

**THE
CRESTWOOD CONDOMINIUM
ASSOCIATION, INC.**

*Rules and Regulations
March 5, 2016*

CRESTWOOD BOARD
Rules and Regulations

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INTRODUCTION

The Crestwood is governed by a Board of Directors all of whom are owners of condominium units within The Crestwood. This Board oversees and makes policy for the Crestwood Condominium Association (the Association), which is comprised of all unit owners, and the Crestwood Lodge (the Lodge), which is comprised of unit owners wishing to have the Lodge manage the rental of their unit.

Guiding the two operations are the Condominium Declaration which contains the covenants, conditions and restrictions, the By-laws, a Management Agreement for the rental management of individual units, a rental Tariff, a personnel policy manual and a body of policies adopted by the Board over the years which are not contained in any of the more formal controlling documents.

The Association reserves the right under Colorado State Statute and/or The Crestwood Condominium Association, Inc. Declaration of Covenants and Conditions to levy fines on any unit owner(s) who fail(s) to abide by the rules and regulations set forth, or any duly authorized rules made by The Board of Directors of the Association on behalf of the Association.

This compendium of CRESTWOOD BOARD RULES AND REGULATIONS contains those policies not incorporated elsewhere in the Association or Lodge documentation.

MISSION STATEMENT

Our mission is to provide a sought after premier resort on Snowmass Mountain with modern, safe, attractive facilities for owners and paying guests at competitive rates and costs, in individually owned and decorated condominium units of superior quality, which maintain increasing net rental return and significant investment value for the owner.

OBJECTIVES AND GOALS

- To provide a resort that is an all premier resort facility on Snowmass Mountain while maintaining the grounds and facilities to modern, competitive and safe standards
- To manage the affairs of the Association in the best interests of the owners
- To maintain and support a strong, capable on-site management at all times
- To provide outstanding employment opportunities by embracing policies that will attract, train, compensate and retain motivated employees dedicated to Crestwood's high service standards
- To conduct the business affairs of the Association in a financially conservative manner that enhances the Association's financial status
- To operate a rental program for the financial benefit of the owners
- To have communications between the Board and the Association members handled in an open and acceptable manner
- To develop a long-range plan of action for the stability, success and continued excellence of the Association and the Lodge
- To enhance the market value of Crestwood units through efficient management and appropriate marketing.

CRESTWOOD RULES AND REGULATIONS

BOARD ADMINISTRATIVE POLICIES

1. All meetings of the Crestwood Board of Directors shall be conducted according to the procedures outlined in Robert's Rules of Order. (4/75)
2. Members of the board of Directors shall be reimbursed by the Association for travel expenses incurred in attending board meetings, including economy air fare, airport parking or taxi, and luggage assistance. Members will be paid a per diem allowance for one travel day and the meeting day(s) at a rate to be established by the board not to exceed government per diem rates. (4/73, 12/77) The cost of check-out maid service for a Director's unit occupied in conjunction with a director meeting shall be borne by the Association. (10/78) Board members who choose alternate methods of transportation to attend Board meetings will be reimbursed at an amount equal to the cost of an economy air ticket from their home city to Aspen Airport. The ticket will be based on a rate determined at least two weeks prior to travel, and a receipt of the shopped ticket should be presented with the expense report.
3. The Board authorizes and encourages education on matters pertaining to the administration of Homeowner Associations and will pay expenses related to Directors attending education sessions directly related to Colorado community associations.
4. New members of the board will be provided with a copy of the Declaration and By-laws, Rules and Regulations, minutes of the previous year's board meetings, biographical summaries for each board member and the previous year's financial statements. (9/88)
5. On a regular basis, management will write to the members of the Association to encourage participation in the director election and annual meeting. (1/89)
6. All nominations from the nominating committee for annual Director Election will be presented to the Board at the Fall meeting. The election process, in compliance with the Bylaws, section III Board of Directors, subsection 2, will commence on the day of the Fall Board Meeting, and completed by mid-November. (4/93)
7. Regarding conflicts of interest by members of the Board of Directors; if any contract, decision, or other action taken by or on behalf of the Board of Directors would financially benefit any member of the Board or any person with a parent, grandparent, spouse, child, or sibling of a member of the Board or a parent or spouse or any of those persons, that member of the Board shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on the issue.

GENERAL ADMINISTRATIVE POLICIES

1. The Board shall enforce the suspension of all voting rights of any member who has not paid his assessments within thirty (30) days after the date on which the assessment was due and payable. (12/75)
2. The policy and practice of the Crestwood is to support conservation and clean air. (4/91)
3. Inspection of Association records will be allowed within 48 hours after receiving a written request from the owner or his representative. Owners or their representatives have the right to view Association documents including:
 - i. Board of Director Meeting Minutes from meetings taking place within six months of the time of request
 - ii. Annual Owner's Meeting Minutes
 - iii. Association By-Laws
 - iv. Articles of Incorporation
 - v. The Crestwood Declaration
 - vi. Rules and Regulations
 - vii. Annual Financial Statements
 - viii. Annual Operating Budgets
 - ix. Results of the Annual Association Audit
 - x. Certificates of Insurance.

Owners are not allowed to view personnel records, employee payroll records, or any employee records containing medical information.

- b. Management will make the following documents available to owners so they can be easily distributed to prospective buyers in connection with the sale of a unit:
 - i. By-Laws and Rules and Regulations of the Association
 - ii. The Declaration (internet).
 - iii. Minutes of the most recent Annual Owner's Meeting (internet).
 - iv. Minutes from Board of Director's Meeting held within the past six months (internet).
 - v. The Annual Association Budget
 - vi. The Association's most recent Annual Financial Statements including the Balance Sheet.
- c. The Association shall maintain the following permanent records either in written form or in another form capable of being easily converted into written form:
 - i. Minutes of all Owner's and Board of Director's Meetings
 - ii. All actions taken by Owners or the Board of Directors by ballot.
 - iii. Actions of Committees in place of the Board of Directors.
 - iv. Notices of Owner, Board of Director and Committee meetings.
 - v. Owner lists including the number of votes allotted to each unit owner.
- d. The Association shall keep copy of the following records at the Association's principal office:
 - i. Articles of Incorporation
 - ii. Declaration
 - iii. By-Laws
 - iv. Rules and Regulations
 - v. Resolutions adopted by the Board of Directors
 - vi. Minutes of all Owner's meetings and records of all action taken by Owners without a meeting for the past three years.

- vii. All written communication within the past three years to unit owner generally as unit owners.
 - viii. A list of the names and business or home addresses of the Association's current Board of Directors.
 - ix. The most recent annual report
 - x. All financial audits from the past three years
- c. The following information will be distributed to Owners annually or updated on the Owners website annually:
- i. The name of the Association along with the initial date of recording of the Declaration, and the reception number or book and page for the main document of the Association.
 - ii. The date of the Fiscal Year (assessment billing)
 - iii. The name of the Association's Manager
 - iv. A valid physical address and telephone number for both the Association and Manager.
 - v. If the Association's address or phone numbers change, provide unit owners with an amended notice within 90 days of the change.
 - vi. The Association's Current Assessments
 - vii. The Fiscal Year's Operating Budget
 - viii. Annual Financial Statements
 - ix. The Results of the Annual Audit
 - x. A list of all Association Insurance Policies
 - xi. All Association By-Laws, Articles of Incorporation, Declaration and Rules and Regulations (internet).
 - xii. Minutes from the Board and Owners meeting from the following year (internet).
4. Crestwood management will normally conduct a minimum of one education session per year to provide education to owners on the general operations of the Association and the rights and responsibilities of owners and the Association Board. The education may be presented in various forms such as meetings, newsletters or other methods acceptable under Colorado state statute. The cost of the session will be borne by the Association and not billed individually to owners.

BUILDING AND COMMON AREA POLICIES

1. No lodge guests or guests of owners renting their units for less than 30 days will be permitted within the project with pets. Owners with pets will be required to keep their pets quiet at all times, and to clean up after their pets on and around the property. Dogs must be on a leash or under voice command of the owner at all times when outside on Crestwood property. Aggressive animals will not be allowed. Non-compliance to the rules will result in the following:
 - i. First infraction-a written warning to the owner
 - ii. Second infraction-a \$25.00 service charge to the owner
 - iii. Third infraction-a \$50.00 service charge to the owner, with all subsequent infractions increasing by \$25.00 with each incident. (10/76, 4/92)
2. All units are to have their water heaters replaced no less frequently than every ten years (unless reasonable circumstances dictate a longer replacement period), with the replacement cost to be borne by the unit owner. Replacement heaters are to be approved by the Association's manager with the disclaimer that the Association and its manager will bear no responsibility for failure of or damage resulting from the failure of water heaters so approved. The date of first compliance with this rule shall be October, 1984. (10/83)
3. A fire extinguisher meeting standards set by Snowmass Village Fire Codes shall be installed in a conspicuous place in each kitchen of each Crestwood unit at the unit owner's expense. Periodic inspection and maintenance of the extinguishers will be borne by the unit owner. (1/85)
4. The provision within the declaration restricting the use of flags, wind socks or other decorative items by owners on any common area or limited common area, including unit balconies, shall be enforced. Storage of any item (s) other than approved balcony furniture or an approved BBQ grill is prohibited. Only a Crestwood Board approved storage locker may be placed/constructed on the balcony of units.
5. The Crestwood is dedicated to the support and implementation of life safety measures. (1/87)
6. The Association manager is given the authority to approve requested unit modifications when the Board has already given approval for similar modifications. (4/90)

Parking

7. Owners are not allowed to keep a vehicle on the property when the owner is not in residence (4/08). The Owner parking rule was further amended in September 2012 to contain the following:

Since parking at The Crestwood is limited, whereas there are fewer parking spaces than units, Crestwood owners, their family members, tenants, and their personal guests, are prohibited from storing any motorized vehicle, trailer or any other type of vehicle on Crestwood property while the owner, family member, tenant, or guest is not in residence at The Crestwood.

Owners who violate this rule will be subject to fines based on the following guidelines:

- A. For every month the vehicle is stored at The Crestwood in violation of the owner parking rule, the owner will be fined \$250. This amount prorated to \$65 for every seven days the prohibited vehicle/trailer is left on property.

- B. If an owner's vehicle is noticed on property, management will make the determination of whether or not an owner is in residence.
- C. Owners who are in-residence for an extended period of time and leave occasionally for business travel or vacation will be exempt from the fines as long as they can provide proof of approved travel. Approved travel being travel for business or pleasure, but not to reside in another residence.
- D. When an owner is gone on a vacation or business travel exemption they are required to move their vehicle to a low traffic area preferably at the end of Grape building.
- E. When an owner is gone and their vehicle is left on property, the owner is required to leave keys for the vehicle with the Front Desk.

Long-term guests (guests occupying a unit for a time period of 30 days or longer) are allowed one parking permit per number of bedrooms in the unit. Additional permits will be charged to the guest or owner at a rate of \$50 per month or \$500 annually. Additional permits will only be issued at the discretion of management. Short-term guests of long-term guests or owners will be issued a parking permit free of charge for a limited time period (24-72 hours). Short-term guests of long-term rental units will not be allowed to park on-site during blackout time periods, which are posted at the discretion of management. A fine of \$50 per incident for unauthorized parking will be levied against the owner of the unit. This includes any auto, truck, trailer, recreational vehicle, or other type of vehicle taking up parking space at The Crestwood.

Owners occupying their unit for a time period of 30 or more consecutive days will be considered long-term owner occupants. These long-term owner occupants will be governed under the same rules for parking as long-term guests above.

- 8. Parking for motor-homes, buses, U-haul trailers, boat trailers, etc., must be prearranged by management based on parking space availability and other unforeseen considerations.
- 9. The storage units in the Hickory Building breezeway are to be made available for rent to returning rental guests of the lodge and to owners. (1/92)
- 10. The use of charcoal grills is not permitted on any unit balconies. Standard gas grills will be installed in all rental units, and billed directly to owners.
- 11. Carbon monoxide and smoke detectors as required by Snowmass Village Fire Code are to be installed in all Crestwood units. The expense for the detectors and annual inspection of detectors will be borne by the unit owner.
- 12. Plans for any unit renovation or construction, must be approved by The Crestwood Board of Directors or by a Board appointed management staff, prior to commencement of work. If plans are approved for interior renovation, it is the owner's responsibility to make sure the contractor chosen abides by "The Crestwood Contractor Guidelines". If the owner chooses to use The Crestwood's approved contractor and Crestwood Unit Improvement Office for the renovation work, the owner agrees to pay The Crestwood for any fees associated with The Crestwood's construction management service.
- 13. The owner agrees to be responsible for repairs or maintenance on any approved construction/renovation work completed in the owner's unit, for the exclusive benefit of the owner, when the renovation/construction work infringes upon any common element or limited common element. This does not mean or imply ownership of the common area infringed upon.

FISCAL POLICIES

1. The Association shall have a certified audit conducted on an annual basis. (4/73) The Association shall conduct financial business according to "Generally Accepted Accounting Rules".
2. The manager is empowered to withhold from rental income any and all amounts due to the Association for Assessments, either annual common assessment or special assessments, plus accrued interest. (10/74)
3. Owners with wood burning fireplaces will be charge a fee annually. The fee will be between \$200 and \$500 to be determined by management annually based on the cost of wood. (9/08).
4. The main laundry and dormitory electric utility expenses will be shared between the Association and Lodge. The Association will pay all standard utility bills for all units, and a charge for unit electricity at a unit size average rate, will be included in assessments. (4/75, 9/92)
5. The Association telephone equipment expense shall be divided equally among the units. (10/75)
6. Housekeeping and maintenance supplies shall be inventoried at each fiscal year-end for inclusion in the annual financial statements. (12/75)
7. The expenses for one carpet cleaning per year and linen replacement for rental units shall be included as Lodge management expenses. (9/80)
8. Management will make cash flow projections for the Lodge and Association to determine cash requirements. Advance rental deposits will be used as working capital. Cash surpluses and reserve funds will be invested in conservative instruments for periods consistent with projected cash flow needs. Investments in any single FDIC insured institution will not exceed \$250,000 including accrued interest. Instruments with active secondary markets will be used so that the equity can be liquidated without incurring significant withdrawal penalties. Some funds should be placed locally to maintain good banking relations. Management shall maintain a standby line of credit to accommodate those periods of cash shortfall.
9. The Crestwood shall use the fund accounting format.
10. No monies are to be transferred to or from any special fund account except with the specific approval of the board.
11. The manager is authorized to make payments from special funds as they are due against loan or lease obligations, and to make payments for other purposes approved by the board up to the limit of specific board approval.
12. The budget and notice of assessment to owners shall clearly show all authorized transfers to special funds, and that such transfers shall be made prior to the close of the books for the first month of each fiscal year.

13. The depreciation, as accrued each year, shall be transferred into the appropriate section of the special fund.
14. The board shall not authorize or condone the transfer of any monies from the special fund to the general fund.
15. The board shall periodically review and monitor the charges to the Lodge for use of the Association's assets, including the administration building, the conference facilities, and other equipment.
16. Future space or equipment needs of the Lodge should be acquired by the Association. The Lodge shall then be charged a use fee equivalent to that which the Lodge would have to pay as if it had acquired the equipment or space under a lease agreement. The use fee shall continue indefinitely, as long as the space or equipment is used by the Lodge.
17. The Board may authorize the manager to proceed with maintenance and repair work included in an approved budget for a subsequent year prior to the beginning of that subsequent fiscal year and treat the expense as a prepaid expense. (9/80)
18. Crestwood owners shall not be given the choice to select from the services provided by the Association, and the association will continue to adhere to uniform assessment of units of like interest in common elements. (4/81)
19. A deferred compensation plan is authorized and accepted for the manager and other staff approved by the board. The plan shall be fully funded at all times, with the accrued benefits and accrued earnings maintained in a segregated account. (1/83, 4/85)

Employees participating in a deferred compensation plan have the option to select investments including but not limited to stocks, mutual funds, U.S. government obligations or investments insured or guaranteed by the U.S. government and corporate bonds for funds invested on their behalf. The qualifying employee may choose an expanded variety of investment options not limited to US government obligations. The exercise of investment options carries the implication that the employee shall hold the Association harmless for any fluctuation in the value of the funds so invested. (4/85, 4/91, 1/06)

20. Owners will not be charged a surcharge for 800, calling card, collect or local telephone calls.
21. The use fee charged to the Lodge for the use of the Terrace room shall be \$38,000 annually until the deferred depreciation for the Terrace Room is funded. Following the full funding of the deferred Terrace Room depreciation, the use fee shall be the current depreciation charge until the Terrace Room is fully depreciated. (10/85)
22. The allocation of expenses shared by the Association and the Lodge are established as follows:

Manager's Comp	50% to Association, 50% to Lodge
Controller's Comp	50% to Association, 50% to Lodge
Res. Salaries	25% to Association, 75% to Lodge
Desk Salaries	50% to Association, 50% to Lodge
HK Salaries	25% to Association, 75% to Lodge
Vehicles	40% to Association, 60% to Lodge
Telephone (G&A)	20% to Association, 80% to Lodge
Office Supplies	40% to Association, 60% to Lodge

Printing	40% to Association, 60% to Lodge
Maint. Supplies	50% to Association, 50% to Lodge

The allocations of shared expenses shall be reviewed periodically by the board. (4/86, 10/90, 4/92, 9/15)

23. Management is authorized to use advance deposits for normal operations and for major improvement projects. (1/87)
24. Management shall keep records and conduct its business in a manner that would provide owners with the best chance of qualifying their ownership for the most favorable tax treatment including condo hotel classification. (9/87)
25. The auditor shall prepare the Association's tax return in the form that excludes the rental operation revenues and expenses that are reported for tax purposes by the individual Lodge members. (1/88)
26. The expense of the Unit Improvement Coordinator shall be offset by negotiated discounts with vendors, and percentage fees to be charged to the users of the Coordinator's services. (1/91)
27. The Crestwood shall have a "no tipping" policy and in instead shall collect a 7% service charge on all room revenue. That service charge along with owner gratuities shall be placed in the Service Fund. The Service Fund shall be distributed to employees in several different components as established by management and disclosed annually to the Board. (3/80, 1/91)
28. Crestwood and qualifying employees shall share the cost of medical insurance. The Crestwood shall pay for 75% of the employee's Health Insurance Premiums and the employee will pay the remaining 25%. (9/01)
29. Crestwood will fully fund a scholarship program for qualified dependents of qualified employees within existing budgets for Employee Benefits, Employee Relations and Salaries. (9/92)
30. The Manager agrees to obtain the consent of the RENTAL OWNER before incurring expenses in excess of \$250 at any one time. (9/92)
31. A Manager's Incentive Compensation program shall be instituted for the Board of Managers, with a duly appointed Board Committee being apprised of recommended bonuses to managers; a minimum line item of \$8,000 budgeted annually for assured bonuses and a discretionary percentage or amount for contribution to the manager's incentive bonus will be determined annually by the Board of Directors. (1/94) (1/06) The General Manager's incentive bonus will be determined annually by the Board Chairman. (1/09).
32. The Crestwood offers a Cafeteria plan of benefits for qualifying employees. Eligible employees are those who have accrued nine months of employment, or full-time, year around employment at the point of implementation of the plan, which will be the first day of every year. All elements of the Cafeteria plan will be IRS qualified benefits. (4/93)
27. Common Assessments are due and payable quarterly beginning on November 1st of each year with subsequent payments due on the first of February, May, and August (04/11).

28. The assignment of a portion of in-unit electric, insurance, exterior utility, and water & sanitation fees will be charged to owners of lofted units. See 1993-1994 Assessment Schedule in the "Appendix Update" (9/93)
29. Within the Association Balance Sheet: the landscaping "line" will be removed by incorporating it into Building and Improvements; the landscaping leasehold will be removed by writing off the lawn improvement portion; and fully depreciated non-personal property will continually be written off. (1/94)
30. The terminology within the Lodge financials should be changed as follows: within the Administrative and General cost center the term "Cafeteria Expense" be changed to "Cafeteria Plan"; and within the Maintenance and Utilities cost center, the terms "Total Utilities and Maintenance Expense" be changed to "Total Utilities and Maintenance Income." (1/94)
31. At which time a balance due for common assessments is greater than 50% of the annual assessment and the balance is past due by more than 30 days, the owner shall be considered delinquent.

COLLECTIONS POLICY for DELINQUENT ACCOUNTS

The Crestwood Condominium Association, Inc. (the "Association") hereby amends its policy and adopts the following written policy (the "Collections Policy") governing the collection of unpaid assessments:

1. Assessments must be paid to the Association, in full, on a quarterly basis on November 1st, February 1st, May 1st, and August 1st of each year. "Assessments" include regular and special assessments and any associated fees, charges, attorney fees, fines and interest as permitted under Colorado law. Assessments will be considered past due and delinquent to the extent not paid within 60 days of the quarterly payment dates above.
2. The Association is entitled to impose interest at an 8% annual rate upon any Assessments considered past due and delinquent.
3. The Association is entitled to impose a returned-charge of \$100 for each check sent to the Association in payment of Assessments or interest thereon but returned for insufficient funds or any other reason.
4. Pursuant to the Colorado Common Interest Ownership Act (CCIOA) or any successor legislation, certain owners that are considered past due and delinquent with respect to any Assessment are entitled to enter into payment plans with the Association, and the Association will make a good faith effort to coordinate with such owners (whether entities or natural persons) to set up such payment plans. Such payment plans will comply with the minimum requirements of the CCIOA or successor legislation, including providing the delinquent owner the option to pay off the delinquency in equal installments over a period of six months (or such other minimum period as provided under Colorado law). If an owner fails to comply with the terms of such a payment plan, the Association may pursue any and all legal actions against the owner or the unit that are available to it. An owner's failure to remit payments of the agreed-upon installments, or to remain current with other Assessments as they come due during such period, constitutes a failure to comply with the terms of such payment plan.
5. Additionally, if the owner's unit meets The Crestwood Lodge rental program standards, the Association may enter into a payment plan with any delinquent owner (whether or not such owner would be entitled under Colorado law to enter into a payment plan described in section 4 of the Collections Policy above)

upon terms different than the minimum terms prescribed under the CCIOA, including repayment periods extending longer than six months, provided the following:

- a. The owner agrees to enter the unit into the The Crestwood Lodge rental program and apply all rental income towards, first, all current Assessments as they come due on the quarterly payment dates above and, second, the repayment of past due and delinquent Assessments until such past due and delinquent Assessments are fully repaid;
- b. To the extent the past due and delinquent Assessments are not fully repaid within one year from the date the payment plan takes effect, the owner agrees to remit the unpaid balance to the Association within 30 days of the end of such year.

If an owner that enters into an alternative payment plan described in this section 5 of the Collections Policy and fails to comply with the terms of that plan, including a failure to remit any amount due to the Association, either:

- a. If the owner is entitled under Colorado law to enter a payment plan described in section 4 of the Collections Policy, the Association will make a good faith effort to coordinate with such owners to set up such a payment plan; or,
 - b. If the owner is not entitled under Colorado law to enter such a payment plan, the Association will immediately turn over the delinquent account to a collection agency and/or refer it to an attorney for legal action, as the Association or the management of the Association deem appropriate.
6. If an agreement for payment of past due and delinquent Assessments is not reached between the Association and the unit owner pursuant to sections 4 or 5 of the Collections Policy, or if the unit owner fails to comply with its obligations under such agreements, the Association will take further legal action, including but not limited to filing a lien on the property, turning the debt over to a collections agency, and/or filing for foreclosure on the property.
 7. Promptly upon any Assessment becoming past due and delinquent, and in any case before the Association turns over a delinquent account of an owner to a collection agency or refers it to an attorney for legal action, the Association will send the delinquent unit owner notice of:
 - a. The total amount due, with an accounting of how the claimed due was determined;
 - b. Whether, in good faith, the Association or its management understand the owner entitled to enter into a payment plan described in section 4 or 5 of this Collections Policy (a copy of the Collections Policy shall be provided);
 - c. The name and contact information for the individual the owner may contact to request a copy of the owner's ledger in order to verify the amount of the owner's past due account and;
 - d. That action is required to cure the delinquency and that failure to do so within thirty days will result in the owner's account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property, or other remedies available under Colorado law.
 8. Unless otherwise specified in the Collections Policy, payments received from an owner with respect to past due and delinquent Assessments shall be applied, first, to repay any interest charges, returned check charges and other charges or fees incurred by the Association with respect to the past due and delinquent Assessments and, second, against the unpaid balance of the past due and delinquent Assessments.
 9. The Association reserves the right to use any legal means necessary and available to it to collect past due and delinquent amounts under The Crestwood Declaration of Conditions, laws of the State of Colorado and/or the United States of America. Such remedies include an owner's account being turned over to a

collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property, and/or any other remedies available under Colorado law.

10. This Collections Policy is intended to comply with the requirements of Colorado law and shall be interpreted consistently with the CCIOA and any other relevant legal standards.

RENTAL UNIT STANDARDS

1. On at least an annual basis, management shall:
 - a. Establish criteria for evaluation of rental units,
 - b. Inspect each rental unit, and
 - c. Notify owners of deficiencies and recommendations. Standards shall be comprehensive and sufficient to maintain Crestwood's reputation and competitive standing as an upscale rental property. (4/74, 10/75, 1/92)
2. Management shall maintain and update a standard rental unit inventory list for all board authorized and required items. That list shall become an addendum to the Management Agreements for the rental management of Crestwood units. (1/92)

RENTAL POLICIES

1. Complimentary guests of owners are defined as persons permitted to use an owners unit in the owner's absence that do not pay the owner in money or other items of value, other than reimbursing him for housekeeping charges. All guests who are charged by the owner in excess of the reimbursement amount are guests of the Lodge and owners will be charged an appropriate management fee for such occupancies. (10/76, 3/83)
2. In an effort to defer costs for service, any Crestwood Condominium Association owner who rents his/her unit through a management company other than The Crestwood Lodge; or who rents his/her unit on their own via an internet vacation rental service, or any other means, will be charged a fee equal to 10% of the posted rack rate corresponding to the size of unit, for the time period the rental occurs. (9/15)
3. In determining the distribution of rental occupancies among renting units, the value of an owner's stay during the Holiday season and high winter season, the dates of which shall be determined by the manager, shall be included in the unit dollar amount of rentals for rotation purposes. The rental rotation will be conducted on a full fiscal year basis. (10/77, 10/85)
4. If a guest incurs a verifiable incident that requires early departure, management may return 50% of the cost of the unused days. (4/91)
5. Rental guest arrivals will be accepted on any day of the week using the general guideline of Friday, Saturday, and Sunday designated unit patterns. The minimum number of days required for booking a reservation will vary depending upon the time of the season. The Crestwood accepts reservations with any day arrival and no minimum night stay. (01/06).
6. Renting owners will be paid a 20% referral fee for all rental referrals they generate, payable by check directly to the owner following the departure of the rental guest provided the unit is not discounted by an amount greater than 25%. (1/10).

7. Management shall create and establish a three-tiered rental rate system based upon the overall rating of units on the VIP, A, B and C standard. Units rated as VIP would attempt to be sold at a Premier rate, units with an A rating would attempt to be sold at Deluxe rates, units with a B rating would be sold at Standard rates and units rated as C would be disqualified from the rental program unless otherwise noted. (3/01)
8. Crestwood owners who have an active rental management agreement with The Crestwood Lodge who are renting their units through means other than The Crestwood will be asked to cease the rental.