

**RULES AND REGULATIONS
FOR
RC 14 CONDOMINIUMS**

Date Effective as of January 2018

Table of Contents

1. The Parties
2. Budget and Assessments
3. Electronic Key/Lock System
4. Personal Property
5. Commercial Activities
6. Nuisances
7. Signs, Flags, Marketing Material
8. Window Coverings
9. Architectural Control
10. Insurance
11. Cancellation of Insurance
12. Damage
13. Antennas and Receivers
14. Maintenance and Cleanliness
15. Public and Common Areas
16. Fitness Center & Steam Room
17. Owners Lounge and Meeting Room
18. Pool and Spa Areas (i.e. Backyard Deck)
19. Terrace, Decks, and Patios
20. Roof Access
21. Parking
22. Equipment Lockers
23. Entry by Management Committee or Residential Manager
24. Prohibitive Substances
25. Pets
26. Children
27. Occupancy Load
28. Guests
29. Private Business
30. No Advertising or Solicitation
31. HVAC Systems
32. Phones, Internet and Cable Television
33. Electrical Wiring
34. Garbage
35. Large Equipment
36. No Smoking
37. Moving
38. Carts and Hand Trucks
39. Renting
40. Complaints
41. Condominium Documents
42. Applicable Law
43. Enforcement
44. Fees and Penalties for Violations.
45. Consent or Approval by the Management Committee

These Rules and Regulations (“Association Rules”) govern the use of the Residential Units and all other areas of RC 14 Condominiums (the “Project”) and supplement, but do not change, the obligations of the Residential Owners provided in the Declaration of Condominium for RC 14 Condominiums (“Declaration”) and the Master Declaration of Conditions, Covenants and Restrictions (“Master Declaration”), as recorded in the Office of the Summit County Recorder, State of Utah. All Residential Owners, guests, tenants, lessees, invitees and licensees (referred to herein as an “Occupant” or as “Occupants”) shall be bound by these Association Rules and by standards of reasonable conduct whether covered by these Association Rules or not.

The Management Committee has the exclusive responsibility to make such other Association Rules from time to time or to amend these Association Rules as may be deemed necessary for the safety, care and maintenance of the Project and to improve the comfort and enjoyment of all Occupants. The Management Committee and the Residential Manager have the full authority and responsibility of enforcing these Association Rules.

The capitalized terms used in these Association Rules shall have the meanings given to them in the Declaration, except as expressly otherwise provided herein. If inconsistent with these Association Rules, the Declaration and the Bylaws shall prevail, in that order.

1. The Parties. Three separate interest groups are involved in the ownership and operations of the Project:

(a) The RC 14 Condominium Association, Inc. (the “Association”) is the homeowners association for the Residential Owners. The Management Committee is the governing body of the Association.

(b) Declarant is the Project developer.

(c) The Residential Manager is a third-party property manager who has been retained by the Association to conduct the affairs (including dues collection, accounting, rule enforcement, maintenance, contractor coordination, etc.) of the Association, manage the Common Areas and Facilities and facilitate Residential Owner programs and services. The Residential Manager is required, subject to the direction and approval of the Management Committee, to establish and operate such Common Areas and Facilities, programs and services as are customarily provided by operators of first-class resort residential projects of comparable class and standing, and located in Park City, Utah, or in comparable resort communities. All Residential Owner communications and requests regarding such Association programs and services must be directed to the Residential Manager.

2. Budget and Assessments.

(a) The budget for Assessments shall be adopted at least annually in accordance with the Declaration and the Bylaws. Regular Assessments shall be made at least annually.

(b) The budget may be set and approved by the Management Committee without a general meeting and vote of the Association.

3. Electronic Key/Lock System

(a) Issuance of key cards and programming of key cards is a service of the Residential Manager provided to Residential Owners as part of the Check-In and Check-Out services. This service will also be provided to the guests of all Residential Owners and renters of those Residential Owners who are in contract with the Residential Manager to make their Residential Units available for nightly rental at the time such guests or renters check in with the Residential Manager prior to occupying a Residential Unit. Residential Owners who are renting their Residential Units on their own or through an off-site property management company must still utilize the Check-In and Check-Out service in order for key cards to be issued to their renters.

(b) For security reasons:

(i) Residential Owners in possession of key cards must only use these key cards for their or their guests' personal use and enjoyment. Any key cards found outside the possession of Residential Owners or their guests may result in fines or penalties.

(ii) All key card replacement and key card activation requests must be made in writing by the Residential Owner, not by guests, tenants, invitees, lessees and/or licensees of the Residential Owner, to the Residential Manager.

(c) The Association will provide each Residential Owner with no more than four (4) key cards during their stay. If key cards are lost or stolen, replacement key cards shall be issued by the Residential Manager, who may charge a fee for all replacement key cards to recover reasonable administrative costs, material costs and reprogramming expenses. Appointments are to be scheduled through the Association or its designee; normal hours of service are Monday through Friday 9:00 AM – 5:00 PM. Any services requested after hours will be assessed an after-hours fee to be determined by the Residential Manager.

4. Personal Property

(a) There shall be no obstruction of the Common Areas and Facilities by any Residential Owner. Residential Owners shall neither store nor leave any of their personal property in the Common Areas and Facilities, other than Limited Common Areas and Facilities appurtenant to their Residential Unit, except with the prior consent of the Management Committee.

5. Commercial Activities

(a) No Residential Unit shall be used for business or commercial activity; provided, however, that as set forth in the Declaration, nothing in these Association Rules shall be deemed to prevent; Declarant, an affiliate of Declarant or a duly authorized agent of Declarant from using any Residential Unit owned or leased by Declarant as a sales office, model Residential Unit or property management office; and the Owner of the Commercial Unit, Hotel Operator or their respective designees may use four (4) or less

Residential Units owned or leased by it for business meeting space or other uses ancillary to or supportive of approved uses of the Commercial Unit.

6. Nuisances

(a) No noxious, offensive or illegal activity shall be carried on in or upon any part of the Project nor shall anything be done on or placed in or upon any part of the Project which is or may become a nuisance or may cause unreasonable embarrassment, disturbance or annoyance to Occupants. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project, which are or may become unsafe or hazardous to any person or property.

(b) No Occupant shall make or permit any disturbing noises in the Residential Units or any other part of the Project nor do or permit anything to be done that will interfere with the rights, comfort or convenience of other Occupants.

(c) No Occupant shall play upon or suffer to be played upon any musical instrument or operate or suffer to be operated a stereo system or CD player, computer, television set, radio or electronic device in the Residential Units or any part of the Project in a manner which disturbs or annoys other Occupants.

(d) Any Occupant who fails to observe this Rule may be requested to cease and desist the obnoxious or offensive activity by another Occupant, the Residential Manager or by security personnel, if necessary. If the obnoxious or offensive activity continues, law enforcement may be alerted and the Occupant may be prosecuted to the fullest extent permitted by law.

(e) Each Occupant, by utilizing a Residential Unit, acknowledges that he, she or it has granted security personnel or the Residential Manager the right to call governing law enforcement professionals who shall be authorized to deal with any disturbance at the Project that violates this Rule 6.

7. Signs, Flags, and Advertising Material

(a) Except as may be used by Declarant as part of its sales program, no signs, flags or advertising devices of any nature, including, without limitation, political, informational or directional signs or devices, shall be erected or maintained on any part of the Project without the consent of the Management Committee, except as may be necessary temporarily to caution or warn of danger or as required by governmental authorities.

(b) No items of any kind shall be permitted to be displayed on windowsills or be visible on the window glass or terraces, decks, balconies, or entry doors.

8. Window Coverings

(a) The draperies, shades and other interior window coverings in the Residential Units shall present a uniform appearance from the outside of the Residential Units. If a Residential Owner desires to install such draperies, shades or other interior

window coverings, such Residential Owner must obtain the prior written approval of the Management Committee and must meet the specifications of this Rule 8.

(b) The blackout shade specifications are as follows: Mecho Shade, 0200 Series Midnight – 0106 Dusk

(c) The window shade specifications are as follows: Mecho Shade, Extra Dense Twill Weave 6000 series 3% - 6010 Nickel

9. Architectural Control

(a) Residential Owners may not change, alter or construct any improvement on any portion of the Project, the Common Areas and Facilities or Limited Common Areas and Facilities, including the building exterior and roof.

(b) No Residential Owner shall impair the structural soundness or integrity of the Project or any Residential Units, impair the safety of the property, or impair any easements.

10. Insurance

(a) Each Residential Owner shall be responsible for coverage of his or her furnishings and all other personal property situated in his or her Residential Unit or elsewhere in the Project, regardless of cause of any potential damage.

11. Cancellation of Insurance

(a) Nothing shall be done or kept in any Residential Unit or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Residential Unit which would increase the rate of insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Management Committee.

12. Damage

(a) No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Occupant, and each Residential Owner shall indemnify and hold the Association and the other Residential Owners harmless against all loss resulting from any such damage or waste caused by him or her or his or her guests, lessees, licensees or invitees.

13. Antennas and Receivers

(a) To the fullest extent permitted by law, no exterior radio antennas, satellite dishes, receivers or other similar devices shall be placed, allowed, or maintained upon any Residential Unit or upon any structure or portion of the improvements situated and located upon the Residential Property without prior written approval of the Management

Committee and the Canyons Master Association. However, the foregoing shall not limit the right of the Declarant or the Association to place receiving devices on the Residential Property to facilitate the provision of common services of Residential Owners.

14. Maintenance and Cleanliness

(a) Each Residential Owner shall keep his or her Residential Unit, including without limitation, the furnishings, interior walls, doors, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, terraces, decks, and patios which may be located on Limited Common Areas and Facilities, in a sanitary condition and good state of preservation and cleanliness and in accordance with the Resort Standards and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors, windows, terraces or balconies thereof any dirt or other substance. In the event that any Residential Unit fail to be maintained in accordance with the Resort Standard, or should otherwise develop an unsanitary condition or fall into a state of disrepair and in the event that the Residential Owner of such Residential Unit should fail to correct such condition or state of disrepair promptly following written notice from the Management Committee, the Management Committee shall have the right, at the expense of the Residential Owner and without liability to the Residential Owner for trespass or otherwise, to enter said Residential Unit and correct or eliminate said unsanitary condition or state of disrepair or failure to maintain the Resort Standard.

(b) All garbage and refuse shall be deposited with care by Residential Owner in areas designated by the Management Committee.

(c) Upon reasonable notice to Owner, except in the event of an emergency, in which event no notice shall be required, the Management Committee shall have the right to enter into any Residential Unit for the purpose of cleaning, maintenance, repairs, including emergency repairs, and for the purpose of abating a nuisance, or a known or suspected dangerous or unlawful activity.

(d) The Residential Manager shall be responsible for all snow removal at the Project. The cost of such snow removal shall be included in the Common Expenses of the Project. If necessary, the Residential Manager has the right to enter Residential Units to remove snow from terraces, decks or patios.

15. Public and Common Areas

(a) Riding skateboards, skate shoes, scooters, bicycles, or rollerblades is strictly prohibited within Public and Common Areas.

(b) Bicycles and other recreational equipment must be stored in designated storage units and/or storage areas designated by the Management Committee in accordance with policies and procedures established by the Management Committee from time to time and on a first-come, first-served basis. No bicycles are permitted in a Unit or any Public Areas other than the designated storage areas.

(c) All snowboard and ski equipment must be stored in a designated storage units and/or storage areas designated by the Management Committee in accordance with policies and procedures established by the Management Committee from time to time and on a first-come, first-served basis. No snowboarding or skiing equipment is permitted in any public or common areas other than the designated storage areas, unless such equipment is in an appropriate travel and storage bag.

(d) Residential Owners are responsible for the actions of any and all children under their charge while present in Public or Common Areas, including any children visiting the property as a Permitted User. For safety reasons, children under the age of twelve (12) must at all times be accompanied by an adult when in the public and common areas.

16. Fitness Center and Steam Room.

(a) The Fitness Center and Steam Room is for the use and enjoyment of the Residential Owners, Permitted Users and their guests. The Residential Manager and Homeowners Association have the sole and exclusive right to reserve the use of the Fitness Center and Steam Room at any time for special functions or any other appropriate purpose. Residential Owners, Permitted Users and their guests are subject to any rules for the Fitness Center and Steam Room as promulgated by the Management Committee.

(b) Hours for the Fitness Center are as follows: 5:00 am to 11:00 pm seven days a week.

(c) Children under the age of twelve (12) need to be accompanied by an adult at all times.

(d) Food is not allowed in the Fitness Center. Beverages may be consumed in the Fitness Center if in plastic bottle with secured lid. No cans or glass containers are allowed in the Fitness Center. Gum chewing is not permitted anywhere in the Fitness Center and Steam Room. All trash is to be placed in the containers provided.

(e) Shoes and shirts must be worn at all times in the Fitness Center. Proper swimming attire, or similar, must be worn at all times in the Steam Room.

(f) Individual radios and televisions may be used with headphones only.

(g) Residential Owners, Permitted Users and their guests using the Fitness Center and Steam Room do so at their own risk.

(h) The Management Committee has the right to change the operating hours of the Fitness Center and Steam Room at any time, without prior notice, based on a variety of factors, including occupancy, staffing, and other conditions.

17. Games Room, Kids Room and Teen Room.

(a) Games Room, Kids Room and Teen Room are for the use and enjoyment of the Residential Owners, Permitted Users and their guests. The Residential Manager and Homeowners Association have the sole and exclusive right to reserve the use of the Games Room, Kids Room and Teen Room at any time for special functions or any other appropriate purpose. Residential Owners, Permitted Users and their guests are subject to any rules for the Games Room, Kids Room and Teen Room as promulgated by the Management Committee.

(b) Hours for the Games Room, Kids Room and Teen Room are as follows: 8:00 am to 10:00 pm seven days a week.

(c) Children under the age of twelve (12) need to be accompanied by an adult at all times.

(d) Food and beverages may be consumed in the Games Room. Residential Owners, Permitted Users and their guests are responsible for cleaning up any food, drinks, or serving ware used. All trash is to be placed in the containers provided.

(e) The Management Committee has the right to change the operating hours of the Games Room, Kids Room and Teen Room at any time, without prior notice, based on a variety of factors, including occupancy, staffing, and other conditions.

18. Pool and Spa Areas (i.e. Backyard Deck)

(a) Residential Owners, Permitted Users and their guests are subject to all pool rules applicable for RC 14 Condominiums. Running, wrestling, pushing, dunking and towel-snapping are not permitted anywhere in the pool or spa areas. Snorkels, fins, masks, kickboards, weights, children's pool toys and inflatable devices are not permitted in the pool or spa areas, unless permission is obtained from the Residential Manager.

(b) Hours for the pool and spa areas are as follows: 6:00 am to 10:00 pm seven days a week. No person may enter any pool or spa areas except when the pool and spa is open for use according to the posted schedule.

(c) Food and beverages may be consumed only in designated areas and may not be taken into the pool or spa. Glassware is not permitted anywhere in the pool or spa areas. Gum chewing is not permitted anywhere in the pool or spa areas. All trash is to be placed in the containers provided.

(d) The Residential Manager has the sole and exclusive right to reserve the use of the pool area at any time for special functions or any other appropriate purpose. The Residential Manager may limit the number of guests that may accompany Residential Owners or Permitted Users to the pool or spa areas. Any parties or group gatherings (to the extent permitted by the Residential Manager) must be coordinated through the Residential Manager. Persons who use the pool do so at their own risk.

(e) Only proper swimming attire is permitted in the pool and spa. "Cut-offs" are prohibited.

(f) A responsible adult must at all times accompany all children under the age of sixteen (16) years when in the pool or spa areas. There will be no lifeguards on duty at the pool or spa areas. Children under the age of five (5) shall not be allowed in the spa/hot tub area.

(g) Swimmers must shower to remove suntan oils or lotions before entering the pool. Persons with cold, cough, fever, infection of any kind, inflamed eye(s), skin rash or bandage may not use the pool.

(h) Three (3) fire pits are available for Residential Owners, Permitted Users and their guests only during approved hours as set by the Residential Manager.

(i) A responsible adult must at all times accompany all children under the age of sixteen (16) years when using or sitting by the fire pit.

(j) The roasting or cooking of marshmallows, or any other food item, is limited to the hours of 4:00 pm to 10:00 pm.

(k) The Management Committee has the right to change the operating hours of the fire pit at any time, without prior notice, based on a variety of factors, including occupancy, staffing, and other conditions.

19. Terrace, Decks and Patios

(a) Unusual use, noise, music, storage, or other inappropriate activities, as determined in the sole discretion of the Management Committee, are not permitted on terraces, decks and patios.

(b) No swimsuits, clothes, sheets, towels, blankets, laundry or any other articles shall be hung out of a Residential Unit or exposed on any other part of the Project.

(c) No Residential Owner shall cause or permit anything (including, without limitation, awnings, canopies or shutters) to hang, be displayed or otherwise affixed to or placed on the exterior walls, roof or any part thereof, or on the outside of windows or doors.

(d) No terraces, decks or patios may be enlarged without the consent of the Management Committee and an amendment to the Plat.

(e) Residential Owners shall not place any object on any terrace, deck, patio or other Limited Common Areas and Facilities, without the approval of the Residential Manager. All deck/terrace furniture replacements require approval of the Management Committee.

(f) No potted plants, flags, banners, or anything hanging from the balconies are permitted.

(g) Nothing shall be thrown or projected over the balcony railings including, but not limited to, trash, flags, towels or any other object.

(h) No snow may be thrown from the terrace, deck or patio, nor shall it be thrown onto neighboring terraces, decks or patios, except by an entity approved by Declarant, the Management Committee or the Residential Manager to manage snow removal for the Project.

(i) Snow removal will be provided by the Declarant, the Management Committee or the Residential Manager only for snow fall in excess of 6" or more of snow on terraces, decks or patios.

20. Roof Access

(a) Except for Declarant, a Declarant affiliate or an entity approved by Declarant, the Management Committee or the Residential Manager, Residential Owners are not permitted on any section of roof, unless such section is designed and improved for Residential Owners' occupancy (i.e. the Roof Terrace), for any purpose without the express approval of the Management Committee or the Residential Manager.

21. Parking

(a) All vehicles parked on the streets are subject to the ordinances and enforcement of Summit County and/or the Canyons Village Management Association.

(b) Parking in the RC 14 Condominium parking garage by a Residential Owner and/or a Residential Owner's guest is at all times limited to not more than one space per unit.

(c) Campers, boats, ATV's, snowmobiles, recreational vehicles, or trailers may not be parked in any area of the Project. All such vehicles must be stored elsewhere.

(d) Motorcycles may not be operated in the Project except for ingress, egress and parking of duly licensed, "street legal" vehicles.

(e) Any vehicles which are too loud may be prohibited from operation within Project in the discretion of the Management Committee or Residential Manager.

(f) Any vehicle service, car washing, or other maintenance of vehicles is strictly prohibited.

(g) No motor vehicle which is inoperable, in disrepair (including dramatically deteriorated exterior appearance of paint and body work), and/or not legally registered shall be allowed in the Project.

(h) The Management Committee and the Residential Manager reserve the right to tow vehicles in violation of this Rule 21 at Residential Owner's expense.

(i) The Management Committee may, from time to time and at any time, require all Owners and their guests to utilize a valet parking service in order to utilize the Condominium Project's parking facility.

22. Ski Valet.

(a) The ski valet is included in the Limited Common Area to Commercial and controlled and managed by Management Committee through the Residential Manager. The ski valet's principal use is to minimize use of common areas for transporting skis and snowboards.

(b) The use of the ski valet by the Association and/or the Residential Owners and/or their guests shall at all times be in full compliance with any and all Association Rules relating to the ski valet or the use thereof now or hereafter promulgated by the Management Committee, whether such Association Rules are delivered to the Association or posted in or about the locker room.

(c) The Residential Manager shall have the right to enter the ski valet to verify compliance with such rules or regulations, or to inspect the contents of the ski valet, and the Association hereby acknowledges and agrees for itself and on behalf of the Residential Owners that neither the Association nor any Residential Owner shall have any expectation or right of privacy with respect to the ski valet area.

23. Owner Lockers.

(a) The Owner Lockers are included in the Common Areas and controlled and managed by Management Committee through the Residential Manager. The Owner Lockers' principal use is to minimize use of common areas for transporting owner recreational equipment, etc.

(b) The use of the Owner Lockers by the Association and/or the Residential Owners and/or their guests shall at all times be on a first-come-first-served basis and in full compliance with any and all Association Rules relating to the Owner Lockers or the use thereof now or hereafter promulgated by the Management Committee, whether such Association Rules are delivered to the Association or posted in or about the Owner Lockers. The Management Committee may assess a fee for use of the Owner Lockers, which fee shall be uniformly applied to all Owners using the Owner Lockers.

(c) The Residential Manager shall have the right to enter each Owner Locker at any time to verify compliance with such rules or regulations, or to inspect the contents of each locker, and the Association hereby acknowledges and agrees for itself and on behalf of the Residential Owners that neither the Association nor any Residential Owner shall have any expectation or right of privacy with respect to the Owner Lockers or the contents thereof.

24. Entry by Management Committee or Residential Manager

(a) The agents of the Management Committee or Residential Manager and any contractor or workman authorized by the Management Committee or Residential Manager may enter any Residential Unit at any reasonable hour of the day after notification (except that in case of emergency no notification shall be required) for any purpose necessary for the proper operation of the Project and the Association.

25. Prohibited Substances

(a) No Residential Owner shall at any time bring into or keep in his or her Residential Unit or any other part of the Project any flammable, combustible or explosive fluid, material, chemical or substance.

26. Pets

(a) Each Residential Unit may have one household pet (dog or cat) not exceeding 85 pounds, and then only with prior, written Management Committee and Residential Manager approval. The Management Committee may impose additional Association Rules regulating, permitting or prohibiting the kind, number and size of allowed pets from time to time, which Association Rules may be more or less restrictive than the limitations set forth herein. No other animals of any kind are allowed.

(b) A pet within the Project is a conditional privilege only available to a Residential Owner when the Residential Unit is occupied by its Residential Owner. This conditional privilege provides benefit to a few Residential Owners, but generally comes at the expense of the majority of Occupants. Pets generally increase the maintenance burden on any property and certain people are allergic to animals or annoyed or intimidated by pets, especially large dogs.

(c) Residential Owners within the Project who are accompanied by a pet permitted under these Association Rules must abide at all times by federal, state and local ordinances and laws.

(d) No other pets and/or animals of any kind are allowed, except as provided in Subsection (e).

(e) Occupants, other than a Residential Owner, will not be allowed to keep any pets and/or animals on the premises except for Service Animals as defined by the American with Disabilities Act.

(f) Except for Service Animals as defined by the American with Disabilities Act, animals will not be allowed in any area serving food or beverages, including the Fitness Center, Steam Room, Pool and Spa Areas, Games Room, Kids Room and Teen Room.

(g) Pet use of any interior Common Areas and Facilities is strictly limited to pass-through access to and from the Residential Units. When outside of the Residential Unit, the pet must be leashed (not to exceed eight (8) feet in length) at all times and must remain under the person's direct control. Pets are not allowed to remain unattended in any

Common Areas and Facilities of the Project. No pets are allowed in the Fitness Center, Steam Room, Pool and Spa Areas, Games Room, Kids Room and Teen Room.

(h) All pets must be registered with the Management Committee or the Residential Manager prior to bringing the pet to the Project. A photo of the pet must be provided to the Management Committee or Residential Manager.

(i) An annual, non-refundable pet fee of \$500.00, which can be modified from time to time by the Management Committee, will be required to secure payment of any possible damage to Common Areas and Facilities or the Project and to administer the pet privilege. Should any actual damages exceed the \$500.00, the Management Committee and or the Residential Manager shall have the right to assess the owner of the pet for actual cost to repair such damage plus a reasonable administration fee.

(j) Pets may not be left unattended outside of a Residential Unit at any time. Pets may not be left unattended on Residential Owners' terraces, decks or patios. The costs of repair or clean-up of any excrement or damage caused by any pet, or unauthorized animal, will be assessed to the Residential Owner.

(k) No pet may create a nuisance or unreasonable disturbance or damage to the Project or to any personal property thereon. If the Management Committee or Residential Manager determines, in its sole subjective discretion, that a pet is a nuisance or a disruption to other Occupants it may require the owner of the pet to permanently remove it from the Project.

(l) The Management Committee or Residential Manager may revoke the pet privilege of any Residential Owner if, in its sole discretion, the Residential Owner has committed more than one violation of these Association Rules.

27. Children

(a) Parents are responsible for the conduct of their children. Children will not be permitted to play in corridors, stairways, parking areas, or any other portions of the Project, except for areas specifically designed and designated for that purpose.

28. Occupancy Load

(a) Permanent residential occupancy (more than thirty (30) days) of Residential Units may not exceed more than four (4) people per Studio Residential Unit, six (6) people per One-Bedroom Residential Unit, seven (7) people per Two-Bedroom Residential Unit, and seven (7) people per Three-Bedroom Residential Unit.

(b) Temporary rental occupancy (thirty (30) days or less) of Residential Units may not exceed the permanent residential occupancy as defined above.

29. Guests

(a) Each Residential Owner shall be solely responsible for any use of the Project by himself or herself, his or her Occupants, including all family, guests, lessees, tenants or invitees.

30. Private Business

(a) Except as otherwise authorized by the Management Committee, no Residential Owner shall send any employee of the Management Committee or the Residential Manager on any private business of the Residential Owner.

31. No Advertising or Solicitation

(a) Except for the Commercial Unit, and other than Declarant's marketing and sales efforts, advertising for sale within the Project is prohibited. Except for the Commercial Unity, the use of promotional devices such as loud speakers, video screens or other similar visual or sound devices is prohibited.

(b) There shall be no solicitation by any person anywhere within the Project for any cause, charity, or purpose, whatsoever, unless specifically authorized in writing by the Management Committee, except that the Declarant and/or a Declarant affiliate under the Declaration may engage in marketing and other activities related to the sales of Residential Units, and the Residential Manager may solicit and otherwise engage in its business of operating a nightly rental program for the benefit of Residential Owners, if it chooses to do so.

(c) Canvassing, soliciting, distribution of handbills or any other written material, or peddling in on, or about the Project is prohibited. Except for the Commercial Unit, no Occupants shall sell, or permit the sale at retail, of newspapers, magazines, periodicals or any other goods or merchandise to the general public in or on the Project. No Occupant shall make any room-to-room solicitation of business from anywhere within the Project. Except for the Commercial Unit, no Occupant shall use the Project for conducting any business or activity other than that specifically provided for in these Association Rules or the other Condominium Documents. "Condominium Documents" refers to the Declaration, the Master Declaration, Bylaws and these Association Rules. The Commercial Unit and the Owner thereof shall not be subject to the foregoing limitations.

32. HVAC Systems

(a) No water heater, heating or air conditioning unit or system or other apparatus other than that supplied or approved by Declarant or the Management Committee, shall be installed or used by a Residential Owner without the prior written consent of the Management Committee.

(b) Each Residential Owner, when not in residence at his or her Residential Unit, shall maintain a temperature in the winter of a minimum of fifty-five (55) degrees, or such other reasonable temperature as the Management Committee or Residential Manager may determine from time to time, within such Residential Unit in order to prevent the freezing of pipes or excessive use of the HVAC facilities.

33. Phones, Internet and Cable Television

(a) The Project shall include shared wiring, shared system hardware and shared software to deliver voice, data and television programming to the Residential Units. All such shared wiring, system hardware and software located outside of the Residential Units is Association owned and under the management and control of the Residential Manager. The intention of the wiring design is to provide acceptable Residential Owner access and programming for telephone, internet and television at bulk rate usage fees, that ultimately delivers considerable savings to Residential Owners. This means fewer options for individual choices. There is no current mechanism for Residential Owners to solicit independent programming options, upgrades, or equipment without incurring some additional expense to the Residential Owner. It is recognized that the technology for such services is changing continually, and these Association Rules may be modified from time to time by the Management Committed in order to address future changes in technology.

34. Electrical Wiring

(a) When electric wiring of any kind is introduced into any Residential Units, it must be connected as directed by the Management Committee, and no boring or cutting of floors, walls or wires will be allowed without the prior written consent of the Management Committee. The location of telephones, internet connections and the like, electric appliances, call boxes and similar instruments not located within a Residential Unit shall be prescribed by the Management Committee. No apparatus of any kind, other than normal office machines and equipment (such as calculators, facsimile machines, copiers and computers), shall be connected to the electrical system of the Project without the prior written consent of the Management Committee.

35. Garbage

(a) No Occupant shall deposit any trash, refuse, cigarettes, recyclable or other substances of any kind on the Project (not including the Residential Units), except in the designated area. All refuse and recycling shall be stored within areas designated by the Association for the collection of refuse and recycling. All refuse and recycling must be kept inside the Residential Unit until carried to the refuse and recycling bins in the garage. No refuse disposal or recycling is permitted in the hallway or on any deck at any time. Refuse and recycling removal, if not completed by a Residential Owner, should be coordinated with the Residential Manager.

(b) Convenience receptacles in the hallways and Common Areas and Facilities shall not be used for Residential Owner trash or recyclables. No material shall be placed in the trash boxes or receptacles if such material is of such a nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in Park City without being in violation of any law or ordinance governing such disposal.

(c) All garbage and refuse removal and disposal shall be in accordance with the procedures established by the Management Committee or Residential Manager from time to time.

36. Large Equipment

(a) No Residential Owner or Occupant shall place a load upon any floor of any Residential Unit, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. The Management Committee shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Project. Any machines and mechanical equipment which cause noise or vibration that may be transmitted to an adjacent Residential Unit or the Common Areas and Facilities to such a degree as to be objectionable to any Residential Owner, shall be placed and maintained by such Residential Owner, at such Residential Owner's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration.

37. No Smoking

(a) No smoking is permitted except for in a designated smoking area (s). To the extent permitted by Utah law, the Residential Manager and the Management Committee reserve the right to designate, relocate or discontinue smoking areas.

38. Moving

(a) No furniture, bulk packages, bulk supplies, bulk merchandise, bulk freight or bulk equipment of any kind shall be carried or transported through the Common Areas and Facilities without the consent of the Residential Manager.

(b) Prior to any move or bulk delivery, Residential Owners shall notify three (3) days in advance the Management Committee and the Residential Manager to ensure access to the elevators. Contingent on availability of the elevator, moves and deliveries may be conducted between Monday through Saturday, 8:00 a.m. to 6:00 p.m.

(c) The Association shall provide protective covering for the elevator cab walls during the moving/delivery process; no moves/deliveries will be permitted if the protective coverings are not fully in place. When Residential Owners use such protective covering, they shall pay a moving fee to the Association.

(d) Under no circumstances may furniture or other belongings be dragged across any floors; movers must hand carry items or use dollies or hand trucks at all times.

(e) It is the responsibility of the Residential Owner to ensure all materials are removed from the site at the end of the move/delivery.

39. Carts and Hand Trucks

(a) Mail carts or hand trucks shall be equipped with rubber tires and side guards.

40. Rentals

(a) In connection with renting a Residential Unit, each Residential Owner shall observe and abide by the following provisions, which provisions shall not be amended or terminated without the consent of the Residential Manager:

(b) The Residential Manager may offer a Voluntary Rental Program (hereinafter defined) relating to the rental of Residential Units. The phrase "Voluntary Rental Program" shall mean a program established and administered by the Residential Manager in which each Residential Owner may, but shall in no event be obligated to, participate. It is specifically acknowledged that each Residential Owner's participation in the Voluntary Rental Program shall be entirely voluntary and in the sole discretion of each Residential Owner.

(c) Renters of Residential Units from Residential Owners who elect to rent their Residential Units using a rental agent other than the Residential Manager, or no rental agent, will not receive some services offered by the Residential Manager for the benefit of participants in the Voluntary Rental Program. Such services may include, but are not limited to, housekeeping services, maintenance services, etc. There is no such limitation in service for any Residential Owners and their guests during their periods of occupancy, even if such Residential Owners elect not to participate in the Voluntary Rental Program.

(d) In connection with renting a Residential Unit outside of the Residential Manager's Voluntary Rental Program, each Residential Owner shall observe and abide by the following provisions, which provisions shall not be amended or terminated without the consent of the Management Committee and the Residential Manager.

(i) Any lease or rental arrangement will be deemed to be an acknowledgment and consent on the part of the Occupants and guests to use, occupy and possess such Residential Unit in conformance and compliance with the provisions of the Condominium Documents.

(ii) Every guest, transient renter, long-term tenant, and Occupant of a Residential Unit shall present himself or herself to the Residential Manager at the commencement and conclusion of such person's occupancy at the Project.

(iii) At the time of check-in, the Residential Manager shall collect any and all information deemed necessary by the Residential Manager to provide for the safety, security, and operation of the Project. The Residential Manager shall also establish a credit card account for the person authorized to check-in to the Residential Unit to stand as security for any damage caused to the Project by the Occupants and guests of the Residential Unit or for incidental charges incurred by such Occupants and guests.

(iv) The Residential Manager has the right in its sole discretion to deny access to a Residential Unit if: (i) the Residential Manager determines that the intended Occupants are under age 18 and not accompanied by a responsible adult; (ii) the Residential Manager determines that the persons attempting to check-

in are intoxicated or otherwise intending to engage in inappropriate or illegal activity; or (iii) the Residential Manager reasonably believes that the number of intended Occupants of the Residential Unit will exceed the number of permitted Occupants established in the Condominium Documents or any fire, health, or safety regulations promulgated by the appropriate government agency.

(v) The Residential Owner must give at least 24 Hour prior written notice to the Residential Manager of such Residential Owner's intention to rent by delivering to the Residential Manager a completed rental notice signed by the Residential Owner and in the form prescribed by the Residential Manager. In addition to any other information which the Residential Manager may require, the rental notice shall set forth the name, home address, e-mail address and telephone number of the tenant, the dates for check-in and check-out for the tenant and the identity of any third-party rental agent. The Residential Manager is specifically authorized to deny the check-in of any person whose information has not been furnished to the Residential Manager in accordance with this Rule.

(vi) All rental agreements must be in writing. All rental agreements must be in conformance with, and make specific reference to, the Condominium Documents. If a tenant violates these Association Rules or any other of the Condominium Documents, the Residential Owner will also be held responsible as set forth herein.

41. Complaints

(a) Any complaint regarding the management of the Project or the actions of other Occupants, except the actions listed in Rule 6, shall be made in writing to the Management Committee or to the Residential Manager.

42. Condominium Documents

(a) All Occupants shall abide by all of the terms and provisions of the Condominium Documents, as the same may be amended from time to time.

43. Applicable Law

(a) Residential Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Utah, and with all ordinances, rules and regulations of Park City and Summit County, and shall hold the Management Committee and the Association and their respective officers and agents harmless from all fines, penalties, costs or prosecutions for the violation thereof or noncompliance therewith.

44. Enforcement

(a) Any violation of these Association Rules or any of the Condominium Documents may result in a fine as adopted by the Management Committee, or other enforcement remedies as provided in the Condominium Documents.

45. Fees and Penalties for Violations

(a) Fees, sanctions and penalties for any violations of the Declaration, Master Declaration or these Association Rules may be established by the Management Committee, consistent with the provisions of the Condominium Documents and Utah law.

(b) Each Residential Owner shall be responsible for any fees or penalties that arise due to the use of the Project by such Residential Owner's Occupants, including all family, guests, lessees, tenants or invitees.

(c) If a Residential Owner fails or refuses to pay any assessment when due, the Management Committee may, after giving notice and an opportunity to be heard as provided herein (i) terminate a Residential Owner's right to receive a utility service for which the Residential Owner pays as a common expense; or (ii) terminate a Residential Owner's right of access to and use of recreational facilities and other amenities, programs and services paid for as a common expense, including but not limited to the use of the Key System.

(d) Before terminating utility services and/or the right of access to recreational facilities and common amenities, programs and services, the Management Committee shall give written notice to the Residential Owner stating (i) utility services and/or right of access to such utilities or the right of access to recreational facilities and common amenities, programs and services will be terminated if payment of the assessment is not received within 14 days; (ii) the amount of the assessment due, including any interest or late payment fee; (iii) the estimated cost to reinstate the utility service after termination, and (iv) the right to request a hearing in writing as provided herein.

(e) A Residential Owner may within 14 days from the notice sent pursuant to this section, request an informal hearing before the Management Committee to dispute the assessment by submitting a written request to the Management Committee. The date of the hearing will be determined by the Management Committee, but may be held within 14 days from the notice sent pursuant to this Rule.

(f) If a hearing is requested as provided herein, the Management Committee will render a final decision following the hearing. If the final decision determines that the assessment, in whole or part, is due and payment is delinquent, utility services or right of access and use to recreational facilities and all other amenities, programs and services paid for as a common expense may be terminated immediately following the final decision. If a hearing is not requested by the Residential Owner as provided herein, the Management Committee may terminate utility services or right of access and use to recreational facilities and all other amenities paid for as a common expense any time after 14 days from the time of the notice sent to the Residential Owner pursuant to this section.

(g) If utility services and/or the right to access recreational facilities and common areas, programs and services are terminated, the Management Committee shall take immediate action to reinstate the service or right following the Residential Owner's payment of the delinquent assessment, including any interest and late payment fee.

46. Consent or Approval by the Management Committee

(a) Any consent or approval given under these Association Rules may be added to, amended or repealed at any time by resolution of the Management Committee.

4818-0291-0041, v. 2