

RULES AND REGULATIONS
OF
THE HIGHLINE CLUB OWNERS ASSOCIATION
REVISED EFFECTIVE MARCH 27, 1997

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RULES AND REGULATIONS
OF
THE HIGHLINE CLUB OWNERS ASSOCIATION

ARTICLE I

GENERAL

1.1. Defined Terms. Capitalized terms which are used in this Article I are defined in Article II.

1.2. General Authority. Highline Club is a 60-unit townhouse project which was created when the Plat was recorded. In order to provide for the upkeep of the Common Areas and the general administration of Highline Club, the Declaration was adopted by the owners of Highline Club. The body that is charged with carrying out the letter and the spirit of the Declaration is the Association which was created by the Articles and is further governed by the Bylaws. The Association acts through the Board which is elected by the members of the Association. The Board engages the Managing Agent to carry out certain of the functions of the Association. The Declaration, the Articles and the Bylaws each give the Board authority to adopt the Rules on behalf of the Association. Finally, the Declaration contains certain specific provisions dealing with the subject matter of the Rules and those provisions are incorporated into this document so that all of the Rules can be gathered together in one place.

1.3. Adoption of Rules. The Board has adopted the Rules for the use, occupancy and enjoyment of Highline Club. All prior Rules are hereby revoked.

1.4. Modification of Rules. Any of the Rules may be supplemented, altered, amended, modified, repealed or revoked by the Board or by the members of the Association in accordance with the provisions of the Bylaws; provided, however, that any of the Rules hereby adopted which are a restatement or provisions of the Declaration may not be altered, amended, modified, repealed or revoked unless the provisions of the Declaration governing the procedures required to effect any such change have been complied with.

1.5. Consent and Approval of Association. Any consent or approval to be obtained from the Association under the Rules shall be reviewed and determined by the Board. Unless otherwise provided in the Rules, such determination shall be within the sole and absolute discretion of the Board. All consents or approvals given by the Board shall be in writing unless otherwise provided in the Rules.

ARTICLE II

DEFINED TERMS

2.1. Articles. "Articles" shall mean the Articles of Incorporation of the Association in effect from time to time.

2.2. Association. "Association" shall mean The Highline Club Owners Association, a Colorado nonprofit corporation.

2.3. Board. "Board" shall mean the Board of Directors of the Association.

2.4. Bylaws. "Bylaws" shall mean the Bylaws of the Association in effect from time to time.

2.5. Clubhouse. "Clubhouse" shall mean the detached structure and the adjacent fenced-in area which are located on the Common Area which are intended for use for recreational and social purposes.

2.6. Clubhouse Athletic Facilities. "Clubhouse Athletic Facilities" shall mean the hot tub, sauna and steam room located within the Clubhouse.

2.7. Common Area or Common Areas. "Common Area" or "Common Areas" shall mean and refer to all parts of Highline Club except the Lots, and any other real property now or hereafter owned by the Association and all improvements now or hereafter constructed or installed thereon.

2.8. Decks. The term "Original Deck" shall refer to any deck constructed in conjunction with the original construction of the Home. The term "Deck Addition" shall refer to any deck constructed thereafter by an Owner.

2.9. Declaration. "Declaration" shall mean and refer to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Highline Club recorded February 20, 1985, at Reception No. 079033 of the records of the City and County of Denver, Colorado, and any amendments thereto.

2.10. Driveway. "Driveway" shall mean that portion of a Lot that is paved and provides ingress and egress from the Private Streets to the Garage.

2.11. Garage. "Garage" shall mean that portion of a Home that is designed for use as enclosed parking.

2.12. Guest. "Guest" shall mean any person not a Resident who is present at Highline Club upon the expressed or implied invitation of a Resident, including friends and business invitees.

2.13. Highline Club. "Highline Club" shall mean the subdivision created by and described on the Plat.

2.14. Home. "Home" shall mean the structure (including the Garage, the Decks, Steps and fixtures) constructed on a Lot.

2.15. Lot. "Lot" shall mean and refer to a parcel of real property designated as a Lot on the Plat and all improvements constructed thereon including the Home.

2.16. Managing Agent. "Managing Agent" shall mean the professional management company or manager engaged by the Board from time to time to carry out the Association's functions.

2.17. Owner. "Owner" means each individual or corporation, partnership, association, trust or other legal entity holding fee simple title to one or more Lots as determined from the real property records of the City and County of Denver, Colorado.

2.18. Parking Spaces. "Parking Spaces" shall mean those portions of the Common Area with a paved or improved surface that are designed for vehicular parking but expressly excluding the Private Streets.

2.19. Plat. "Plat" shall mean and refer to the Final Plat of Highline Club Subdivision recorded on June 8, 1984, in Book 29 at Pages 91 and 92 of the records of the City and County of Denver, Colorado, and all supplements thereto and amendments thereof.

2.20. Pool. "Pool" shall mean the swimming pool located on the Common Area.

2.21. Privacy Enclosure. "Privacy Enclosure" shall mean an expansion of a Home which has been enclosed and covered.

2.22. Privacy Fence. "Privacy Fence" shall mean a fence constructed on or within the perimeter of a Lot.

2.23. Private Streets. "Private Streets" shall mean those portions of the Common Area with a paved or improved surface that are designed for vehicular traffic and provide vehicular access to and among the Lots and to the public street system.

2.24. Recreational Facilities. "Recreational Facilities" shall mean the Clubhouse, the Clubhouse Athletic Facilities, the Pool, the Tennis Courts and any other recreational facilities made available for use by Residents and Guests in Highline Club.

2.25. Resident. "Resident" shall mean an Owner and any person who stays overnight at a Home with the permission of the Owner of the Home, including friends, family members and tenants.

2.26. Rules. "Rules" shall mean these Rules and Regulations, any additional rules and regulations adopted by the Association from time to time and any modifications to any such rules and regulations.

2.27. Steps. The term "Steps" shall refer to the steps providing access to the front entrance of the Home.

2.28. Tennis Courts. "Tennis Courts" shall mean the tennis courts located on the Common Area.

ARTICLE III

RESTRICTIONS ON USE

3.1. Permitted Uses. All Lots shall be used and occupied principally for residential purposes by Residents; provided that one home office will be permitted in each Home if the same complies with the following: (a) no chattels, goods, wares or merchandise shall be commercially created, displayed, exchanged, stored or sold; (b) the office shall be operated entirely within the Home (but not within the Garage); (c) the office shall be operated by a person whose principal residence is in the Home; (d) there shall be no more than one person employed by or associated with the office who does not maintain his or her principal residence in the Home; (e) there shall be no separate entrance to the office from the outside of the Home; (f) the office shall not utilize more than 300 square feet of floor area; and (g) the office shall not create any external evidence of the operation of an office. In addition, until all Homes have been completed and then sold, the entity completing and selling the Homes, its employees, representatives, agents and contractors may maintain business and sales offices, construction facilities, model units and such other facilities on the Lots owned by such entity, may maintain identification signs on the Common Areas and shall have an easement and right of access over and across the Common Areas for such purposes.

3.2. Maintenance of Homes. Each Owner shall be responsible for the maintenance, repair and replacement of the interior portions of such Owner's Home, including the Garage. Each Owner shall keep such Owner's Steps and Decks in good order and repair, free from trash and waste. Each Owner shall be responsible for those portions of the water, sewer, electrical and other utility systems that are inside of such Owner's Home from the point they enter the exterior wall of such Owner's Home. In the event an Owner constructs a Privacy Enclosure or Privacy Fence, such Owner shall be responsible for additional maintenance as provided for in Section 3.5, but such Owner shall still remain responsible for the payment of such Owner's pro rata share of all assessments for the maintenance of Highline Club. With regard to the following

specific items, responsibility for maintenance, repair and/or replacement shall be as follows:

a. Windows.

- i. It shall be the responsibility of the Owner to maintain, repair and/or replace (1) rubber gaskets; (2) window cranks and operating mechanisms; and (3) glass, including but not limited to maintenance of the seal of double-paned windows.
- ii. It shall be the responsibility of the Association to maintain, repair and/or replace (1) exterior caulking; and (2) exterior flashing.

b. Doors.

- i. It shall be the responsibility of the Owner to maintain, repair and/or replace (1) thresholds; (2) weatherstripping; (3) operating mechanisms; (4) glass, if applicable, including maintenance of the seal of double-paned windows; and (5) painting and/or staining as applicable to the wooden surfaces of all doors.
- ii. It shall be the responsibility of the Association to maintain, repair and/or replace (1) exterior caulking; and (2) exterior flashing.

c. Awnings. It shall be the Association's responsibility to repair and/or replace cloth awning covers and the mechanical operating components of the awnings; provided however, that if an awning is damaged or destroyed by snow or wind because of the Owner's failure to retract the awning, the Owner shall be solely responsible for all repair and replacement costs.

d. Steps and Decks.

- i. It shall be the Owner's responsibility to paint the Steps, original Decks and Deck Additions as the Association periodically determines to be necessary. Owners are responsible for the painting and/or staining of all exterior Deck surfaces, including the surfaces of Original Decks. Owners shall be responsible to repair and maintain the

structural integrity of any Deck Addition, whether constructed by the Owner or any predecessor Owner.

- ii. If the original wooden Steps of a Home have been replaced with concrete Steps, the Owner shall have the same responsibilities of upkeep and maintenance as provided for in (i) above, including but not limited to removal of stains and the resurfacing of spalled concrete as the Association deems necessary.
- iii. With the exception of the Owner's responsibilities to maintain the surface of concrete Steps, it shall be the Association's responsibility to repair and maintain the structural integrity of Steps and Original Decks.

3.3. No Partition and Exterior of Homes. No Home or Lot may be partitioned or subdivided without the prior written approval of the Board. No exterior structure, antenna or any other exterior addition or alteration to a Lot shall be permitted without the prior written approval of the Board. An Owner shall not paint or modify any exterior surface of such Owner's Home other than to maintain it in the same condition or paint it the same color as when purchased by such Owner, without the prior written consent of the Board. Unsightly objects or materials and swing sets shall not be placed upon the exterior portions of a Lot, or upon the Common Areas. No heating or cooling devices of any kind which protrude beyond the exterior perimeter of the windows in the Home shall be installed or maintained in a Home; provided, however, central air conditioning units may be installed on the Lot provided they are not installed on the ground in front of the Home. No part of a Lot or the Common Areas may be used as a dumping ground for garbage, trash or other waste and the same shall be disposed of in a sanitary manner. All equipment for the storage or disposal of garbage, trash or waste shall be kept in a clean and sanitary condition in the Garage. Garbage, trash or waste shall be disposed of through Denver's trash collections or in such other manner as may be established by the Board, and the burning of garbage, trash or waste in outside incinerators, barbecue pits or the like is prohibited. No materials, objects or refuse piles shall be stored upon the exterior portion of any Lot. The Association shall have the right to enter upon a Lot to remove any refuse piles or other unsightly objects and materials at the expense of the Owner, following due notice to such Owner and the failure of the Owner to comply with the provisions of this section and such entry shall not be deemed a trespass. The limitations and requirements of this section shall pertain to all Lots, whether or not a Privacy Enclosure or a Privacy Fence is constructed on a Lot.

3.4. Interference with Common Areas. The placement or removal of trees, shrubs, or other improvements on or from the Common Areas shall be prohibited without the express written approval of the Board. No person shall permit water to be introduced or placed into or on the soil anywhere within the Common Areas without the express written approval of the Board.

3.5. ~~Privacy Enclosures and Privacy Fences.~~

a. Privacy Enclosures may be constructed only with the prior written approval of the Board. Once a Privacy Enclosure is constructed, then all maintenance, repair and replacement of any portions of the Home enclosed by the Privacy Enclosure and maintenance of the Privacy Enclosure itself shall be the responsibility of the Owner of the Lot upon which the Privacy Enclosure is constructed; provided however, that at such time as the Association contracts for the painting of the entire complex, the Association shall also provide for the painting of all exterior surfaces of the Privacy Enclosure.

b. Privacy Fences may be placed along or within the perimeter of a Lot only with the prior written approval of the Board. Owners must obtain approval of the Board prior to the installation of landscaping within a Privacy Fence. Once a Privacy Fence is constructed on a Lot, then all landscaping, irrigation, cleaning, maintenance, and the repair and replacement of landscaping, ground cover, trees and shrubs on a Lot partially or wholly enclosed by a Privacy Fence shall be the responsibility of the Owner of such Lot. No Privacy Fence shall be constructed so as to block any sprinkler or interfere with the irrigation of the Common Area or another Lot. If a proposed Privacy Fence would block any sprinkler or interfere with the irrigation of the Common Area or another Lot, the Owner proposing the Privacy Fence shall pay all costs required to modify the irrigation system in order to eliminate the problems created by the Privacy Fence. The Owner of a Lot on which a Privacy Fence is constructed shall give the Association access to such Owner's Lot as is reasonably required for the Association to perform its duties pursuant to this Declaration.

c. Maintenance, repair and/or replacement of the Privacy Fence shall be the responsibility of the Owner; provided however, that at such time as the Association contracts for the painting of the entire complex, the Association shall also provide for the painting of the interior and exterior of the Privacy Fences. However, the Association is not responsible at any time for the painting of Deck surfaces within the Privacy Fences, the painting of which shall remain the responsibility of the Owner, in accordance with Rule 3.2(d).

3.6. Insurance Deductible for Interior Damage from External Causes. Pursuant to Rule 3.2, Owners are responsible for the

repair and maintenance of the interiors of Homes. Owners are strongly urged to purchase an HO6 or Apartment Unit Owners' Policy. The policy should provide for the payment of the deductible portion of the Association's master insurance policy if a claim is to be filed on that policy, regardless of the cause of damage and whether the damage is in the Owner's unit, another unit, or to common element property. An Owner and/or Owner's insurer may not claim over against the Association's master policy, unless the amount of the claim exceeds \$2,000.00. If the Owner and/or the Owner's insurer make a claim over against the Association's insurance company, the Association is not responsible in the event its insurer denies the claim. If a claim is allowed, any deductible payable to the Association's insurance company is payable by the claiming Owner and/or the Owner's insurer. If an Owner has two or more claims requiring payment of more than one deductible, and if the Owner establishes that the subsequent claim was caused because the Association and/or its agents failed to timely and/or properly repair the exterior after notice of the first occurrence, the Association will pay the additional deductible.

3.7. Signs. No signs of any kind or nature whatsoever shall be placed upon Highline Club without the prior written consent of the Board, except for the following signs: (a) an Owner shall have the right to display a "For Sale" sign on such Owner's Lot, the size and design of which have been approved by the Board; (b) an Owner shall have the right to display signs on such Owner's Lot indicating that an alarm system has been installed, the number, size and design of which have been approved by the Board; (c) the entity completing and selling the Homes shall have the right to maintain identification signs on the Common Areas as discussed in Section 3.1; and (d) the Board may cause no trespassing signs, signs setting forth the Rules, signs concerning the regulation of traffic or parking and signs identifying Highline Club to be displayed on the Common Areas.

3.8. Leases. No Home may be leased for a period less than six months and all such leases shall be in writing and shall require the tenant to be subject to the terms of the Declaration and the Rules. A copy of each lease shall be delivered to the Board prior to the commencement of the lease term.

3.9. No Violations or Noxious or Offensive Activities. Nothing shall be done by a Resident or Guest within the Lots and the Common Areas which would be in violation of any statute, rule, ordinance, regulation, permit or validly imposed requirement of any governmental body that governs or affects Highline Club. No noxious or offensive activities shall be carried on by a Resident or Guest upon the Common Areas, upon a Lot or in a Home.

3.10. Noise Disturbance. No Resident or Guest shall make any disturbing noises in a Home, on a Lot or upon the Common Areas

which will interfere with the rights, comfort or convenience of other Residents or Guests. Each Resident and Guest shall keep the volume of any radio, television or musical instrument in a Home sufficiently reduced at all times so as not to disturb other Residents or Guests.

3.11. Temporary Window Coverings. Sheets, towels, paper, aluminum foil and other materials not generally used for window coverings may not be used for window coverings on exterior windows of a Home for longer than 90 days without the written approval of the Board.

3.12. Outside Planters. Residents are encouraged to put planters on the Steps and Decks outside their Homes and on their Driveways adjacent to their Homes. All outside planters placed on a painted surface must have a tray or pan underneath them to prevent damage to the paint when the plants are watered.

3.13. Damage Resulting From Willful or Negligent Conduct or Rules Violation. If the Association is required to repair or replace any part of a Home or the Common Areas which is damaged because of the willful or negligent conduct of a Resident or a Resident's Guest or from a violation of these Rules by a Resident or a Resident's Guest, the Owner of the Lot upon which such Resident resides shall reimburse the Association for all costs incurred to repair or replace such damage. An example of the type of damage that is intended to be covered by this section is the damage that may result to an awning attached to a Home which is left down in adverse weather conditions.

ARTICLE IV

PET RULES

4.1. Keeping of Pets. No animals of any kind shall be raised, bred or kept on the Common Areas or on a Lot, unless an animal, in each instance, is expressly permitted by consent of the Board. The Board hereby consents to the keeping of no more than two dogs, no more than two cats and any number of other small ordinary household pets which are confined to the Home such as parakeets, parrots, canaries, gerbils and fish, without the prior consent of the Board, subject to compliance with the Rules. If the Board consents to keeping of an animal or a type of animal, such animal shall be referred to in these pet Rules as a "pet" and the Resident or Guest who cares for a pet shall be referred to in these pet Rules as a "pet owner."

4.2. Control of Pets. A pet may be maintained in a Home so long as it is not a nuisance. Actions that will constitute a nuisance include, but are not limited to, (a) abnormal or unreasonable crying, barking or scratching, (b) unhygienic

offensiveness, or (c) actions that are deemed a menace or obnoxious to Residents or Guests. All pets must be registered and inoculated as required by law. Dogs shall be leashed and under the direct control of the pet owner at all times when on the Common Area.

4.3. Pet Droppings. A pet owner shall confine his or her pet's droppings to such pet owner's Lot but such droppings shall not be allowed to accumulate on such Lot. A pet owner must promptly clean up his or her pet's droppings from the Common Areas or any other Lot, and, if such pet owner fails to do so, such pet owner shall pay all costs of any cleanup.

4.4. Responsibility for Pets. Each pet owner is fully responsible for personal injuries or property damage caused by such pet and for compliance with these pet Rules. Additionally, the Owner of the Lot upon which a pet owner is allowed to bring his or her pet (if different from such pet owner) shall also be responsible for such injuries or damage and compliance.

4.5. Notice and Action. If any person responsible for compliance with these pet Rules as described in Section 4.4 is determined to have violated these pet Rules, the Association may give written notice to such person that such person take immediate actions to correct the violation. If the violation is not corrected, such person, upon receipt of further written notice from the Association, may be required to confine the pet to such person's Home or Lot. The written notices provided for in this Section 4.5 shall be issued by an officer of the Association or by the Managing Agent. The provisions of this Section 4.5 shall not limit any other remedy available to the Association to enforce these Rules and shall not prevent the Association from contacting any governmental agency responsible for animal control to take any other action in appropriate circumstances.

ARTICLE V

PARKING AND VEHICLE RULES

5.1. Types of Vehicles Permitted to Park. Residents may park vehicles in Driveways, and if permitted, in Parking Spaces only if the vehicle can also fit within the Owner's Garage. No vehicle which cannot fit within a Garage may be parked anywhere in Highline Club, except temporarily while making deliveries or providing services to Highline Club. Unused and oversized vehicles which cannot fit within a Garage, including but not limited to boats and trailers, must be stored by Residents off the Highline Club premises.

5.2. No Parking in Private Streets. No vehicles may be parked on the Private Streets except temporarily while making deliveries or providing services to Highline Club.

5.3. Parking in Parking Spaces. No Guest vehicles may be parked overnight in the Parking Spaces for more than three consecutive overnights unless a permit has been obtained as described in Section 5.8. Residents are not to park personal vehicles in Parking Spaces overnight unless a permit has been obtained as described in Section 5.8.

5.4. Parking in Driveways. Any number of vehicles may be parked in a Driveway so long as they are all safely parked completely in the Driveway, and are perpendicular to the Garage door. Other than vehicles and planters, no items of any kind shall be placed or stored in Driveways.

5.5. Maintenance of Vehicles. No maintenance of vehicles shall be performed in Highline Club except in a Garage. No vehicles shall be placed on jackstands or blocks outside of a Garage except temporarily for emergency repair.

5.6. Abandoned and Unsightly Vehicles. All vehicles parked in Highline Club outside of a Garage must have current license plates and be in operating condition. No vehicles shall be parked in Highline Club with a "For Sale" sign attached.

5.7. Speed Limit. No vehicles may be driven within Highline Club at a speed greater than 15 miles per hour.

5.8. Permit to Park in Parking Spaces. Any Resident may ~~apply for a short term permit or a long term permit to park overnight in the Parking Spaces~~ as follows:

a. Short Term Permit. A Resident may request a short term permit to park overnight in the Parking Spaces for a period of three weeks or less from the Managing Agent. The short term permit will be granted if the Resident demonstrates a valid need for the short term permit. (An example of a valid need is when a Resident's Guest needs to park his or her vehicle overnight but there are no unused parking spaces available in the Garage and the Driveway of the Resident's Lot.) If the Managing Agent determines that a valid need exists, he or she will issue to the Resident a short term permit showing its expiration date. The permit must be displayed on the vehicle at all times when parked in a Parking Space.

b. Long Term Permit. A Resident may request a long term permit to park overnight in the Parking Spaces for an extended period of time, which permit may be granted by the Board. If the Board determines that a hardship exists, the Board will direct the Managing Agent to issue a long term permit to the

Resident, which must be displayed on the vehicle. The Board will be governed by the following considerations in granting or denying long term permits:

- i. A long term permit may be granted if the Resident demonstrates that there is a hardship which will result from not granting the variance. An example of a hardship includes, but is not limited to, a situation where multiple vehicles are used on a regular basis by the Residents residing upon a Lot, but the Garage and the Driveway of the Lot collectively do not provide sufficient places to park the vehicles. A hardship does not include the inconvenience of having to move one vehicle from the Driveway in order to allow another vehicle to exit from the Garage.
- ii. The Board may condition the grant of a long term permit to use a Parking Space by making it specific to a particular vehicle, which may be designated by the Board in its discretion.
- iii. A long term permit shall not be granted for the purpose of storing unused vehicles. A vehicle will be deemed to be "stored" if it is not used by a Resident on a regular basis or for a period in excess of seven (7) days.

c. Revocation. The Board may revoke either a short term permit or a long term permit for any reason at any time upon written notice to the Resident issued the permit.

5.9. Enforcement. If any Resident or any Resident's Guest is determined to have violated these parking and vehicle rules, the Association may take the following actions with respect to such Resident's or Guest's vehicle:

a. Upon the first violation by a particular vehicle, any member of the Board or the Managing Agent may place on the vehicle a notice that the vehicle is in violation of these parking and vehicle rules along with a copy of these rules.

b. Upon the second violation by a particular vehicle, any member of the Board or the Managing Agent may place on the vehicle a notice warning that the vehicle may be towed upon the third violation.

c. Upon the third violation by a particular vehicle, any member of the Board or the Managing Agent may request that the police issue a ticket for improper parking and may also cause the

vehicle to be towed away by a towing company at the expense of the owner of the vehicle.

Each day that a particular vehicle is in violation of these parking and vehicle rules shall constitute a separate violation. The provisions of this Section 5.9 concerning enforcement shall not limit any other remedy available to the Association to enforce these Rules and shall not prevent the Association from contacting the police to take any other action in appropriate circumstances.

5.10. Indemnity. If any vehicle owned or operated by a Resident or a Resident's Guest shall be towed as a result of violations of these parking and vehicle rules, the Owner of the Lot upon which such Resident resides shall indemnify and hold harmless the Association from any liability that may be claimed against the Association as a result of such towing. Any and all rights in connection with any such towed vehicle that such Resident or Resident's Guest may have under the provisions of state or local laws and ordinances are hereby expressly waived.

ARTICLE VI

CLUBHOUSE RULES

6.1. Use by Residents and Guests. The Clubhouse is intended for the use in common by all Residents and Guests. No Guests shall be permitted to use the Clubhouse unless accompanied by a Resident. The Clubhouse must be reserved for use by all Residents and Guests in the manner outlined in Section 6.2. Entrance to the Clubhouse shall be by means of a key or keys, which shall be made available to a reserving Owner by the Association or the Managing Agent. No pets are allowed in the Clubhouse. Each Resident or Guest who is the last person to leave the Clubhouse at any time during the day is encouraged to make sure that the lights and the Clubhouse Athletic Facilities are shut off and that the outside doors to the Clubhouse are locked.

6.2. Private Functions. A Resident may reserve the party room and barbecue grill area of the Clubhouse by contacting the Managing Agent to reserve a time and date; provided, however, that such private function shall not exceed 30 attendees and shall not be permitted before 4:00 p.m. on Saturdays, Sundays and holidays and after 11:00 p.m. on Sundays through Thursdays or after 1:00 a.m. on the next day for functions begun on Fridays, Saturdays and Sundays preceding Monday holidays. A Resident may not reserve the Clubhouse Athletic Facilities, the Pool or the Tennis Courts for a private function. At such time as a Resident reserves the Clubhouse for a private function, such Resident shall: (a) pay \$100 to the Managing agent, \$20 of which shall be deemed a fee for reserving the use of the Clubhouse and shall be deposited into the Association's reserve account for the purpose of refurbishing the

Clubhouse and \$80 of which shall be deemed to be a damage and cleaning deposit to be used as set forth below, and (b) sign an agreement whereby such Resident agrees to be responsible for the conduct of the attendees at the private function, including any damages caused by such attendees, and agrees to clean the portions of the Clubhouse used by such attendees (including removing trash from the private function to such Resident's Home for later removal by trash haulers) no later than noon of the day following the private function. The damage and cleaning deposit may be used by the Association to pay for any damages caused by the attendees of the private function or to pay for any cleaning of the Clubhouse used by such attendees which was not properly or timely performed by such Resident. If the damage and cleaning deposit is not adequate for such purposes, such Resident shall be responsible for the difference. To the extent the damage and cleaning deposit is not so utilized, it shall be returned to such Resident. No alcoholic beverages shall be made available to any person under the age of 21 years in connection with any use of the Clubhouse for a private function. No signs or other notices will be posted advertising a private function at the Clubhouse without the express written approval of the Board.

ARTICLE VII

CLUBHOUSE ATHLETIC FACILITIES AND POOL RULES

7.1. Use. The Clubhouse Athletic Facilities are available for use at all times. The Pool may be used from 6:00 a.m. to 10:00 p.m. daily during those portions of the year that the Board determines to keep the Pool open for use. The last person using a Clubhouse Athletic Facility is encouraged to shut off such Clubhouse Athletic Facility and, in the case of the hot tub, to cover it with the heat saving cover provided. The last person using the Pool each day is encouraged to cover the Pool with the heat saving cover provided. The Board or the Managing Agent shall be entitled to close the Clubhouse Athletic Facilities and the Pool at any time for repairs, cleaning or safety reasons. The Clubhouse Athletic Facilities and the Pool are intended for use in common by all Residents and their Guests. All Guests must be accompanied by a Resident. No Resident may reserve the Clubhouse Athletic Facilities or the Pool for a private function.

7.2. Prohibited Actions. The following actions are prohibited:

a. Children under 16 are not permitted in the Clubhouse Athletic Facilities or Pool area unless accompanied by an adult. Children under 16 are not permitted in the Pool area at all from 10:00 a.m. to noon on Sundays while the Pool is open for use even if accompanied by an adult.

b. Glass containers are not permitted in the Clubhouse Athletic Facilities or Pool area. Receptacles provided for trash and cigarettes are to be used for those purposes.

c. Persons having infectious diseases, open sores, bandages, cuts or recent vaccinations will not be permitted in the Clubhouse Athletic Facilities or Pool area.

d. Restrooms in the Clubhouse are available to persons using the Clubhouse Athletic Facilities and the Pool. Personal hygiene products, smoking materials or other refuse foreign to the intended purpose of the commodes must not be deposited in them.

e. Bicycles, trikes, skateboards, roller skates, or other play equipment are not allowed in the Clubhouse Athletic Facilities or the Pool area.

f. Horseplay, running, spitting, foul language, undue splashing and other activities which prevent others from enjoying the use of the Clubhouse Athletic Facilities or the Pool are not allowed. Persons engaging in such activities may be expelled from the Clubhouse Athletic Facilities or the Pool area.

g. Rubber and plastic floats, balls, etc., may be used in the Pool unless the Pool becomes too crowded or the use of these items is keeping others from enjoying the use of the Pool.

h. No foreign matter is to be thrown in or about the Clubhouse Athletic Facilities or the Pool.

i. No radios, televisions, tape playback machines, compact disc players, record players or any device which plays music or emits sounds may be used in the Clubhouse Athletic Facilities or Pool area unless headphones are used which eliminate the sounds created by any such device for persons without headphones.

ARTICLE VIII

TENNIS COURT RULES

8.1. Use. The Tennis Courts may be used from 6:00 a.m. to 10:00 p.m. daily. The Board or the Managing Agent shall be entitled to close the Tennis Courts at any time for repairs, cleaning or safety reasons. The Tennis Courts are intended for use in common by all Residents and their Guests. All Guests must be accompanied by a Resident. No Resident may reserve the Tennis Courts for a private function. The Board may create a committee of the Board to establish procedures for reserving the Tennis Courts in order to allocate playing times on the Tennis Courts in an equitable manner among the Residents and their Guests. In the

absence of such procedures, players are to surrender the Tennis Courts to other players waiting to play at the later of the completion of the set then in progress or one hour after the waiting players arrive.

8.2. Prohibited Actions. The following actions are prohibited:

a. Only smooth-bottomed court shoes are permitted. No knobby or black soled athletic shoes are allowed.

b. Bicycles, trikes, skateboards, roller skates or other play equipment are not allowed on the Tennis Courts.

c. Glass containers are not permitted on the Tennis Courts.

d. All items brought to the Tennis Courts by a player shall be removed by that player when leaving the Tennis Courts.

e. No spectators are permitted on the Tennis Courts. Spectators must remain outside the fence.

ARTICLE IX

USE OF RECREATIONAL FACILITIES

9.1. Recreation Committee. The Board may create a committee of the Board to be, known as the Recreation Committee for the purposes of advising the Board concerning the enforcement and revision of the Rules relating to the Recreational Facilities and of performing such other duties with respect to the Recreational Facilities as the Board may determine. The Recreation Committee may also serve as the committee which establishes procedures for reserving the Tennis Courts referred to in Section 8.1 if the Board so elects.

9.2. Assumption of Risk in Use of Recreational Facilities. All persons using any of the Recreational Facilities do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident or injury in connection with such use. No Resident or Guest shall make any claim against the Association, its servants, agents or employees, for or on account of any loss or damage to life, limb or property sustained as a result of or in connection with any such use of any of the Recreational Facilities. Each Owner shall hold the Association harmless from any and all liabilities and any action of whatsoever nature by such Owner, any Resident residing upon such Owner's Lot or any Guest of such Owner or any such Resident, arising out of their use of the Recreational Facilities, except where such loss, injury or damage can be clearly proved to have

resulted from and been proximately caused by the gross negligence of the Association or its agents, servants or Employees in the operation, care or maintenance of the Recreational Facilities.

9.3. Suspension of Right to Use Recreational Facilities. In addition to all other rights that the Association has for non-payment of assessments, any officer of the Association or the Managing Agent shall have the right to bar the use by an Owner, any Resident residing upon such Owner's Lot or any Guests of such Owner or of any such Resident, of the Recreational Facilities for failure to make payment of any assessments or fees imposed by the Association pursuant to the provisions of the Declaration, the Articles and the Bylaws or for any violation of these Rules.

ARTICLE X

ASSOCIATION MATTERS

10.1. Payment of Charges and Assessments. All charges and assessments imposed by the Association are due and payable on the first day of each month, unless otherwise specified. Payment shall be made at the Managing Agent's office by check or money order, payable to the Association. Cash will not be accepted.

10.2. Filing of Complaints. Complaints regarding the management of Highline Club or regarding actions of other Residents or Guests may be made in writing to the Managing Agent or the Board. No Resident shall direct, supervise or in any manner attempt to assert control over or request favors of any employee or the Managing Agent or the Association.

10.3. Responsibility for Insurance Deductible. Subject to the provisions of Section 3.6, the insurance maintained by the Association may have a deductible amount from each claim which is to be paid by the Association. If a Resident or such Resident's Guest is responsible for the loss that gave rise to the claim, the Owner of the Lot upon which such Resident resides shall reimburse the Association for the deductible amount within ten days after a statement therefor.

ARTICLE XI

ARCHITECTURAL CONTROL

11.1. Standards. Various provisions of the Declaration and these Rules require that certain matters regarding the exterior appearance of a Home and a Lot, including the construction of a Privacy Enclosure or a Privacy Fence, the addition of antennae and other improvements to a Lot and the improvement of the exterior of the Home and the other improvements located on a Lot, be submitted

to the Board for its approval. In considering each such request for approval, the Board shall attempt to maintain the first-class appearance of Highline Club and to keep the Home and the other improvements located on a Lot architecturally compatible with the other Homes and improvements located within Highline Club while allowing reasonable, tasteful modifications from the architectural style of Highline Club.

11.2. Procedures. Whenever any Owner requests the Board's approval as described in Section 11.1, the Board may request that the Owner provide the Board with such items as the Board may reasonably request to inform the Board about the matter requiring the Board's approval. As an example only, the Board in connection with a request for a Privacy Fence may require the Owner to provide a survey to locate the Privacy Fence, a sprinkler and landscaping plan for the portion of the Lot within the Privacy Fence and the Common Areas adjacent to the Privacy Fence and a description of the height of, design of and materials to be used for the Privacy Fence. The Board shall not be required to take any action with respect to a requested approval unless and until the Board receives all items reasonably requested by the Board. Once all of such items have been furnished to the Board, the Board shall have 30 days to approve the request as submitted, to approve the request with such reasonable conditions as the Board may require or to reject the request, and, if the Board does not so act within such 30-day period, the request shall be deemed approved as submitted.

ARTICLE XII

ENFORCEMENT

12.1. Responsibility. Each Owner who or which owns record title to a Lot shall be responsible for the violation of these Rules by a Resident who resides upon such Lot or by the Guest of such Owner or any such Resident.

12.2. Enforcement Remedies. In addition to those remedies specifically provided elsewhere in these Rules, the Association shall be entitled to exercise the remedies outlined in Sections 12.3, 12.4 and 12.5 in order to enforce these Rules. In order to exercise the enforcement remedies set forth in Sections 12.3, 12.4 and 12.5, the Association acting through an officer of the Association or the Managing Agent, shall have given the Owner responsible for the violation of these Rules (as determined pursuant to Section 12.1) written notice of the violation and such owner shall have failed to correct the violation within 30 days after such notice.

12.3. Fines. The Association shall be entitled to collect from the Owner responsible for a violation of these Rules (as

determined pursuant to Section 12.1) a fine in an amount which, in the reasonable opinion of the Board, is commensurate with the violation but which does not exceed \$10 for each day that the violation continues until it is corrected. Any such fines shall be payable upon demand from time to time. A "First Mortgagee" (as such term is defined in the Declaration) of a Lot which acquires title to a Lot as a result of obtaining a deed in lieu of foreclosure and a purchaser at a foreclosure of a "First Mortgage" (as such term is defined in the Declaration) encumbering a lot shall not be liable for any fines imposed against the Owner of such Lot except those fines accruing during the period when such First Mortgagee or purchaser is the owner of such Lot.

12.4. Civil Action. The Association shall be entitled to bring a civil action against any party violating these Rules to enforce these Rules and correct any violation of these Rules. In any such action, the Association shall be entitled to seek damages or injunctive relief or both.

Effective Date: These Rules contain:

- (1) The Rules adopted August 28, 1988, as amended March 20, 1990;
- (2) The amendments of September 21, 1993 by the deletion of Section 2.18 ("Patio"), the addition of Sections 2.8, 2.27 and 3.6, and revisions to sections 2.14, 2.21, 3.2, 3.5, 5.3, 6.1, 6.2 and 10.3.
- (3) The amendments effective March 27, 1997 by the revision of sections 5.1, 5.3, 5.4, and 5.8, all relating to parking of vehicles.

END OF RULES

SMH/31089.1