

**AMENDMENT AND RESTATEMENT OF
CERTAIN RESPONSIBLE GOVERNANCE POLICIES
OF
HEATHER OF VAIL CONDOMINIUM ASSOCIATION, INC.**

The Board of Directors of the Heather of Vail Condominium Association, Inc., a Colorado nonprofit corporation (the “Association”) hereby approves and adopts the following Resolutions by written action in lieu of a meeting:

RESOLVED, that the following policies (each a “Policy” and collectively, the “Policies”) of the Association are hereby adopted and ratified as a portion of the responsible governance policies of the Association pursuant to C.R.S. § 38-33.3-209.5, as amended. These Policies are to supplement the provisions of the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Heather of Vail Condominiums (the “Declaration”) and replace, in full, any prior versions of the Policies and Procedures Regarding Collection of Unpaid Assessments and the Policy and Procedure for Enforcement of the Declaration, Bylaws, Rules and Regulations, or Architectural Guidelines, and supplement the Policy and Procedure for Conduct of Meetings. Capitalized terms used herein shall have the meanings as defined in the Declaration, unless separately defined in these Policies.

RESOLVED, that these Policies are adopted to be effective as of August 9, 2022, in compliance with provisions of the Colorado Common Interest Ownership Act (the “Act”) which become effective on the same day, notwithstanding any contrary provision of other responsible governance policies of the Association concerning procedures for the adoption and amendment of policies, procedures, and rules, pursuant to the determination of the Board of Directors to dispense with notice and opportunity to comment as impracticable given the legislative emergency nature of these Policies. Notwithstanding the effective date of the following Policies, Owners may provide comment concerning the Policies to the Board, which comment the Board of Directors may consider to the extent the policy provisions are not mandated by the Act.

POLICY FOR COLLECTION OF UNPAID ASSESSMENTS AND OTHER CHARGES

1) Due Dates. The annual assessments as determined by the Association and as allowed for in the Association’s governing documents shall be levied annually and payable in equal monthly installments due and payable on the first day of each month during the year for which the assessments are made, or as otherwise determined by the Board of Directors from time to time, with such payments to be made in the most recently budgeted amount. Special Assessments shall be due and payable no later than 30 calendar days after the Association provides notice of the amount of such special assessments. Any other assessment made pursuant to the Association’s governing documents shall be due upon the date of the assessment, as specified in the most recent notice from the Association or as otherwise determined by the Board of Directors. Any assessments or other charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association when due shall incur interest as provided below.

1) Receipt Date. The Association shall post payments on the day that the payment is received by the Association.

2) Interest; Late Fee; Returned Check Charge. If any assessment (a) remains unpaid fifteen (15) calendar days after the due date, then the Board of Directors may assess a one-time "late charge" on the installment in an amount of twenty percent (20%) of the amount outstanding or such other charge as the Board of Directors may fix by rule from time to time, and (b) remains unpaid thirty (30) calendar days after the due date, then the Board of Directors may also assess default interest equal to eight percent (8%) of such assessment per year, which default interest shall be imposed retroactive to the due date and thereafter on the first day of each calendar month on account of the previous calendar month or portion thereof, so long as the assessment remains unpaid. In addition, the Association shall be entitled to impose and shall collect a fee of \$20.00 against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. All interest and fees described in this paragraph are collectively referred to in this Policy as "Late Charges". Any Owner delinquent in the payment of Assessments shall be automatically suspended from voting in Association matters during the period of delinquency.

3) Personal Obligation for Late Charges; Suspension of Voting Rights. Any late charges and interest shall be the personal obligation of the Owner(s) of the Unit for which such assessment or installment is unpaid. All late charges and interest shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments. No Owner who has an assessment delinquency shall be entitled to vote on any Association matter in accordance with Section 3.6 of the Bylaws.

4) Owner's Designated Contact and Preferred Language.

(a) An Owner may, by written notice in the form attached to this Policy as Exhibit A (the "Owner's Designation"), identify the Owner's preferred language for correspondence and notices from the Association, if other than English, and/or identify another person to serve as a designated contact (the "Designated Contact") for the Owner, to be contacted on the Owner's behalf for purposes of collection of unpaid assessments and other charges. Any Owner's Designation shall:

- i) if the Owner elects to appoint a Designated Contact, identify the name and valid US mailing address for a single Designated Contract who must be a natural person and consent to the appointment as Designated Contact in writing;
- ii) indicate if the Owner prefers that correspondence and notices from the Association be given in a language other than English. If an Owner has not provided an Owner Designation or if an Owner Designation does not indicate a preference for a language other than English, then the Association will deliver all correspondence and notices related to collection of unpaid assessments and other charges in English.
- iii) be delivered to the Association by certified mail, return receipt requested; and
- iv) not be used to frustrate the collection process or disrupt the orderly business of the Association.

(b) Anytime the Association sends out notice under this Policy, the Association will provide the same correspondence to the Owner and the Designated Contact, if any, except that the Owner must receive correspondence and notices in the language for which the Owner has indicated a preference, if any, as designated in the Owner's Designation. An Owner's Designation shall remain valid until revoked by the Owner or superseded by a new Owner's Designation. Receipt by the Association or its Manager, of a new Owner's Designation shall be deemed to automatically revoke any previously submitted Owner's Designation. The Owner's Designation discussed in this Policy for Collection of Unpaid Assessments and Other Charges is the same Owner's Designation discussed in the Association's Policy for Enforcement of Covenants and Rules.

(c) The Association is entitled to reject any Owner's Designation that does not comply with the requirements of this Section. In the event an Owner's Designation is rejected, the Association will notify the Owner by written notice delivered by certified mail, return receipt requested, and, if the Association has the relevant email address, by email.

5) Payment Plans.

(a) Except as otherwise provided in this Section, in the event that an Owner owes past due assessments or other delinquent payments, including associated fees, late charges, interest, other charges, attorney fees, or fines, the Association shall make a written offer to the Owner to enter into a payment plan that will govern the Owner's payment of the deficiency. Any such payment plan will permit the Owner to pay off the deficiency in installments over a period of at least eighteen (18) months. The Owner may determine the amount of each monthly installment payment so long as each payment is in an amount of at least Twenty-Five Dollars (\$25.00) until the balance of the amount owed is less than Twenty-Five Dollars or until the final payment, at which time the entire remaining balance shall be paid.

(b) In the event the Owner declines or is ineligible to enter into a payment plan, or fails to timely remit payment of at least three (3) agreed-upon installments within fifteen (15) calendar days after such installments were due, or fails to remain current with regular assessments as they come due during the agreed payment period, the Association may pursue legal action against the Owner and initiate a foreclosure action based on the Owner's delinquency in paying assessments.

(c) An Owner shall have no right to enter into a payment plan with the Association if such Owner does not occupy the Unit and has acquired the Unit as a result of: (1) a default of a security interest; or (2) foreclosure of the Association's lien. In addition, an Owner shall have no right to enter into a payment plan with the Association, and the Association shall have no obligation to negotiate a payment plan with an Owner, if such Owner has previously entered into a payment plan with the Association for payment of a deficiency. An Owner who has entered into a payment plan under this Section may elect to pay the remaining balance owed at any time during the duration of the payment plan.

6) Collection Process. In the event an Owner fails to timely pay assessments, Late Charges, fines or other charges as provided in the Association Documents, the Owner's delinquent account may ultimately be turned over to a collection agency or an attorney for legal action. But, before the Association turns over any delinquent account to a collection agency or attorney for

legal action, the Association will contact the Owner and the Designated Contact, if any, as set forth below. The Association maintains a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made. Any contacts that the Manager makes on behalf of the Association are deemed contacts made by the Association and not by a debt collector as defined in Colorado Revised Statutes § 5-16-103(9), C.R.S. The collection process will proceed as follows:

(a) *Informal Reminders.* Prior to a delinquency arising, the Association may send such informal reminders, notices, re-billing statements or other communications to an Owner regarding the status of the Owner's account as the Association shall determine.

(b) *Notice of Delinquency.* After an installment of an annual assessment or other charges due to the Association becomes delinquent, and prior to turning over the delinquent account to a collection agency or referring the delinquent account to an attorney for legal action, the Association, by or through its Manager if applicable, shall send the Owner and Designated Contact, if any, a written notice of delinquency ("Notice of Delinquency") in the English form attached to this Policy as Exhibit B, and any other language for which the Owner has indicated a preference in an Owner's Designation duly delivered to and received by the Association or its Manager in advance of the Association's delivery of the Notice of Delinquency. The Notice of Delinquency must be sent by certified mail, return receipt requested, and be physically posted at the Owner's Unit. Additionally, the Notice of Delinquency must be sent to the Owner by one of the following means: (a) First-Class Mail; (b) text message to a cellular number provided to the Association by the Owner; or (c) email to an email address provided to the Association by the Owner. A Notice of Delinquency shall set forth the following:

- i) the total amount due with an accounting therefor specifying whether the delinquency concerns unpaid assessments, unpaid fines, fees, or charges, or both unpaid assessments and unpaid fines, fees, or charges;
- ii) whether an opportunity to enter into a payment plan exists and instructions therefor;
- iii) the name and contact information of the individual who can provide a copy of the Owner's ledger for verification of the debt amount;
- iv) that action is required to cure the delinquency and failure to do so within 30 calendar days may result in the account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing of a lien statement and, if the Notice of Delinquency concerns unpaid assessments, foreclosure of a lien against the Owner's Unit, or other remedies under Colorado law;
- v) A description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's cure process; and
- vi) A description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to small claims court, including injunctive matters for which the

Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, or other governing documents of the Association.

(c) Thirty (30) calendar days after the mailing of the Notice of Delinquency, if all amounts owing to the Association have not been paid, or a valid payment plan has not been agreed with the delinquent Owner, the Association may record a statement of assessment lien in the real property records of Eagle County, Colorado and, if the balance of the assessments and charges secured by the lien equals or exceeds six months of common expense assessments based on a periodic budget adopted by the Association, upon a majority vote of the entire Board of Directors taken in a meeting conducted in accordance with the Bylaws and in executive session pursuant to Section 38-33.3-308(4)(e), C.R.S., (i) turn over the delinquent account to a collections agency or attorney for communication with the delinquent Owner and legal action, and (ii) authorize the filing of a legal action against the Owner and/or the Owner's Unit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(d) Monthly Notice. On a monthly basis and by first-class mail and, if the Association has the relevant email address, by email, the Association shall send to each Owner who has any outstanding balance owed to the Association, and the Designated Contact, if any, an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association. This monthly list will be provided in English and any other language for which the Owner has indicated a preference in an Owner's Designation duly delivered to and received by the Association or its Manager.

7) Attorney Fees and Collections Costs on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, in the event the Association refers a past due account to an attorney for legal action as provided under Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments and other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand. In addition, if a past due account is turned over to a collections agency, the Association shall be entitled to reimbursement for collection costs.

Fees, charges, late charges, attorney fees up to the maximum amount authorized by law, fines, and certain interest charges may be subject to a statutory lien but are not subject to a foreclosure action.

8) Application of Payments. If an Owner who has both unpaid assessments and unpaid fines, fees, or other charges makes a payment to the Association, the Association shall apply the payment first to the assessments owed and any remaining amount of the payment to the fines, fees, or other charges owed.

9) Association's Legal Remedies. In the event an Owner fails to timely pay assessments, late charges, interest, or any other charges or fees related to the assessments, the following legal remedies shall be available to the Association to collect on the Owner's delinquent account: use of collections agency; lawsuit against the Owner including but not limited to action in the court of small claims; filing of a lien statement and, to the extent applicable, foreclosure of

the Association's lien against the Owner's Unit, with such lien to also secure reasonable attorney's fees incurred for collection and enforcement of such lien; acceleration of all remaining assessment installments for the remainder of the fiscal year and for future fiscal years at the commencement thereof if a delinquency then exists; and any and all other remedies available under Colorado law and/or the Association's governing documents. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment.

10) Limitations on Remedy of Foreclosure.

(a) The Association shall not foreclose on an assessment lien if the debt securing the lien consists only of one or both of the following: (i) fines that the Association has assessed against the Owner; or (ii) collections costs or attorney fees that the Association has incurred and that are only associated with assessed fines.

(b) If the Association forecloses on a Unit, the following parties are prohibited from purchasing the foreclosed Unit: (i) a member of the Board of Directors; (ii) an employee of the Manager; (iii) an employee of a law firm representing the Association; or (iv) an immediate family member of any of the foregoing.

11) Certificate of Status of Assessment. Upon written request of an Owner or Designated Contact, the Association shall, without charging any fee or costs, furnish to an Owner and/or such Designated Contact, a written statement setting forth the amount of unpaid assessments levied against such Owner's Unit.

12) Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the Association, the Manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13) No Waiver. Failure by the Association to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereafter. The Association is hereby authorized to modify the procedures contained herein, as the Board of Directors shall determine appropriate under the circumstances.

14) Defenses. Except as expressly provided by applicable law, failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

**EXHIBIT B TO COLLECTIONS POLICY
NOTICE OF DELINQUENCY
HEATHER OF VAIL CONDOMINIUM ASSOCIATION, INC.**

Owner Name: _____
Unit Legal Description: _____
Date of Notice of Delinquency: _____

This Notice of Delinquency is being provided to inform you that the records of the Association indicate that you have failed to timely pay assessments and/or related charges to the Association and that accordingly, you are deemed to have a delinquent account. This Notice of Delinquency is being provided to you, by Certified Mail, return receipt requested, to inform you of the total amount due and the basis therefor, as well as the options available to you to resolve the delinquency.

As of the date of this Notice of Delinquency, the total amount due is: _____. This amount was determined as follows:

Assessments*: _____
Interest: _____
Late Charges: _____
Fines** : _____
Fees** : _____
Other: _____
Total Amount Due: _____

Payment Plan: (check one)

- You have the opportunity to enter into a payment plan with the Association pursuant to C.R.S. § 38-33.3-316.3. If you are interested in entering into a payment plan on these or other terms, please contact _____ at _____.
- You are not eligible for a payment plan for reasons provided by law. If you have any questions about why you are not eligible for a payment plan, please contact _____ at _____.

If you would like to receive a copy of your ledger in order to verify the amount of the debt, please contact _____ at _____

**ACTION IS REQUIRED TO CURE THE DELINQUENCY. PLEASE SEE NEXT PAGE
OF THIS NOTICE OF DELINQUENCY FOR MORE INFORMATION.**

***IF UNPAID ASSESSMENTS ARE ALL OR PART OF THE BASIS OF THE DELINQUENCY, FAILURE TO TAKE ACTION WITHIN THIRTY (30) CALENDAR DAYS AFTER THE DATE OF THIS NOTICE MAY RESULT IN YOUR PAST DUE ACCOUNT BEING TURNED OVER TO A COLLECTION AGENCY, THE RECORDING OF A LIEN STATEMENT AGAINST YOUR UNIT, A LAWSUIT BEING FILED AGAINST YOU AS OWNER WHICH MAY INCLUDE A CLAIM FOR INJUNCTIVE RELIEF IN THE COURT OF SMALL CLAIMS, AND FORECLOSURE OF LIEN AGAINST THE UNIT, OR OTHER REMEDIES AVAILABLE UNDER COLORADO LAW.**

****THE ASSOCIATION WILL NOT FORECLOSE ON AN ASSESSMENT LIEN IF THE DEBT SECURING THE LIEN CONSISTS ONLY OF UNPAID FINES AND/OR COLLECTION COSTS OR ATTORNEY FEES THAT THE ASSOCIATION HAS INCURRED AND THAT ARE ONLY ASSOCIATED WITH ASSESSED FINES, AND NO UNPAID ASSESSMENTS ARE INCLUDED IN THE TOTAL AMOUNT DUE. HOWEVER, THE ASSOCIATION MAY PURSUE A JUDGMENT AGAINST YOU, PERSONALLY, FOR THESE BALANCES AND OTHER DAMAGES.**

IF, IN ADDITION TO THIS NOTICE OF DELINQUENCY, YOU HAVE ALSO BEEN PROVIDED WITH A NOTICE OF VIOLATION, YOU MUST CURE THE VIOLATION AS DIRECTED IN THE NOTICE OF VIOLATION IN ADDITION TO ADDRESSING THE DELINQUENCY DESCRIBED IN THIS NOTICE OF DELINQUENCY. THE NOTICE OF VIOLATION DESCRIBES THE PROCESS TO CURE THE VIOLATION BASED UPON THE BOARD OF DIRECTORS'S DETERMINATION OF WHETHER THE VIOLATION AFFECTS THE PUBLIC HEALTH AND SAFETY. YOU MUST CURE OR REQUEST A HEARING WITHIN THE TIME PROVIDED IN THE NOTICE OF VIOLATION. YOU MAY NOTIFY THE ASSOCIATION OF CURE.

The Association has or must do the following before turning over a collection file to an attorney or collection agency for legal action:

1. The Association must send a Notice of Delinquency to the Owner and the Designated Contact, if any, to alert the Owner of the delinquency.
2. A majority of the Board of Directors must formally vote to refer the matter to an attorney or collection agency, at a meeting conducted in executive session (i.e., closed session).

The Association or a Unit Owner may take certain matters to small claims court pursuant to Section 13-6-403, C.R.S. including injunctive matters for which the Association seeks an order requiring the Unit Owner to comply with the Declaration, Bylaws, covenants, or other governing documents of the Association.

POLICY FOR ENFORCEMENT OF COVENANTS AND RULES

1) Reporting Violations. Complaints regarding alleged violations of the Declaration, Bylaws, Articles of Incorporation, policies, any rules and regulations adopted by the Association, or other governing documents of the Association may be reported by an Owner or resident within the Heather of Vail Condominiums Community, a group of Owners or residents, the Association's Manager, the Board of Directors or member(s) thereof, or committee member(s) by submission of a written complaint as provided for below.

2) Complaints.

(a) Complaints by Owners or residents shall be in writing and submitted to the Board of Directors through the Association's Manager or directly to an officer of the Association. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Respondent"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. If a complaint is not in writing or fails to include any information required by this provision, such complaint may be investigated and prosecuted or not investigated or prosecuted at the discretion of the Board of Directors.

(b) Complaints by a member of the Board of Directors, a committee member, or the Manager, if any, may be made in writing or by any other means deemed appropriate by the Board of Directors if such violation was observed by a Board Member or Manager.

3) Owner's Designated Contact and Preferred Language. An Owner may, by written notice in the form attached to the Association's Policy for Collection of Unpaid Assessments and Other Charges as Exhibit A (the "Owner's Designation"), identify the Owner's preferred language for correspondence and notices from the Association, if other than English, and/or identify another person to serve as a Designated Contact for the Owner, to be contacted on the Owner's behalf for purposes of collection of unpaid assessments and other charges including, but not limited to, fines assessed pursuant to this Policy for Enforcement of Covenants and Rules. Any Owner's Designation provided pursuant to the Association's Policy for Collection of Unpaid Assessments and Other Charges shall also apply for the purpose of this Policy for Enforcement of Covenants and Rules.

4) Investigation and Determination of Threat to Public Safety or Health. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by the Association's Manager. If the Board of Directors finds that the allegations in the complaint are sufficient to constitute a violation of the Association's covenants or rules, the Board of Directors shall determine whether the alleged violation threatens the public safety or health (a "Health and Safety Violation") or does not threaten the public safety or health (a "Governance Violation"). Health and Safety Violations and Governance Violations are both generally referred to in this Policy for Enforcement of Covenants and Rules as "violations".

5) Notice of Violation. If the Board of Directors finds that the allegations in the complaint are sufficient to constitute a violation, a notice (the “Notice of Violation”) shall be sent to the Respondent, and Designated Contact, if any, in English and any other language for which the Respondent has indicated a preference in an Owner’s Designation duly delivered to and received by the Association or its Manager in advance of the date on which the Notice of Violation is sent. The Notice of Violation shall advise the Respondent of the following:

- (a) the details of the complaint or include a copy of the complaint;
- (b) the Board of Directors’ determination of whether the alleged violation threatens the public safety or health;
- (c) the action or actions that are required to cure the alleged violation and the timeframe within which cure must occur;

- i) With respect to any alleged Health and Safety Violation, the Notice of Violation shall be sent by any reasonable means including First-Class Mail; text message to a cellular number provided to the Association by the Owner; or email to an email address provided to the Association by the Owner and shall provide the Respondent with seventy-two (72) hours from the date and time of the Association’s delivery of the Notice of Violation to come into compliance.

- ii) With respect to any alleged Governance Violation, the Notice of Violation shall be sent to the Respondent by Certified Mail, return receipt requested and shall provide the Respondent will have thirty (30) calendar days from the date of the Association’s delivery of the Notice of Violation to come into compliance.

- (d) that action may be taken against the Respondent if the violation is not timely cured;

- (e) the Respondent’s right to be heard, orally or in writing, on the merits of the alleged violation, provided that such hearing is requested in writing within the time allotted according to the type of alleged violation, and the timeline for the hearing process as follows:

- i) With respect to any alleged Health and Safety Violation, the Respondent must request a hearing within twenty-four (24) hours of delivery of the Notice of Violation. If requested, a hearing on an alleged Health and Safety Violation must be held within forty-eight (48) hours of delivery of the Notice of Violation.

- ii) With respect to any alleged Governance Violation, the Respondent must request a hearing within five (5) calendar days of delivery of the Notice of Violation. If requested, a hearing on an alleged Governance Violation must be held within fifteen (15) calendar days of delivery of the Notice of Violation.

- (f) that if the Respondent does not timely request a hearing, he or she will be deemed to have waived any and all rights to a hearing with respect to the alleged violation and admitted the facts of the violation; and

(g) that the Board of Directors may proceed with or without a hearing, at its discretion, to make its determination of the allegations contained in the complaint based on all relevant facts and circumstances, if the Respondent fails to appear at the specified date and time or submit a written response to the complaint in advance of the hearing.

Notwithstanding the foregoing provisions of this Section 5, if the Board of Directors determines that the alleged violation is a Governance Violation, the Board of Directors may, in its sole discretion, elect to proceed by way of a written warning letter to the Respondent in lieu of immediate delivery of the Notice of Violation. No fine may be assessed to the Respondent except following delivery of a Notice of Violation as provided for above. If the alleged violation is not cured within a reasonable time after delivery of the warning letter, and the Board of Directors determines that action is warranted, the Board of Directors shall proceed to deliver a Notice of Violation in accordance with the procedures set forth in this Section above.

6) Notice of Cure. If the Owner cures a violation within the period to cure afforded the Owner in the Notice of Violation, the Owner may notify the Association of the cure (“Cure Notice”) and, if the Owner sends with the Cure Notice visual evidence sufficient to show, that the violation has been cured, the violation is deemed cured on the date that the Owner sends the Cure Notice.

7) Inspection. If the Association does not receive a Cure Notice from the Owner, or if the Cure Notice does not include visual evidence sufficient to show that the violation has been cured, and for any violation that is not continuing in nature and does not require allowance of time for cure (e.g. a noise violation), the Association is authorized to and shall inspect the Unit as soon as practicable and, in the case of a Governance Violation, within seven (7) calendar days of the expiration of the thirty-day cure period, to determine if the violation has been cured. The Respondent shall provide the Association with reasonable access to the Respondent’s Unit for the purpose of conducting timely inspections.

(a) If, after inspection, the Association determines that a Health and Safety Violation has not been cured, the Association may impose fines on the Owner every other day, and may take legal action against the Owner not including foreclosure.

(b) If, after inspection, the Association determines that a Governance Violation has not been cured, a second consecutive thirty-day period to cure shall immediately commence if only one thirty-day period to cure has elapsed. If, after expiration of the second thirty-day period to cure, the Association determines that the Governance Violation has not been cured, the Association may impose fines on the Owner every other day, subject to the limitations set forth below, and may take legal action against the Owner not including foreclosure.

8) Schedule of Fines; Limitations. Fines shall be imposed as follows and all fines shall be due and payable to the Association on the date of their imposition and shall be deemed delinquent if not timely paid.

(a) Except where a specific fine has been established in the Declaration, Bylaws, Articles of Incorporation, rules and regulations, policies, or other governing documents of the Association, any violation that is continuing in nature and uncured within the time provided

in a Notice of Violation, after the Association's inspection of the Unit, shall result in a fine of \$100.00 every other day, until the Board of Directors in its sole discretion determines that the violation has been cured, provided that the total amount of fines imposed for any Governance Violation shall not exceed \$500.

(b) For violations that are not continuing in nature and do not require allowance of time for cure (e.g. a noise violation), the Respondent shall be fined \$100 for the first violation, \$150 for the second violation, and \$250 for the third violation, at which time the Association may also take legal action against the Owner for the violation.

9) Confirmation of Cure; Outstanding Balance. Once an Owner cures a violation, the Association shall notify the Owner in English and any other language for which the Owner has indicated a preference in an Owner's Designation, (a) that the Owner will not be further fined with regard to the violation; and (b) of any outstanding fine balance that the Owner still owes the Association, in accordance with the Association's Policy for Collection of Unpaid Assessments and Other Charges.

10) Notice of Hearing. If a hearing is requested by the Respondent, the Board of Directors, committee or other impartial decision maker, as such term is defined in C.R.S. 38-33.3-209.5(2)(b)(II), conducting such hearing as may be determined in the sole discretion of the Board of Directors (the "Hearing Panel"), shall serve a written notice of the hearing to all parties involved as follows:

i) With respect to any alleged Health and Safety Violation, the hearing will be convened as soon as reasonably possible within the time allotted upon immediate written notice.

ii) With respect to any alleged Governance Violation, the hearing will be convened within the time allotted upon not less than three (3) calendar days' written notice.

11) Hearing; Written Decision. At the beginning of each hearing, the presiding officer shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Complainant and Respondent or their designated representatives, may, but are not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. Neither the Complainant nor the Respondent is required to attend the hearing, and any party may appear orally or in writing. If the Respondent does not appear at any hearing and does not submit a written response to the complaint to the Hearing Panel in advance of the hearing, the Hearing Panel may make a decision with respect to the alleged violation based on the complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. The Hearing Panel shall base its decision solely on the matters set forth in the complaint, written comments of Complainant and Respondent, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Hearing Panel, all hearings shall be open to attendance by all Owners. The presiding officer may also impose such other rules of conduct as may be appropriate under the circumstances.

After all testimony and other evidence has been presented at a hearing, the Hearing Panel shall render a decision at the conclusion of the hearing. Within a reasonable time following the conclusion of the hearing, the Hearing Panel shall render any written findings and provide copies to the Respondent and Complainant. A decision, either for or against the Respondent, shall be by a majority of the Hearing Panel members present at the hearing. The decision of the Hearing Panel so rendered shall be final and not subject to appeal. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

12) Failure to Timely Request Hearing. If the Respondent fails to request a hearing in writing within the time allotted, the Board of Directors may determine that such failure constitutes the Respondent's waiver of the right to a hearing and a no contest plea to the complaint and impose fines and/or pursue other legal remedies as provided for in this Policy for Enforcement of Covenants and Rules.

13) Waiver of Fines. The Board of Directors may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board of Directors may condition waiver of the entire fine, or any portion thereof, upon the Respondent coming into and staying in compliance with the Articles, Declaration, Bylaws, policies, rules and regulations, and other governing documents of the Association.

14) Small Claims and Injunctive Relief. The Association may file a claim in small claims court pursuant to Section 13-6-403(1)(b)(I), C.R.S., to enforce rights and responsibilities arising under the Declaration, Bylaws, Articles, policies, any rules and regulations adopted by the Association, or other governing documents of the Association in relation to disputes arising from assessments, fines, or fees owed to the Association and for which the amount at issue does not exceed seven thousand five hundred dollars, exclusive of interest and costs. The Association may also seek injunctive relief to compel compliance with the Declaration, Bylaws, Articles, policies, any rules and regulations adopted by the Association, or other governing documents of the Association.

15) Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation, Bylaws, policies, rules and regulations, and Colorado law including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The use of this process does not preclude the Association from using any other enforcement means. Without limiting the generality of the foregoing, the Board of Directors may provide a written Notice of Violation (with a right of the Respondent to request a hearing) pursuant to the procedures above stating the Board of Directors' intention to suspend the Respondent's right to vote on Association matters, to suspend any services provided by the Association and/or to impose other sanctions authorized in the Declaration or the Act, and (b) the Association may seek assistance from other enforcement authorities, such as police, zoning, fire, or animal control, as it deems appropriate. Any provision of any Association governing document that permits the restriction of any Owner from using any common element shall not be enforceable except as provided for in Section 38-33.3-302.5, C.R.S.

16) Responsibility for Actions of Tenant or Guest. Owners shall at all times be responsible for the actions of their tenants and guests. In the event that an Owner's tenant or guest violates the Declaration, Bylaws, Articles of Incorporation, policies, any rules and regulations adopted by the Association, or other governing documents of the Association and a fine is imposed, the fine shall be assessed against that Owner.

17) Architectural and Design Review Violations. If separate, alternative or additional procedures and fines not in conflict with this this Policy for Enforcement of Covenants and Rules are provided or adopted in any separate design guidelines of the Association or its design review board if applicable, said procedures and fines shall be applied in applicable matters to the extent that such procedures and fines do not conflict with the provisions of this Policy for Enforcement of Covenants and Rules. The Association, or its design review board if applicable, in addressing architectural or design review matters, shall follow the processes contained in this Policy in connection with its enforcement rights and obligations.

AMENDMENT TO POLICY FOR CONDUCT OF MEETINGS

The Conduct of Meetings Policy is hereby amended as follows:

I. Section B(1)(e) is hereby stricken and replaced in full with the following:

e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a Unit Owner and any referral of delinquency;

II. In addition, the following are hereby added to Section B of the Conduct of Meetings Policy:

5. Any vote concerning a delinquency or disciplinary matter or to refer such a matter to an attorney or collection agency must be taken in an executive or closed-door session.

6. An Owner who is the subject of a disciplinary hearing or a referral of delinquency may request and receive the results of any vote taken at the relevant meeting.

AND FURTHER RESOLVED, that the following provisions are hereby adopted and approved and shall apply to all of the foregoing Policies of the Association:

1. Definitions. Unless otherwise defined in these Resolutions, initially capitalized terms defined in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Heather of Vail Condominiums (referred to in these Resolutions as the “Declaration”) shall have the same meaning herein.

2. Supplement to Law. The provisions of these Resolutions shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Association.

3. Severability. The provisions of these Resolutions shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

4. Deviations. The Board of Directors may deviate from any procedures set forth in these Resolutions if in its sole discretion such deviation is reasonable under the circumstances.

CERTIFICATION OF ADOPTION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of the Association and,

That the foregoing Resolutions, duly adopted by written action of the Board of Directors to be effective on the 9th day of August, 2022, constitute a portion of the Responsible Governance Policies of the Association.

_____, Secretary