

PRISTINE POINT OWNERS' ASSOCIATION, INC.

POLICY AND PROCEDURE REGARDING RENTALS AND NON-OWNER OCCUPANCY

The following Policy and Procedure regarding Rentals and Non-Owner Occupancy of property in Pristine Point at Crested Butte ("Pristine Point") was adopted by the Board of Managers ("Board") of the Pristine Point Owners' Association ("PPOA") on June 4, 2021 and will become effective June 15, 2021.

For the purpose of this Policy and Procedure, Non-Owner Occupancy ("NOO") is defined as any occupancy of a Pristine Point residence where the Owner or an immediate family member is not present. An immediate family member is defined as a parent, sibling, adult child by blood, adoption, or marriage, spouse, grandparent or adult grandchild.

The Board recognizes Owners' desire to rent out their homes from time to time. At the same time, the Board is responsible to maintain the character and identity of PPOA as a quiet neighborhood, predominantly populated by its Owners, and to maintain the ambiance, tenor, and beauty of the neighborhood which results from proper understanding of and respect for the privacy, quiet and support provided to all neighbors, especially those in one's immediate vicinity. The Board feels a responsibility to be aware of short-term and long-term rentals and to apply all PPOA policies fairly and reasonably for these rentals.

This Policy and Procedure will focus on short-term and long-term rentals.

Owners' Responsibilities

Owners are responsible for any violation of the Declaration of Protective Covenants for Pristine Point at Crested Butte ("Covenants"), or for violation of any rules or regulations, committed by any renter, tenant, guest or visitor (hereinafter referred to as Occupants). Each Owner shall make sure all Occupants receive and understand the Policy (Rules and Regulations for Renters and Non-Owner Occupants within Pristine Point at Crested Butte) as outlined in the "Notice to Occupants" document available online at <https://toadpropertymanagement.com/clients/pristine-point/>.

Short and Long-Term Rental Procedure and Process

Rental Registration Form:

Any Owner offering his or her residence for rental or leasing must complete a Rental Registration Form ("RRF") and provide it to PPOA's property management company, Toad Property Management Co. ("TPMC"), and to the PPOA Board, no later than 7 days prior to any rental. This includes any NOO whether it involves renting the property on a short-term contract (less than 30 consecutive days) or leasing the property on a long-term contract (more than 30 days). The Board recommends this RRF, an intention to rent your property, be submitted early in the calendar year of the first rental.

The RRF will contain information on the Owner Local Property Management Co. (see below), and information of intent to rent through one or more of several on-line leasing agencies (i.e. VRBO, Airbnb, Craigslist Western

Slope etc.). The RRF can be found at <https://toadpropertymanagement.com/clients/pristine-point/> and is attached to this Policy and Procedure.

TPMC will confirm when an RRF has been received so the Board knows which PPOA properties may be rented in any given calendar year.

Local Property Management Company:

When an Owner rents, for consideration paid, or in kind, his or her property, either short or long-term, the Owner is required to contract through a Local Property Management Company (“LPMC”). The LPMC will be the Owner’s local property manager.

The LPMC will be available to TPMC before and during the rental. and be available to follow up any questions from renters or complaints from PPOA Owners. This relationship is primarily intended to give renters a local contact for questions or for problems. Renters should not contact TPMC for questions or problems unless TPMC is the LPMC.

The LPMC must be aware of the Rules and Regulations for Renters and Non-Owner Occupants Within Pristine Point at Crested Butte (Notice to Occupants) available at <https://toadpropertymanagement.com/clients/pristine-point/> which is attached hereto.

The LPMC will provide the name of their Contact Person for each rental. See information provided on the RRF. The Contact Person must:

1. Have physical access to the rental property
2. Be capable of physically responding to any property issues that may arise at the rental within one hour of the initial contact
3. Be authorized to make decisions regarding the rental on behalf of the Owner in the event the Owner is not available.
4. Be familiar and understand the Rules and Regulations for Pristine Point as described in the Notice to Occupants policy

Registration Deposit:

No less than 7 days prior to the initial rental (short or long-term), the Owner must give TPMC an initial Registration Deposit (“Deposit”) of \$500.00, for costs related to administrative support provided by TPMC or by PPOA, and also for fines, which may be assessed pursuant to PPOA Policy. The deposit will be kept in a segregated account, owned by the PPOA, and will be returned to Owner, less any validly assessed fines, at such time as there are no longer any contemplated rentals.

An Owner must advise the PPOA Board and TPMC when his or her property is no longer on the rental market, so the Deposit can be returned to the Owner. For properties which remain in the rental market, Owners need not renew their RRF every year. However, if an Owner decides to re-establish his or her property as a rental property, he or she must once again submit an RRF and submit a new \$500.00 Deposit before the initial rental.

Should the initial deposit of \$500.00 fall below \$250.00, the Owner must replenish the Deposit account to \$500.00, unless no further rentals are expected.

Rental Notification E-mail:

For each rental, the Owner is responsible to send a Rental Notification E-mail to TPMC and which includes the following information:

1. The name and phone number of the Responsible Renter
2. The date and duration of the rental
3. The number of people in the rental party (adults and children)

This information should be sent via e-mail to TPMC, as soon as reasonably possible in advance of the rental period.

Leasing Agency Information:

There is no requirement to share the on-line leasing agency rental contract, other than the contact information shown on the RRF.

Neither is there a requirement to include the General Liability Waiver for Non-Owner Occupants (see attached form) which PPOA investigated and found mixed opinions by insurance agents as to the need for this form for liability protection. Nearly all insurance agents did agree that this form would provide additional liability protection for Owners renting their property. However, if Owners choose to use this form, PPOA would recommend that Owners contact their Leasing Agency (VRBO, Airbnb etc.) and ask them to attach the General Liability Waiver for Non-Owner Occupants to the Terms and Conditions summary for the property rental, which must be acknowledged as part of the contract acceptance. See the PPOA General Liability Waiver for NOO at <https://toadpropertymanagement.com/clients/pristine-point/>

Additional Conditions and Requirement:

1. Unless otherwise agreed to in advance by the PPOA Board, the number of occupants allowed for any given rental is limited to 3 times (x) the number of bedrooms.
2. Short term rentals must be for a period of no less than two days. Single night rentals are not permitted.
3. TPMC will charge a fee to the Owner of \$50.00 per each rental, for administrative support and follow-up. Should a rental cause excessive administrative support and follow-up, an additional fee may be charged to the Owner for the subject rental.
4. PPOA will charge a fee to the Owner of \$50.00 per each rental for administrative support and follow up.

5. Administrative rental fees may be included in the Owner's Rental Contract, along with all other fees and taxes. Owners will be responsible to send checks to TPMC and PPOA in a timely manner once the rental is complete and the renter's security deposit is returned. Failure to send these checks in a timely manner will result in debits to the Registration Deposit.
6. The Owner and / or Property Manager shall assure that there are copies of the Rules and Regulations Policy (Notice to Occupants), and the contact information in the ARRF placed in the residence in plain view of the renter.
7. There can only be one Contract for each rental period. No sub-letting is permitted.
8. The Rental Contract for a NOO must be a natural person; no organizations, corporations, etc. are permitted.

See also the PPOA Enforcement Policy for Short and Long-Term Rentals for additional information on handling reported violations and the fining levels for violations of procedure and / or rules and regulations.