

**AMENDED AND RESTATED
TELLURIDE LODGE
HOMEOWNERS' ASSOCIATION
RENOVATION GUIDELINES**

Revised February 22, 2021

Table of Contents

WELCOME TO THE RENOVATION GUIDELINES.....	1
1. WRITTEN APPROVALS REQUIRED.....	1
2. PRE-DESIGN.....	1
3. RENOVATION RULES AND DESIGN APPROVAL.....	2
3.1 APPROVALS TAKE TIME	2
3.2 PRELIMINARY REVIEW	2
3.3 DOCUMENTS/ACTIONS REQUIRING APPROVAL BY THE BOARD	2
3.4 RENOVATION FEES	3
3.5 RENOVATION RULES	3
3.6 WORK PREVIEW	3
3.7 CHANGES AFTER APPROVAL.....	4
3.8 PROJECT COMPLETION REVIEW	4
3.9 FINAL BOARD APPROVAL	4
3.10 TIME LIMITS	4
3.11 FAILURE TO START PROJECT.....	5
IF AN OWNER FAILS TO START THE PHYSICAL PROJECT WITHIN THIRTY DAYS OF THE APPROVED START DATE, THE OWNER MUST REQUEST A NEW START DATE. FAILURE TO START ON TIME MAY DELAY THE PROJECT AND REQUIRE A NEW APPLICATION. ANY PROJECT DELAYED BY MORE THAN SIX MONTHS WILL REQUIRE A NEW APPLICATION AND PROJECT REVIEW.....	5
3.12 CONTACT INFORMATION.....	5
4. OWNER'S RESPONSIBILITIES	5
4.1 BUILDING PERMITS AND BUILDING CODE	5
4.2 CORRECTION OF ANY DAMAGES ARISING FROM OWNER'S PROJECT WORK	5
4.3 CONFORM TO BOARD GUIDELINES	5
4.4 PAY ADDITIONAL DUES.....	6
4.5 RECOVERY OF ASSOCIATION EXPENSES	6
4.6 MAINTENANCE OF STRUCTURAL CHANGES	6
4.7 SOUND PROOFING	6
4.8 FIRE SUPPRESSION SYSTEM.....	6
4.9 ADVERSE CONSEQUENCES OF RENOVATION	7
4.10 SINGLE UNIT	7
4.11 HAZARDOUS MATERIALS MITIGATION.....	7
4.12 JOBSITE SAFETY AND SECURITY	7
5. RIGHTS OF THE BOARD	8

6.	GUIDELINES FOR ALLOWED ALTERATIONS AND EXPANSIONS	8
6.1	DECKS	8
6.2	DECK STAIRS	9
6.3	EXTERIOR WALLS	9
6.4	EXPANSION INTO AN ATTIC OR CRAWL SPACE	9
6.5	EGRESS FROM LOWER UNITS.....	9
6.6	DOORS	9
6.7	VENTS	9
6.8	EXTERIOR SIDING	9
6.9	MECHANICALS.....	9
6.10	WINDOWS	10
6.11	PROJECTS NOT REQUIRING BOARD APPROVAL	10
6.12	JOINT MAJOR RENOVATIONS	11
7.	FEE'S AND POLICIES FEE'S AND FINE SCHEDULE IS LOCATED ON THE HOA WEBSITE	11
7.1	DUES	11
7.2	PLAN REVIEW FEE	11
7.3	CONSTRUCTION FEE.....	11
7.4	DUMPSTER FEE.....	11
7.5	COLLATERAL/INFRASTRUCTURE DAMAGE DEPOSIT	11
7.6	TIME LIMIT VIOLATION	12
7.7	PENALTIES FOR VIOLATION OF RULES	13
7.8	RESPONSIBILITY	13
7.9	DISREGARD FOR ASSOCIATION CONSTRUCTION GUIDELINES AND RULES	13
7.10	PAYMENT OF FINES AND/OR FEES	13
7.11	USE OF ASSOCIATION EQUIPMENT	13
8.	RULES REGARDING CONSTRUCTION AND CONTRACTORS	13
8.1	AGREEMENTS AND NOTIFICATIONS.....	13
8.2	PROOF OF INSURANCE	14
8.3	REGISTRATION WITH THE ASSOCIATION	14
8.4	CONSTRUCTION HOURS	14
8.5	HALLWAYS	14
8.6	DUMPSTERS AND CONSTRUCTION TRAILERS.....	14
8.7	TIME SCHEDULE	15
8.8	PARKING.....	15
8.9	RESTROOMS	15
8.10	SMOKING.....	15
8.11	DOGS AND PETS	15
	OWNER AND CONTRACTOR ACKNOWLEDGEMENT	16

**AMENDED AND RESTATED
TELLURIDE LODGE HOMEOWNERS' ASSOCIATION
RENOVATION GUIDELINES
February 22, 2021**

These Amended and Restated Telluride Lodge Homeowners' Association Renovation Guidelines do hereby amend, restate and supersede any and all prior versions of the Telluride Lodge Renovation Guidelines and any similar rules, policies and guidelines concerning the matters addressed herein, provided, that these Renovation Guidelines shall not supersede any provisions contained in the Telluride Lodge Declaration which address construction and renovation of improvements, including Units and Common Elements, in Telluride Lodge.

WELCOME TO THE RENOVATION GUIDELINES

Telluride Lodge and the HOA Board are happy that you are undertaking remodel or renovations on your unit. In this opening statement we encourage you and your contractor to read through the guidelines and mitigate possible issues during the initial process of permitting and submitting plans for approval. We are here to help, if at any time you wish to contact us to clarify any of the following guidelines. We will be happy to work with you in a proactive way.

The Telluride Lodge has a long history of remodeling and upgrading units which add value and comfort to the unit. Also increasing value to the lodge overall. We as a board encourage this and want you to use this document as a guide and encourage communication with our staff and the HOA Board.

Thank you for your consideration to this document.

1. WRITTEN APPROVALS REQUIRED

Owners are reminded that no work (including demolition) may begin without written approval of the project from the Telluride Lodge Homeowners Association Board and proof that all necessary Town of Telluride approvals have been granted.

2. PRE-DESIGN

Before you design your renovation, we strongly recommend you do the following:

Review the Telluride Lodge Condominium Declarations. They can be downloaded from the HOA website. Pay close attention to Articles, 2.2, 2.17, 2.26, 2.48, 3.6, 3.6.2, 3.6.4, 3.6.2.5, 3.11, 3.14, 3.18.5, 3.18.8, 3.22, 4.1.

Review the Town of Telluride required building permits and building codes. For any work performed pursuant to these Guidelines, it is Owner's obligation to pay for, obtain and comply with all required permits and fees. Owner shall have the responsibility to ensure that all required inspections be conducted by the appropriate governing authority. If any question ever arises in this regard, the owner is responsible for any charges that ensue. Owners should contact the Town Building Department for information on permits that may be required for their project.

If, after reviewing the Declaration and Renovation Guidelines, the owner has additional questions, these should be discussed with the Association's Maintenance Manager for guidance.

Contact Information is located on the HOA Website.

Owner _____

Contractor _____

3. RENOVATION RULES AND DESIGN APPROVAL

3.1 Approvals Take Time

Allow adequate time for the Board to review your proposal and schedule. Also allow adequate time for design, Town review, and other approvals (e.g., HARC). The Board generally meets once a month to approve projects. The Board will try to act promptly on project proposals, but the nature of a volunteer Board does not allow for instant approvals. Major renovation projects (e.g., expansion into attics or crawl spaces) must start either in early spring or fall. Finally, the Board reserves the right to limit the number of units being renovated at any one time. Priority will be according to date of request, but some projects may be delayed.

3.2 Preliminary Review

The Board strongly suggests that owners submit an item-by-item proposal or conceptual drawing to the Board for *preliminary* review. This will help owners avoid incurring expenses for an item or project that might not meet architectural guidelines and/or may not be approved by the Board for another reason.

3.3 Documents/Actions Requiring Approval by the Board

Owners must submit the following documents/information to the Board for review, prior to final approval of a project. No work shall begin until the Association Manager has the following.

- All required submission materials indicated in Section 3.6 of the Amended and Restated Declaration.
- All required Town permits and approvals.
- Proof of General Liability Insurance and Workman's Comp Insurance. Each of these insurances must list Telluride Lodge HOA Association as an additional insured party.
- Payment of all fees.
- Copy of Renovation Guidelines signed by Owner and Owner's contractor.
- In any instance where the project will involve any structural work, including, but not limited to the removal and/or relocation of any load-bearing walls, the Owner must submit engineered stamped plans from a professional engineer licensed in the State of Colorado. Said plans are to be submitted to the Association for its review as part of the review process and to the Town of Telluride as part of the Owner's application to obtain a building permit. The Board requires submittal of the structural engineering plans as part of the application; however, the Board is not assuming any responsibility for the sufficiency, adequacy or correctness of the plans. The Town of Telluride has the authority to accept or reject the engineered structural plans as part of its process to issue a building permit. The Association has final authority to determine if any work to the Common Elements is authorized.
- In connection with its review of an application, the Board may retain a qualified consultant to review any and all plans, reports, studies and the like submitted to the Association. The Unit Owner submitting the application is responsible for reimbursing the Association for any and all consulting fees incurred by the Association in reviewing such materials, which costs, and expenses are deemed to be Reimbursement Assessments under the Amended and Restated Declaration.

Owner _____

Contractor _____

- Architectural quality drawings for proposed minor projects requiring structural work.
- Project plan and timeline.

The owner must obtain the following from the Town of Telluride, Town of Mountain Village and/or San Miguel County.

- HARC approvals, if applicable.
- Building permits(s) from the Town of Telluride for demolition, electrical, plumbing, building, and any other permits required by the Town or County at the time of the project, including but not limited to electrical permits. As noted above, the Owner shall be required to submit stamped structural engineering plans for any project which will involve any work on Common Elements, including, without limitation any structural work and/or work to mechanical, electrical, plumbing or other similar elements constituting Common Elements.
- Payment of appropriate construction fees and infrastructure damage deposits to the Association (see Section 7).

The Application will be reviewed by the Association as provided in Section 3.6 of the Amended and Restated Declaration. If approved, the Association Manager will issue a letter signed by the association’s president indicating that the project has approval from the Board to proceed. The letter issued by the Association Office Manager will state the conditions of approval and deadline for the final completion of all of the project work. The deadline for project completion will be determined by the Board prior to the commencement of the project work and if no date is stated, the work must be completed as indicated below in Section 3.10.

3.4 Renovation Fees

The Board has established a fee schedule for projects depending on the project size. The “construction fee” is to cover the extra time projects require by Association staff. An additional fee is an “infrastructure damage deposit”. If there is no damage to the grounds, hallways, etc., the damage deposit will be returned at project completion. If damage does occur and the owner and/or contractor do not repair the damage, the damage deposit will be used to make necessary repairs. If repair costs exceed the damage deposit, the owner will be billed for the additional expense. See Section 7 for more information regarding fees and policies. In addition, the Unit Owner is responsible for reimbursing the Association for all consulting fees and legal fees, incurred by the Association in reviewing and acting on the Application. Telluride Lodge HOA Fee Schedule is located on the HOA Website.

3.5 Renovation Rules

Each owner and contractor must sign a copy of the Renovation Guidelines and provide the signed document to the Association Manager prior to commencing any work. These rules address such issues as when contractors can work, leaving hallways clean each evening, etc. The Board will assess fines for each infraction if the rules are not followed. Owners are responsible for the actions of their contractors. Contractor Guidelines is located on the HOA website

3.6 Work Preview

Prior to the actual start of each project, the owner and contractor(s) shall meet with the Maintenance Manager and a member of the Board. The purpose of this meeting is to discuss work requirements, review construction rules and regulations, and determine the amount of infrastructure damage deposit which will be based on the common elements to be impacted. At the meeting a construction staging/work area (“construction corridor”) will be determined by the HOA association staff, the dumpster and/or

Owner _____

Contractor _____

construction trailer location(s) identified, and utility placement noted. The Work Preview Checklist is located on the HOA Website.

3.7 Changes After Approval

Any architectural changes to the project after the Board's approval must be submitted to the Board for approval before they are performed. Any structural changes to the project must be submitted to and be approved by the Town of Telluride before the structural change is performed. A copy of the submittal to the Town of Telluride of a request for approval of any structural changes shall be submitted to the Board at the same time as it is submitted to the Town of Telluride. Owner shall also provide a copy of the Town of Telluride's approval of any structural plan immediately upon Owner's receipt of the approval from the Town of Telluride. Prior to submittal of the architectural changes to the Board, the proposed changes should be discussed with the Maintenance Manager. The Maintenance Manager will propose the change request to the Board, which may, at its discretion, require new drawings, permits, etc. The Maintenance Manager can provide guidance to the owner but *cannot approve* changes without formal agreement by the Board. Only the HOA board can approve changes.

3.8 Project Completion Review

Before a Certificate of Occupancy can be requested from the Town of Telluride, a representative from the Board and the Maintenance Manager will inspect the common elements as well as the project itself for compliance with the Governing Documents, these Renovation Guidelines and any approval granted for the work. The owner and/or contractor must address any damage to the grounds, hallways, and/or adjoining units to the satisfaction of the Association, at the cost and expense of the Unit Owner. At this time, the Board will assess and deduct damage fees from the owner's infrastructure damage deposit.

3.9 Final Board Approval

Before a Certificate of Occupancy can be obtained from the Town of Telluride, the owner must obtain final Board approval from the Board for the project's completion. Said approval will not include approval of any structural, electrical or other work for which separate permits were issued. Approval of those items of work for which separate permits were issued must be made by the entities issuing those permits) prior to the owner seeking a Certificate of Occupancy, provided, however, that no work on any Common Elements may be made without the prior approval of the Board. The Board may condition its approval of such work on Common Elements involving structural, electrical or other work on the owner securing permits and approvals by the permit authority and evidence of full compliance with such permits and approvals.

3.10 Time Limits

Projects that are not completed within the deadline for project completion established by the Board will be subject to penalty fines. Establishing the deadline for the completion of the project is part of the Board's approval process. The Board believes that most projects can and should be completed in nine months or less. Exterior work such as windows, exterior doors, or walls facing common elements must be completed within four and one-half months. However, each project will have its own project deadline established as part of the Board's final approval of the project prior to the commencement of the work. In the event that the Board fails to issue a specific deadline for project completion as part of the project's approval, the deadline for all projects shall be nine (9) months per unit from the date of the commencement of work on the project (as more fully defined in Paragraph 7.7 below), except that projects involving only exterior work as described in this paragraph shall be completed within 135 days from the Board's issuance of its notice of approval.

Owner _____

Contractor _____

3.11 Failure to Start Project

If an owner fails to start the physical project within thirty days of the approved start date, the owner must request a new start date. Failure to start on time may delay the project and require a new application. Any project delayed by more than six months will require a new application and project review.

3.12 Contact Information

The following will be on file at all times and prior to a project's inception.

- Unit owner's name, address, and telephone numbers (primary and emergency).
- Primary contactor's name, company name, address, and telephone numbers (primary and emergency).
- Contact information for any additional contractors and/or sub-contractors (e.g., plumber, electrician, architect, engineers).

4. OWNER'S RESPONSIBILITIES

The owner is responsible for the following.

4.1 Building Permits and Building Code

For any work performed pursuant to these Guidelines, it is Owner's obligation to pay for, obtain and comply with all required permits and fees. Owner shall have the responsibility to ensure that all required inspections be conducted by the appropriate governing authority. If any question ever arises in this regard, the owner is responsible for any charges that ensue. Owners should contact the Town Building Department for information on permits that may be required for their project.

4.2 Correction of any Damages Arising from Owner's Project Work

Any damages to the real or personal property of the Association or another Unit, or injury to any person, resulting from any work performed or which was failed to be performed by the owner or the owner's contractor(s) will be borne by the owner. We wish to emphasize that all work must be inspected and approved by the Town of Telluride Building Department or any other agency which has issued a permit for the work to be performed for the project, as required by the applicable building codes and permits.

4.3 Conform to Board Guidelines

With the prior approval by the Board, owners of units adjacent to attic, crawl space, or space enclosed by the roofing project may pursue an approval from the Association to expand into and convert these spaces from Common Elements into Unit space for living or storage purposes provided they conform to the current guidelines and Section 3.6 of the Amended and Restated Declaration and that the Association, in its discretion, approves such expansion. The Board can revoke its approval at any time, for any reason with or without cause. Should an owner fail to obtain Board approval as provided in this paragraph; the Board shall have the authority to mandate that the owner vacate the space and convert it back to its original configuration at the owner's expense. If the owner fails to do so, the Board, upon seven (7) days' written notice to the owner, shall have the right to access the property and convert it back to its original configuration and owner shall be responsible to the Association for any expenses the Association incurs to convert the property back to its original configuration, which are deemed to be a Reimbursement Assessment. Any such costs allocated to the owner as a result of actions taken pursuant to this paragraph, if unpaid by the owner within the time set forth to make such payments in the Association's governing documents, shall be subject to the imposition of a lien and potential foreclosure.

Owner _____

Contractor _____

4.4 Pay Additional Dues

When an owner expands the amount of space (living or storage) within a unit, the owner will pay the additional monthly assessment for such living space based upon the increased square footage. The owner agrees to accept all liabilities and responsibility for square footage involved. Owners who expand shall pay dues at the standard, prorated, per square foot rate established by the Board. The board has the option to charge an owner for expanded space into common elements.

4.5 Recovery of Association Expenses

Expenses incurred by the Association as a result of an individual owner’s expansion (as reference in Paragraph 3.4 above and Section 3.6 of the Amended and Restated Declaration) will be the individual owner’s responsibility and will be billed accordingly by the Association as a Reimbursement Assessment.

4.6 Maintenance of Structural Changes

If any alterations are made to the structural elements of a unit, the owner and all future owners are or will be responsible for the integrity of any wall or other structural element so affected and shall indemnify and hold the Association harmless from any liability for damages arising from the alteration(s) to the structural elements of the unit. Said indemnification shall include, but not be limited to, actual damages and attorney’s fees and costs.

The owner will be responsible for the maintenance of the space converted from Common Elements into Unit space. The Association will not be responsible for any damage to property in the expanded space. Owners must have adequate insurance to cover potential problems.

Owners are responsible for the maintenance, including, but not limited to, cleaning and removal of snow and ice, of any new egress (i.e., window, door, and stairs). The Association will not be responsible for cleaning/removing snow, ice, or other obstructions that might affect any new egress constructed by an owner.

4.7 Sound proofing

If a common element is disturbed, the owner is responsible to upgrade the sound proofing in the wall to current highest industry standards. Additionally, in exchange for the privilege of renovation, owners may be required by the Board to address acoustical problems by upgrading soundproofing between common partitions (i.e., walls, ceilings, and/or floors between adjacent units) as part of the proposal. The Board will consider alternative soundproofing methods which will achieve equal or better noise reduction.

4.8 Fire Suppression System

Upon approving a renovation project, the Board may require an owner to install a fire suppression system if 25% or more of a ceiling is affected by the renovation (e.g., new drywall is installed in 25% or more of the ceiling). This percentage shall be determined based on square footage per level of the unit (not on a whole-unit basis). Therefore, fire suppression may be required for one level of a unit but not another. Any required fire suppression system must tie into Telluride Lodge’s main fire suppression system.

Exceptions to this requirement may be made at the Board’s discretion and may include such minor improvements as painting an existing ceiling or replacing flooring. If a complete replacement of floorboards is planned, then this may require installation of a fire suppression system for a lower level if more than 25% of the floor area is affected.

Owner _____

Contractor _____

4.9 Adverse Consequences of Renovation

The owner must agree to indemnify and hold the Board and Association harmless for unforeseen consequences that may arise from the construction and structural modifications. See also Paragraph 4.6 above.

4.10 Single Unit

The owner warrants that the renovation is not being done to subdivide an existing unit. Units which have been expanded may not be subdivided. No new units may be added, nor may existing units be subdivided with the sole exception that units which originally had two hall entry doors may be divided into two separate units. The expanded unit shall continue to function as a single residence. It may not be divided for any other purpose. An owner may not seek to obtain a unique address for their unit. The owner shall not install a second kitchen. The owner shall not separate the unit and reside in one portion while renting the other as a separate unit. The owner shall not separate utilities for the expanded space from the existing unit.

4.11 Hazardous Materials Mitigation

In the course of any remodel in older buildings there is always the possibility of finding and/or Uncovering of hazardous materials on or around or in a particular apartment/condo during the course of a remodel. Hazardous materials are defined in the Colorado EPA guidelines. All EPA and OSHA guidelines for removal or mitigation should be followed by the general contractor who is contracted by the owner of the condo who is undertaking the remodeling. In relation to the general renovation guidelines laid out by the TLHA, the following line items must be acknowledged with signature by both owner and contractor.

1. Observance of Colorado OSHA and EPA rules regarding hazardous materials and/or encapsulation must be followed and observed by both owner and contractor.

2. Telluride HOA is absolved of all injury, damages, and litigation and costs in the event that materials require removal or encapsulation from the condo under renovation (Including, but not limited to the following: asbestos, paints, liquids and/or chemicals of a hazardous nature.

3. It is the responsibility of the owner and contractor to submit a mitigation plan to TLHA upon the finding/discovery of hazardous materials. The TLHA must approve the plan before the materials are removed and disposed. All hazardous materials found, must be tested, identified and documented to the satisfaction of the TLHA and Colorado State rules.

4. All testing/costs and removal will be the sole responsibility of the owner and or contractor. All oversight for the TLHA will be done by the maintenance manager or assigns.

4.12 Jobsite Safety and Security

The security and safety of the Renovation is the responsibility of the Owner and Contractors. The HOA takes no responsibility for lost or stolen items. In the event that the renovation project has opened up and poses a danger to any unauthorized person or child who may inter the construction site, it is to be fenced and secured. Construction materials and equipment should be also stored in a responsible manner by the contractor.

ATTRACTIVE NUISANCES are classed as man-made conditions on the or around the property, vacant site or active site. If children trespass on site due to these conditions, the general contractor on the site

Owner _____

Contractor _____

will be held liable for any injuries incurred. The Telluride Lodge will not be held liable in any manner for any injuries incurred by the lack of enforced safety protocols by the general contractor responsible for the remodel.

Fencing around the working site and materials should be 6ft in height and chain link in nature. The placement should be as close to the working area as possible and still allow alcove access for the general members of Telluride. Upon application to the board of the renovation a safety plan will need to be submitted as part of the general scope of construction and approved by The HOA Board.

5. RIGHTS OF THE BOARD

The Board may limit and/or discontinue considering alterations in the event it finds that expansions or alterations adversely affect the interests of the Association (e.g., parking density, facility overcrowding, or excessive wear).

The Board may stop any project that has not been approved and/or does not conform to these Renovation Guidelines. Said actions can include obtaining an injunction from the San Miguel County District Court to halt construction.

The Board may require an owner who has built non-conforming elements without express permission by the Board to return the property to its pre-construction state at the owner’s sole expense.

The interests of an individual owner may not supersede the interests of the community of owners. Rules regarding construction will be vigorously enforced.

To minimize the effects of construction on other homeowners, the Board may limit the number of active projects that occur at any one time. Limits may be placed on the number of overall projects, the number of projects per “spine”, and the number of projects which affect both the interior and/or exterior of the buildings and/or the grounds.

As per the association’s Declarations sections 3.14.5 and 3.16, any board member of the association and or its representative can enter a unit during normal business hours (8am to 5pm) to inspect work and may identify any unsafe situation that require correction at the owner’s expense including labor and material costs, attorney’s fees or any cost associated with correcting the unsafe situation.

6. GUIDELINES FOR ALLOWED ALTERATIONS AND EXPANSIONS

In addition to the requirements and limitations of Section 3.6 of the Amended and Restated Declaration, the following criteria shall apply.

6.1 Decks

The following changes to decks are not permitted.

- Owners may not alter the size of any deck.
- Decks may not be extended for living space by enclosing any portion of the top of the deck.
- Awnings are not permitted.
- No additional decks will be permitted.

Owner _____

Contractor _____

6.2 Deck Stairs

Stairs off of decks are permitted. The stairs must be as discrete as possible and conform to existing designs. As with all projects, Board approval prior to construction of any deck stairs is required. Placement of any new stairs from common area leading up to deck will be carefully evaluated by the HOA Board to determine viability and will take into account neighbors, visibility, and encroachment on utilities underground.

6.3 Exterior Walls

The expansion of living space of an individual condominium unit shall be such that the new wall is flush with the existing exterior wall.

6.4 Expansion into an Attic or Crawl Space

Where feasible and if approved by the Association, upper units may expand into the attic space directly over their unit, and lower units may expand into the crawl space directly below their unit, including the deck. Said expansion shall be with the Board's consent and any such consent may be revoked by the Board in the Board's sole discretion and must conform with the requirements of Section 3.6 of the Amended and Restated Declaration. Following the completion of the expansion, the Unit Owner shall complete the process for amending the Declaration and Map to reflect the portion of the Common Elements being converted into Unit Space as provided for in Section 3.6 of the Amended and Restated Declaration.

6.5 Egress from Lower Units

A window is the preferred method of emergency egress from lower unit additions.

6.6 Doors

No new residential entry doors may be added to any hallway. All hallway doors must match the doors currently installed.

6.7 Vents

The Board must approve locations for vents for gas fireplaces, dryers, bathroom fans, etc. The location of vents should be consistent with existing vents and/or hidden from view. All vents must be painted to match the exterior siding as soon as possible or before final approval is given for the project.

6.8 Exterior Siding

Siding and trim boards that are replaced due to any exterior changes must match workmanship, style, and finish of the Telluride Lodge.

6.9 Mechanicals

Many remodels or renovations require relocating equipment for mechanical systems (e.g., furnace, water heater). As a component of renovation, mechanical system equipment must be contained within the footprint of the renovated unit. Exceptions to this are minor remodels that do not change the basic layout of the unit's utilities.

If, during original construction or as a result of subdivision, unit expansion or unit renovation or other construction event which was previously approved by the Board, any mechanical equipment for an upper

Owner _____

Contractor _____

unit was placed in a lower unit's crawl space or for a lower unit in the upper unit's attic, any new owner of each Units will acquire their unit subject to the actions taken by the previous owner and/or the Board and the location of that mechanical equipment. Both Unit Owners shall have a right of access to the location of the mechanical elements to inspect, maintain, repair and replace the mechanical elements serving their unit. No mechanical elements may be relocated, modified or otherwise removed without the prior approval of the Unit Owners served by the mechanical elements and the Board. The Board may require the Unit Owners of the upper unit and the lower unit to execute an easement that further reflects these requirements at such time that the crawl space in a lower unit is proposed for unit expansion or unit renovation into the lower unit.

6.10 Windows

Windows that are changed or added must meet the overall design character of the Telluride Lodge and be approved by the Board. The future maintenance of any window that is altered, moved, replaced, or added is the responsibility of the owner.

New windows must be dark brown clad and trimmed similar to the original windows.

New windows must align vertically and horizontally with the existing windows.

Skylights or any other window changes that compromise the roofline will not be permitted.

New windows must take into account the privacy of adjacent owners. North facing windows are not permitted.

The future maintenance of any window that is altered, moved, replaced, or added is the sole responsibility of the unit owner.

6.11 Projects Not Requiring Board Approval

It should be noted that some projects do not require Board approval. Owners should check with the Board or Association Manager to determine whether or not a project requires Board approval.

Projects that typically would not require Board approval are those that are short term (less than a week), do not affect the structure of Telluride Lodge, are "cosmetic" in nature, and do not require a building permit. These include such things as new floor coverings, interior paint, trim, cabinets, and replacement of appliances.

Projects with the following characteristics do require Board review and approval.

- Any projects that require a building permit or any other permits from the Town.
- If a project changes the square footage of a unit.
- Any changes to the exterior appearance of Telluride Lodge (e.g., windows, stairs), or a change in the footprint of a unit.
- If a dumpster is required for demolition or construction waste.

If construction materials are stored in common elements, the Maintenance Manager must be notified prior to the commencement of any such storage. In some cases, such storage may require Board approval.

Owner _____

Contractor _____

6.12 Joint Major Renovations

If an upper and a lower unit intend do a joint renovation project, the parties shall advise the Association of such undertaking and shall enter into an agreement, in form and content acceptable to the Association. The agreement must address which owner is responsible for any work done on the common elements of the two units like the floor of the upper or the ceiling of the lower unit and that both parties will move ahead with the project as outlined in their architecture and engineering plans with a common start date. The agreement must also state that the Association and other owner will be notified in writing if changes occur to architecture or engineering plans that will affect common elements to both units and/or external features (i.e., window placements). Each owner must submit their own complete set of documents to the HOA per the HOA requirements and obtain separate permits from the Town of Telluride for their respective unit. Each owner is responsible for the completion of their own project's components.

7. **FEES AND POLICIES**

FEE'S AND FINE SCHEDULE IS LOCATED ON THE HOA WEBSITE

7.1 Dues

Owners who expand their space will be charged for the additional square footage at the standard square footage rate for Association dues, including storage space. Only owners in good standing with the Association, with all dues and any special assessment payments current, will be allowed to submit plans for unit renovation or unit expansions to the Board for review.

7.2 Plan Review Fee

Owners submitting renovation project plans for Board review and approval shall be assessed a "plan review fee" each time the project is reviewed. Any subsequent submittal(s) for changes to projects previously approved by the Board may be assessed an additional plan review fee at the Board's discretion. The Board reserves the right to waive this fee in the event that additional review of previously approved projects is required due to minor changes required by the Board, Town, HARC, or other approving entity. The Board reserves the right to increase this fee on more complex projects. If outside review or consultation is required for a project, the Association shall be able to seek repayment and recovery of such actual costs from the Unit Owner. This fee is not refundable. This fee is in addition to the right for the Association to recover its consultant fees, costs and expenses incurred for reviewing an application.

7.3 Construction Fee

Owners receiving Board approval of a project shall be assessed a one time "construction fee". The Board reserves the right to increase this fee on more complex projects. If outside review or consultation is required for a project, or in other unusual circumstances, the Board may increase this amount, as it deems necessary, to cover actual costs. This fee is not refundable. This fee is in addition to the right for the Association to recover its consultant fees, costs and expenses incurred for reviewing an application.

7.4 Dumpster Fee

A non-refundable fee is required for any project requiring a dumpster to be placed in common elements of Telluride Lodge.

7.5 Collateral/Infrastructure Damage Deposit

The purpose of the infrastructure damage deposit is to reimburse the Association if damage occurs to common elements or facilities as a result of owner's renovation project. To ensure adequate and timely

Owner _____

Contractor _____

repair of any such damage caused to the Association's common elements or facilities, a minimum refundable cash security deposit is required for each project approved by the Board. This fee shall be paid following Board approval of the project and prior to issuance of a letter of approval from the Association to the owner. Projects vary greatly as to the scope of potential damage. Therefore, the Board may increase the required deposit based on anticipated costs for repair.

Owners and their contractors shall clean or repair in a timely fashion all damage resulting from construction, as determined by the Board. Repairs to lawn and gardens must match or improve the pre-existing plantings. Any changes to the pre-existing landscaping must be consistent with the landscaping plan and approved by the Board. Sod, not seed, should be used to repair lawns.

If it is necessary for the Association to repair damage caused by Owner or Owner's contractor to Association property, the cost of the repair will be deducted from the infrastructure damage deposit. Owners will be billed for any costs that exceed the deposit, which is deemed to be a Reimbursement Assessment. Additionally, any unpaid fines will be deducted from the damage deposit after the fines have been formally issued. Owners who do not pay for damages to common elements, after they are billed for same, will have a lien placed on their unit.

If there are no outstanding fines and there is no damage to the common elements, or if the owner has repaired damage, the damage deposit will be refunded in full. If determining damage is not possible at project completion (e.g., sprinklers cannot be tested due to winter conditions), the Board may hold the deposit until assessment of cleanup and damages may be completed.

In order to protect the Association from the possibility of projects that are not completed within a reasonable amount of time, the Board, in its discretion, will require that owners provide collateral for the benefit of the Association in an amount equal to either the cost of completing the project or returning it to a stable condition that preceded the commencement of the work. All projects requiring a building permit that affect common walls, windows, or the exterior of a unit shall provide such a bond as a condition of the Association's approval and further as a precondition to the commencement of the work.

The following EXAMPLE collateral payments to the association HOA escrow account will be required prior to construction and represents a percentage of the overall cost of the project. Upon satisfactory completion of the project the collateral payment will be returned to the owner.

The following is an example of the sliding scale of fees required for Collateral/Infrastructure Damage Deposit. An updated Collateral/Infrastructure Damage Deposit fee schedule can be found in the updated Fines and Fee Schedule located on our HOA Website.

Up to \$50,000. - \$3000

From \$50,000 to \$100,000. - \$5000

From \$100,000 to \$200,000 - \$10,000

Upwards from \$200,000 - to 15,000 max

7.6 Time Limit Violation

For the convenience of all residents, a project must be completed within the time period approved by the Board or set forth in Paragraph 3.10 above. If a project is not completed within the established deadline, a fine per day will be assessed until completion of the project. All fines shall be issued in accordance with

Owner _____

Contractor _____

the Association’s Governance Policies. It is the owner’s responsibility to track time limits. The Association is not responsible for issuing warnings or notifications that time limits are approaching or have been exceeded.

7.7 Penalties for Violation of Rules

If any work begins on a project that has not received a final letter of approval by the Board, the owner shall pay a penalty per day until all approvals are in place, which shall be issued in accordance with the Association’s Governance Policies. The Board reserves the right to petition for a cease-and-desist order. “Any work” includes, but is not limited to, placement of a dumpster or construction trailer on Association property, delivery of materials to common elements, demolition, and construction work.

Contractors must comply with all Telluride Lodge Rules, including the Governing Documents and these Renovation Guidelines. In particular, contractors may not have dogs on the Telluride Lodge premises. Additional fines consistent with Telluride Lodge Rules may be imposed upon an owner for violations committed by owner’s contractor. A copy of the Rules may be obtained from the Association Manager.

7.8 Responsibility

Owners are ultimately responsible for the actions and fines of their contractors and sub-contractors and an Owner is responsible for directing and overseeing their contractor conformance to all Telluride Lodge Rules, including the Governing Documents and these Renovation Guidelines.

7.9 Disregard for Association Construction Guidelines and Rules

An Owner may be assessed fines for a contractor who knowingly and/or flagrantly disregards these Renovation Guidelines, the Governing Documents and/or the Telluride Lodge Rules may be fined for the first offense, fined for the second, and removed from the premises for the third. All fines will be made by the board following the standard processes (notice and hearing) outlined in the Governance Policies.

7.10 Payment of Fines and/or Fees

All fines and fees will be charged to the unit owner and are the owner’s responsibility and shall be treated as a reimbursement Assessment.

7.11 Use of Association Equipment

Equipment owned by the Association may not be used to the benefit of any one contractor and/or owner. If the owner’s and/or contractor’s actions require the use of Association equipment, the owner may be billed accordingly.

8. RULES REGARDING CONSTRUCTION AND CONTRACTORS

In addition to the requirements of Section 3.6 of the Amended and Restated Declaration, all construction projects must conform to the following rules.

8.1 Agreements and Notifications

- All contractors shall agree to and sign a copy of the Rules Regarding Construction and Contractors (located on the HOA Website) and a Telluride Lodge Compliance Agreement.
- A Construction Notice (located on the HOA Website) shall be displayed outside of the unit for the period of construction. The notice shall be placed in a conspicuous location that has been approved by the Maintenance Manager.

Owner _____

Contractor _____

8.2 Proof of Insurance

Prior to doing any work, all contractors working at Telluride Lodge shall provide Proof of Builders Risk and Liability Insurance with a minimum coverage amount of \$1,000,000. More complex projects may require higher limits. The Telluride Lodge Association shall be named as additionally insured on all Certificates of Insurance. Said insurance policies must remain in place for the entire duration of the construction project. It is the owner's responsibility to provide the Association Manager with Certificates of Insurance.

8.3 Registration with the Association

All contractors shall sign in with the Maintenance Manager at the start of the project and provide a list of contract information of the sub-contractors being used on site. This will be done prior to commencing work on any units. When their work has been completed, contractors shall notify the Maintenance Manager and request an inspection.

8.4 Construction Hours

Construction hours, including cleanup of common elements, are limited to 8:00 a.m. to 5:00 p.m. Monday through Friday. Absolutely no work shall be performed on weekends; major holidays such as Fourth of July, Thanksgiving, Christmas, and New Year's; and major festivals (Mountain Film, Bluegrass, Film Festival Blues and Brews).

8.5 Hallways

Hallway areas must be cleaned daily and cleared of all debris by 5:00 p.m. Construction materials may not be stored in the hallways. If construction material or any other items are left in the hallways due to a construction project the owner will be charged a fine per incident to be applied as provided for in the Governance Policies. Payment and late charges will be treated as a Reimbursement Assessment.

8.6 Dumpsters and Construction Trailers

All dumpsters and construction trailers must be pre-approved by the Maintenance Manager, who will determine the location, size, and time limit for the dumpster. The following specific rules apply to dumpsters.

- Dumpsters must be covered and secured nightly at 5:00 p.m.
- If the dumpster has not been pre-approved, exceeds its time limit, must be moved, or is in an overflow situation, as determined by the Maintenance Manager, removal will be done at the owner's expense. The charge will be the cost of removal plus a service fee.
- All "roll-off" dumpsters must be removed from the grounds within two months. Smaller "back-load" dumpsters may remain for a longer period, to be determined by the Maintenance Manager.
- Construction refuse may not be placed in the dumpsters maintained for the use of Telluride Lodge residents for general trash.

If an owner or owner's contractor fails to follow the rules regarding dumpsters, the dumpster will be removed from the premises, and permission will not be granted for placement of another dumpster on Association property. The charge will be the cost of removal plus a service fee.

Owner _____

Contractor _____

8.7 Time Schedule

A project must be completed within the time period approved by the Board as set forth in Paragraph 3.10 above. This period will be measured from the earliest of the start of any construction, demolition, or delivery of supplies. Completion will occur when the Board has determined that all significant work on the project has been completed, including cleanup. It is the owner’s responsibility to track time limits. If a project exceeds the allowed time, the owner will be subject to fines as set forth in Paragraph 7.10 above. If a renovation requires the removal or opening of an exterior wall, the wall may only be open during the off season. Exterior walls shall be done in the spring (second week of April to the first week of June) or in the fall (last week of September until the Friday before Thanksgiving).

8.8 Parking

A maximum of two permits will be issued for each project. One permit per each car, truck, piece of equipment, or trailer is required. Additional vehicles should use public parking off-site. Permits are for paved, designated parking areas and shall run for so long as the construction project is actively being pursued. Construction vehicles may not block emergency egresses. Vehicles can temporarily park on hard top to actively load or unload materials. Once this is done, they must be parked in designated parking or off-site. Parking or pulling on to grassy areas is not allowed.

8.9 Restrooms

Contractors and their personnel must use the public restrooms located on the first floor of the building adjacent to Clark’s Market or the facilities at the base of the Chair 7/Coonskin Lift. Under no circumstances may workers use the Association office or spa restrooms.

8.10 Smoking

No smoking by contractors is allowed in the building or on the decks of any unit.

8.11 Dogs and Pets

Contractors and subcontracts shall not be allowed to have pets on site during a project.

Owner _____

Contractor _____

OWNER AND CONTRACTOR ACKNOWLEDGEMENT

Both the owner(s) and contractor must initial every page of this document and sign below. Please return an initialed copy including the page below to the HOA Office Manager.

I have read and agree to abide by the rules that govern renovations as stated in this document.

Owner (Print Name

Unit

Owner Signature

Date

Contractor (Print Name)

License Number

Contractor Signature

Date

THIS SIGNED AND INITIALED DOCUMENT MUST BE ON FILE WITH THE TELLURIDE LODGE OFFICE MANAGER BEFORE PERMISSION TO BEGIN THE PROJECT WILL BE GIVEN BY THE HOA BOARD.

Note:

If you have concerns or suggestions relating to the Renovation Guidelines, please contact the Board via the HOA Office Manager.

All documents referred to in the Renovation Guidelines are posted on the Telluride Lodge Homeowners Association website. <http://www.telluridelodgehoa.org>