subject to a fine of up to \$50.00 per day per violation per pet.

IV. MOTOR VEHICLES/PARKING.

Inoperative, Unused or Abandoned Vehicles. No inoperative, unused or A. abandoned vehicle, other than Owners' Exempt Vehicle (as hereinafter defined), shall be stored, parked, maintained or kept upon any part of a Common Element area, including any street or way of access within the Community. For the purposes of this Article IV, "inoperative, unused or abandoned vehicle" shall mean any automobile, truck, motorcycle, motorbike, boat, trailer, camper, house-trailer or motor vehicle which has not been driven under its own propulsion or has not been moved out of the Community for a period of two (2) weeks or longer or which does not have an operable propulsion system. In the event that the Association shall determine that a vehicle is inoperative, unused or abandoned vehicle, then a written notice describing the vehicle shall be sent, if known, the Owner and conspicuously placed upon the vehicle (except in the case of an emergency, in which event the Association may remove such vehicle and thereafter provide the foregoing notice and notify, if known, the Owner of such removal and where the vehicle has been stored). If the vehicle is not removed within seventy-two (72) hours after mailing and posting the notice, the Association may, at its election, remove the vehicle. In each instance when the Association has the right to and does remove an inoperable, unused or abandoned vehicle, the Owner of the Unit who undertook or permitted such parking and, if applicable, owner thereof shall be responsible for all towing fees, storage charges and all other related costs and expenses, including reasonable attorneys' fees. An exception to the foregoing may be granted to a Residential Unit Owner for the purpose of keeping its vehicle(s) within such Owner's Parking Unit(s) during its absence from the Unit

following written application by the Residential Unit Owner and written approval by the Association. Each such application shall state the reason for the request, identify such Owner's personal vehicle (by make, model, color and license plate number) and parking Unit location, provide the name in which the vehicle is titled, and specify the requested exemption period. Each vehicle as to which an exemption is granted (an "Exempt Vehicle") shall have exempt status only during the period, and pursuant to the conditions, authorized in the Association's written consent. No request for exemption shall be deemed granted in the absence of written approval thereof by the Association.

Restrictions on Parking and Storage. Except as provided in the Declaration or **B**. otherwise authorized in writing by the Association, and except for temporary loading and unloading or the parking of emergency vehicles, each automobile, snowmobile, house trailer, camping trailer, boat trailer, boat, hauling trailer, running gear, motor driven cycle, truck, self-contained motorized recreational vehicle, van or other type of vehicle or vehicular or recreational equipment, and any accessories thereto, parked or stored in the Community (each a "Storage Item" and, collectively, the "Storage Items") shall be parked or stored wholly within the boundaries of the Parking Space appurtenant to each Unit (i.e., the Parking Unit owned by a Residential Owner). Except as set forth in the Declaration or the Easement granted to Declarant by CTOA, the foregoing shall not restrict trucks or other commercial vehicles within the Community which are necessary for construction or for the maintenance of Common Elements or Units. In the event that the Association shall determine that a Storage Item is improperly parked or stored, then a written notice describing the Storage Item shall be sent to, if known, the Owner, and conspicuously placed upon the Storage Item (except in the case of an emergency or in the event the Storage Item is improperly located in the space allocated to another Unit Owner or is impeding pedestrian or vehicular traffic, in which event the Association may remove such Storage Item and thereafter provide the foregoing notice and, if known, notify the Owner of such removal and where the Storage Item has been stored). If the Storage Item is not removed within seventy-two (72) hours after mailing and posting the notice, the Association may, at its election, remove the Storage Item. In each instance the Association has the right to and does remove a Storage Item, the Owner of the Unit who undertook or permitted such use and, if applicable, the owner of the Storage Item shall be responsible for all towing or removal fees, storage charges and all other related costs and expenses, including reasonable attorneys' fees. Storage Items which constitute personal property may, if not claimed within the statutory period defined pursuant to Colorado law, be disposed of by the Association and the proceeds thereof used to offset costs and expenses payable hereunder. The provisions of this subsection may be modified and/or supplemented by the Association.

C. <u>Motor Vehicle Fines</u>. In the event of any violation of the Declaration or these Rules concerning motor vehicles and their parking or storage, a fine may be assessed by the Association.

D. <u>Restrictions on Vehicle Maintenance</u>. No automotive maintenance, mechanical, body or engine work, overhauling or similar automotive repair work for personal, commercial and/or business purposes shall be performed in any portion of the Community. In the event of violation hereof, a fine may be assessed by the Association.

V. <u>INCREASED RISKS, DAMAGE</u>. Unless otherwise approved in writing by the Association, nothing shall be done or kept in or upon a Unit or upon the Common Elements or any

part thereof which would result in the cancellation of insurance maintained by the Association, nor shall anything be done or kept in or upon any Unit or in or on the Common Elements, or any part thereof, which would be in violation of any applicable Law. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Owner or Owner Related Party, including, without limitation, the storage of flammable liquids in any Unit or in or on the Common Elements. In the event of any violation of this subsection, in addition to reimbursement of any costs and expenses of the Association as a result of such violation (i.e., reimbursement for a fine imposed by the Town of Mountain Village), a fine may be assessed by the Association.

VI. <u>LEASING OR OVERNIGHT OCCUPANCY OF UNITS</u>. No Unit or any structure located thereon shall be occupied or leased except under the terms and conditions set forth in the Declaration. Owner of Units made available for overnight or short term occupancy shall provide the Association in advance of use with the dates of third party occupancy; the name, address and telephone number of the Owner during the period of third party occupancy; the name, address and telephone number of the third party occupant; and, if applicable, the name, address and telephone number of the management company contact for the subject Unit. In the event of a violation of the leasing or occupancy provisions of the Declaration or these Rules, in addition to all rights afforded pursuant to the Declaration, a fine may be assessed by the Association.

VII. <u>USE AND OCCUPANCY RESTRICTIONS</u>. Units are limited to the uses and activities established in the Declaration.

VIII. <u>ELECTRICAL DEVICES OR FIXTURES</u>. No electrical device which creates electrical overloading of standard circuits may be used without obtaining the prior written consent of the Association. Misuse or abuse of appliances, circuits or fixtures which affects other Units or Common Elements is prohibited. Any damage resulting from such misuse by an Owner or Owner Related Party shall be the responsibility of the Owner from whose Unit it commenced; provided, the Association may, at its electrical condition prior to such misuse) and, in such event, such Owner shall pay the Association the cost of such repair or restoration plus a fifteen percent (15%) administrative fee within fifteen (15) days of invoicing therefor. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes. Meters shall be separately metered and Unit Owners shall promptly pay utility billings as and when the same become due.

IX. <u>DECORATIVE DISPLAYS OUTSIDE OF UNITS</u>. Owners shall confine exterior decorations to exterior doors. Unless otherwise authorized in writing by the Association, decorative displays which can be seen from the exterior of a building shall be limited to conventional draperies, curtains and holiday decorations hung, displayed or exposed at or on the outside of windows or glass doors/walls.

X. ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO COMMON ELEMENTS

No alterations, additions or improvements may be made to the Common Elements without obtaining the prior written consent of the Association. Except as provided in Section IX above, no clothes, laundry or any other articles shall be hung out of a building or exposed or placed on the outside walls or doors of a building or on trees. Except as approved by the Town of Mountain Village with respect

to Commercial Units and adjacent or nearby Common Elements, no sign, awning, canopy, shutter or antenna shall be affixed to or placed upon exterior walls or doors, the roof or any part thereof, or exposed on or at any window. Unit Owners shall comply with Declarant and Association restrictions on Unit finish-out, alteration and improvement set forth in Unit purchase documents, the Declaration and the Interior Unit Building Design and Construction Rules and Regulations.

XI. <u>CLEANLINESS</u>. EACH Owner shall keep and maintain its Unit in a safe and sanitary condition, and in quality condition, reasonably free of deferred maintenance.

XII. <u>LINT FILTERS ON DRYERS; GREASE SCREENS ON STOVE HOODS</u>. All dryer vents shall have lint filters, which shall remain installed and operable to prevent lint from accumulating in vent ducts. All stove hood vents shall have grease screens installed and operable to prevent grease from accumulating in vent ducts. All such filters and screens shall at all times be kept clean and in good repair by the Unit Owner.

XIII. <u>OBSTRUCTIONS</u>. Except as expressly provided herein, there shall be no obstruction of the Common Elements nor shall anything be stored outside of a Unit without the prior written consent of the Association.

XIV. <u>STORAGE OF UNSIGHTLY/UNSAFE ITEMS</u>. No Unit Owner or Owner Related Party shall place, store or maintain any unsightly or unsafe furniture, fixture, devise, article or other item or thing, including, without limitation, appliances, automobile parts and tires, cardboard boxes, newspapers and flammable materials, on any patio or area visible from a Common Element area. Storage of materials in designated storage areas, including, without limitation, storage rooms and ski lockers, shall be at the risk of the Person storing the materials and in no event shall flammable materials be stored in any such area. In the event of violation hereof, a fine may be assessed by the Association.

XV. <u>**PROPER USE**</u>. Common Elements shall be used only for the purpose(s) for which designed. No Person shall commit waste on the Common Elements, interfere with their proper use by others or commit any nuisances, vandalism or damage on or to the Common Elements.

XVI. <u>ANNOYANCE OR NUISANCE</u>. No noxious, offensive, dangerous or unsafe activity shall be carried on in any Unit or in or on the Common Elements, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or nuisance to other Unit Owners or Guests or which may interfere with their peaceful enjoyment of the Common Elements for the purpose(s) for which designed. No Owner or Owner Related Party shall make or permit any disturbing noises or nuisance activities or do or permit anything to be done that will interfere with the rights, comforts or convenience of other Owners or Guests. No Owner or Owner Related Party shall play, or suffer to be played, any musical instrument or operate, or suffer to be operated, an engine, device, phonograph, television set or radio at high volume or in any other manner that unreasonably disturbs other Owners or Guests.

XVII. <u>COMPLIANCE WITH LAW</u>. No immoral, improper, offensive or unlawful use may be made of any Community property. Each Owner shall comply with all applicable Laws.

XVIII. <u>**RETURNED CHECK CHARGES**</u>. In addition to any and all other charges imposed or allowed under the Declaration, the Articles, the Bylaws, applicable Law or these Rules, a \$28.00 fee shall be assessed for each check or other instrument attributable to or for the benefit of such Owner or Owner's properties not honored by a banking institution or that is returned by it for any reason whatsoever, including, without limitation, for insufficient funds. Such charge shall be due and payable immediately upon notice thereof in the same manner as provided for payment of Assessments under the Declaration. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable Law.

XIX. <u>APPLICATION OF PAYMENTS MADE TO THE ASSOCIATION</u>. The Association reserves the right to apply any and all payments received on account of any Owner or the Owner's Unit first to payment of any and all accrued and outstanding costs and expenses (including attorneys' fees) payable by Owner to the Association, including, without limitation, costs of enforcement and collection, late fees, return check charges, lien fees and interest owing or incurred thereon, whether pursuant to the Declaration, Bylaws, applicable Law or these Rules, then to application of the payment to the Default Assessments, Special Assessments or General Assessments due or to become due with respect to such Owner.

XXI. <u>FINE ASSESSMENTS</u>. All fine assessments shall be due and payable immediately upon notice of such fine or assessment, as described in the policies and procedures for enforcement (the "Policies and Procedures") set forth below. Notwithstanding anything to the contrary in these Rules or the Policies and Procedures, the Association shall be entitled to take such action and perform such work as specified in these Rules or as otherwise permitted or required by applicable Law, the Declaration or the Bylaws prior to, in the absence of, or during the pendency of, any hearing. If any fine assessment is not paid within ten (10) days after the date due, a late charge in the amount of \$15.00 shall be assessed to compensate the Association for costs, fees and expenses involved in handing such delinquency.

Each Owner shall be personally, jointly and severally liable for all fines/penalty assessments. In the event a fine assessment is not paid within ten (10) days, the Association may thereafter commence an action at Law, or in equity, or both, against any Owner personally obligated to pay the same for recovery of said fine assessment plus late charges as aforesaid. The prevailing party shall be entitled to recover its reasonable attorneys' fees and associated costs and expenses incurred in connection with such legal proceedings.

XXII. <u>Enforcement and Attorneys' Fees</u>. In accordance with the Declaration, Association Bylaws and these Rules, it is the declared intent of the Association to enforce the provisions of its governing documents by any and all means available to it, at Law or in equity, and to seek recovery and reimbursement of all costs, fees and expenses incurred in doing so, including, without limitation, attorneys' fees.

XXII. MODIFICATION, AMENDMENTS, REPEAL AND RE-ENACTMENT.

Notwithstanding anything to the contrary contained in these Rules, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these

Rules in accordance with the Declaration, Bylaws, applicable Law and the provisions hereof.

XXXIII. MISCELLANEOUS.

A. Failure by the Association, a member of the Association Board or any person to enforce any provision of its Rules and Regulations shall in no event be deemed to be a waiver of the right to do so thereafter.

B. The provisions of these Rules shall be deemed to be independent and several, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.

C. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

D. The captions to the sections and subsections, as applicable, are inserted herein only as a matter of convenience and for reference, and are in no way to be construed so as to define, limit or otherwise describe the scope of these rules or the intent of any provision hereof.

IN WITNESS WHEREOF, the undersigned, as President of the Association, certifies these Rules were adopted by the Board of Directors on ______, 200_.

By:_____, President

ATTEST:

_____, Secretary