

**AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
HEATHER OF VAIL CONDOMINIUMS
TOWN OF VAIL
COUNTY OF EAGLE
STATE OF COLORADO**

**AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
HEATHER OF VAIL CONDOMINIUMS**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS for HEATHER OF VAIL CONDOMINIUMS ("Declaration") is to be made effective upon recording.

RECITALS

A. The Heather of Vail Condominiums, located in the Town of Vail, County of Eagle, State of Colorado, on the real property more particularly described on **Exhibit 1** attached hereto (the "Property"), are subject to the Amended Condominium Declaration for Heather of Vail Condominiums recorded on October 10, 1975 in Book 242 at Page 276 at Reception No. 138398 in the records of the Eagle County Clerk and Recorder (hereinafter the "Original Declaration");

B. The Heather of Vail Condominium Association, Inc. (the "Association"), a nonprofit corporation made up of all Owners, as defined herein, governs the Property. The Owners desire to amend and restate the provisions of the Original Declaration by virtue of this Amended and Restated Declaration for the following purposes: (a) to comply with the provisions of the Colorado Common Interest Ownership Act (the "Act") as set forth in Colorado Revised Statutes §38-33.3-101 *et seq.* to the extent the Act applies to this Community; (b) to add and remove covenants beneficial to the Association, (c) to generally update the Original Declaration; and (d) to remove developer provisions that are no longer applicable to the Community;

C. The Owners intend, upon the recording of this Declaration, the Original Declaration be superseded and replaced by this Declaration in its entirety;

D. In accordance with C.R.S. § 38-33.3-217(1)(a), for amendments to the Original Declaration, an affirmative vote of 67% of the Owners is required. Furthermore, the Original Declaration requires 100% of the holders of first mortgages or deeds of trust to approve to amend the Original Declaration;

E. Therefore, it is certified by the President of the Association by signature below that at least 67% of the Owners and 100% of the holders of any mortgages or deeds of trust have voted for or otherwise approved this Declaration.

NOW, THEREFORE, the Original Declaration is amended and restated as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. The following words when used in this Declaration, unless inconsistent with the context of this Declaration or the Act, shall have the following meanings:

(a) "Act" shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 *et seq.*, as it may be amended.

(b) `Allocated Interests_ shall mean the undivided interests in the Common Elements and the interests allocated to each Unit for the Common Expense liability as set forth in **Exhibit 2** attached hereto and incorporated herein by reference.

(c) `Assessment_ shall or may include all common expense assessments, insurance assessments, utility assessments, assessments described in Article 11 herein and any other expense levied to Units pursuant to the Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

(d) `Association_ shall mean and refer to the Heather of Vail Condominium Association, Inc., its successors and assigns.

(e) `Board of Directors_ or `Board_ shall mean the body designated in the Governing Documents to act on behalf of the Association.

(f) `Board Member_ means a member of the Association's Board.

(g) `Buildings_ shall mean the building improvements erected within the Community and the Property.

(h) "Bylaws" shall mean the Amended and Restated Bylaws of the Heather of Vail Condominium Association, Inc. as amended from time to time.

(i) `Common Elements_ (or `General Common Elements_ as identified on the Map) shall mean the Property within this Community other than the Units, which shall be owned by the Owners as tenants in common, and as may be designated on the Map and in this Declaration. Without limiting the generality of the foregoing, the following shall constitute Common Elements:

(i) all of the land and easements which are part of the Property;

(ii) all foundations, roof, columns, girders, beams, or other structural components of the Buildings;

(iii) the exterior walls of the Buildings, the main or bearing roof supports within the Buildings, the main or bearing subflooring, and roofs of the Buildings;

(iv) all installations and facilities for power, light, gas, telephone, television, water, or similar utility service or maintenance purposes, including equipment related thereto, boilers, pipes, wires, ducts, cables, conduits, and public utility lines, motors, fans, and compressors, which are for use in connection with other Common Elements or which serve more than one Unit;

(v) all recreational facilities not contained within a Unit and landscape areas;

(vi) fireplaces only from the bottom of the closed chimney flue damper upward and outward;

(vii) stairs, stairways, stairwells, sidewalks and concrete walkways, fire escapes, not within a Unit;

(viii) all balconies, patios, decks, porches (subject to specific assignment for individual Owner use as Limited Common Elements);

(ix) all exterior doors and door frames used as access to the individual Units, entrances, exits, halls, corridors, and pathways, if any, not within any Unit;

(x) all roadways, driveways, parking spaces, turning parking, and maneuvering areas;

(xi) all utility, service and maintenance rooms, including storage closets;

(xii) All apparatus, equipment, and installation existing for common use in connection with the Buildings;

(xiii) Such enclosed air spaces in the Buildings which are not included within any individual air space Unit; and

(xiv) any and all other parts of the Project which are not contained within a Unit and owned entirely by the Owner of such Unit.

(j) `Common Expenses` shall mean and include the following:

(i) expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, which are common to all Owners;

(ii) all sums lawfully assessed against the Owners by the Board;

(iii) expenses of administration, maintenance, repair or replacement of the Common Elements;

(iv) expenses declared Common Expenses by provisions of this Declaration; and

(v) expenses agreed upon as Common Expenses by the Owners.

(k) `Community_ shall mean the Heather of Vail Condominiums as further defined by the recorded Map and the Declaration.

(l) `Governing Documents_ shall mean the Articles of Incorporation, the Bylaws, this Declaration, the Rules and Regulations, Policies and Procedures, and the Map, as they may be amended.

(m) `Limited Common Elements_ shall mean those portions of the Common Elements which are limited to and reserved for the exclusive use of one or more, but fewer than all of the Units, which Limited Common Elements are deemed to be an inseparable appurtenance to such Unit or Units, and shall include, but shall not be limited to, any balconies and patios, exterior doors and door frames used as access to the individual Units, as designated, located or shown on the Map, and shall, without further reference thereto, be used in connection with such Unit to the exclusion of the use by the other Owners of the Units except by invitation.

(n) `Manager_ shall mean the person employed by the Board to perform the management and operational functions of the Community;

(o) `Map_ shall mean the `Final Plat Condominium Map of Heather of Vail Condominiums_ recorded on February 19, 1975, at Book 238 and Page 678, Reception No. 134708, County of Eagle, State of Colorado which Map is incorporated herein and made a part of this Declaration by reference.

(p) `Owner_ shall mean the owner of record title, whether one or more persons or entities, to any Unit which is a part of the Property, but excluding those having an interest in a Unit solely as security for the performance of an obligation.

(q) `Policies and Procedures_ shall mean any policies and procedures duly adopted by the Association or the Board, including but not limited to those policies and procedures required by the Act, including any amendments.

(r) `Property_ shall mean and refer to all of the real property legally described in **Exhibit 1** hereto.

(s) `Rules and Regulations_ shall mean any written instruments, however identified, which are adopted by the Association or the Board for the regulation and management of the Community, including any amendment to those instruments.

(t) `Secured Lender_ shall mean a holder, insurer, or guarantor of first mortgages or deeds of trust on the Units.

(u) `Unit_ shall mean a physical portion of the Community, designated for separate ownership, the boundaries of which are defined on the Map and in this Declaration.

Section 1.2 Each capitalized term not otherwise defined in this Declaration or in the Map shall have the same meanings specified or used in the Act.

ARTICLE 2 NAME, DIVISION INTO UNITS, RESTRICTIONS ON USE

Section 2.1 Name.

The name of the Community is the Heather of Vail Condominiums. The Community is a condominium community pursuant to the Act and is subject to the provisions of the Act which apply to common interest communities formed prior to July 1, 1992.

Section 2.2 Association.

The name of the association is the Heather of Vail Condominium Association, Inc. which was incorporated under the laws of the State of Colorado as a nonprofit corporation with the purpose of exercising the functions as herein set forth.

Section 2.3 Number of Units.

The number of Units presently included in the Community is eighteen (18) with no additional development rights.

Section 2.4 Boundaries and Identification of Units.

The boundaries of each Unit and identification number of each Unit are shown on the Map and the boundaries are defined below and as depicted on the Map:

The exact boundaries of a Unit are the individual air space unit which is contained within the surface of the subfloor, the interior surface of the exterior finishing, wall shingles or other material where the Unit does not have a common fire wall with another Unit, the exterior surface of the exterior dry wall where the Unit has a common fire wall with another Unit, the exterior surface of the interior finishing material on the ceiling of the

Unit, and the exterior surface of all exterior windows and window frames, and skylights, in their closed position.

The individual air space includes all interior non-supporting walls, fixtures, and improvements therein contained, and those installations within an air space unit for electricity, gas, water, and heating, including, but not limited to, pipes, wires, ducts, cables, conduits, public utility lines, equipment, tanks, pumps, motors, fans, and compressors which serve only the individual Unit and do not serve any other Unit, commencing at that point at which such installations enter the Unit, also including windows, window frames, and the built-in fireplaces from bottom of the damper in its closed position downward into the Unit (not including the damper).

Notwithstanding anything contained herein or in the Map, the actual existing physical boundaries of a Unit shall be conclusively presumed to be its boundaries rather than the boundaries shown by the Map despite minor variance between boundaries shown on the Map and the actual existing boundaries.

Section 2.5 Description of Units, Taxes, No Partition.

2.5.1 Title to a Unit may be held individually or in any form of concurrent ownership recognized in the State of Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an Owner with respect to the Unit in which he owns an interest. The parties, if more than one, having the ownership of a Unit shall agree among themselves how to share the rights and obligations of such ownership, but all such parties shall be jointly and severally liable for performance and observance of all of the duties and obligations of an Owner hereunder with respect to the Unit in which they own an interest.

2.5.2 Any contract of sale, deed, lease, mortgage, will or other instrument affecting a Unit may describe it by Unit __*__, HEATHER OF VAIL CONDOMINIUMS, according to the plat map recorded on February 19, 1975, at Book 238 and Page 678, Reception No. 134708 and any amendments and supplements thereto and as defined and described in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for the Heather of Vail Condominiums recorded on __*__ at Reception No. __*__, and any amendments and supplements thereto, County of Eagle, State of Colorado (*with applicable information filled in).

2.5.3 Each Unit shall be considered a separate parcel of real property and shall be separately assessed and taxed. Accordingly, the Common Elements shall not be assessed separately but shall be assessed with the Units as provided pursuant to Colorado Revised Statutes §§ 39-1-103(10) and 38-33.3-105(2). Neither the Buildings, the Property nor any use of the Common Elements shall be deemed to be a separate parcel. The lien for taxes assessed to any Unit shall be confined to that Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

2.5.4 No Owner of a Unit shall bring any action for partition or division of the Common Elements. Similarly, no action shall be brought for partition of a Unit between or among the Owners thereof. Each Owner hereby expressly waives any and all such rights of partition he may have by virtue of his ownership of a Unit.

Section 2.6 Restrictions on Use.

2.6.1 *Residential.* Each Unit shall be used and occupied solely for residential purposes. No Unit shall be used at any time for any business or commercial activity except that Owners may use the Units for home occupations which do not cause unreasonable disturbance to other Owners and which are permitted by applicable zoning ordinances.

2.6.2 *Occupancy.* No Unit shall be occupied for living or sleeping purposes by more persons than it was designed to accommodate safely. Each Unit shall be deemed to have been designed to accommodate safely a maximum of two permanent occupants per bedroom.

The stated use and occupancy shall be also subject to the appropriate and applicable governmental zoning and use ordinances, rules and regulations from time to time in effect.

Section 2.7 Leases.

2.7.1 *Right to Lease Subject to Governing Documents.* An Owner shall have the right to lease his Unit upon such terms and conditions as the Owner may deem advisable; provided, however, that any such leases shall be subject to the Governing Documents of the Association, including but not limited to, the Rules and Regulations established by the Association or the Board. Owners shall be jointly and severally liable with their lessees for any default of the provisions of this Declaration, Articles, Bylaws, Rules and Regulations and Policies and Procedures of the Association.

2.7.2 *Express Prohibition of Short-Term Rentals.* The term `Short-Term Rentals_ shall be defined as any lease, license or rental for occupancy for less than thirty (30) days. Short-Term Rentals are expressly disallowed at Heather of Vail Condominiums. This provision shall be enforced by the policies and procedures regarding enforcement of covenants as may be amended from time to time. Owners are responsible for any fines, expenses of the Association, and attorney fees and costs, for their own violations and for violations by their tenant, roommate, guest or any invitee who enters into an agreement for or allows a Short-Term rental. The fines, expenses of the Association, and attorney fees and costs, shall be treated as an assessment against the Unit and may be collected against the Owner in the same fashion as assessments.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 3.1 The Association. Every Owner of a Unit shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 3.2 Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit and then only to the purchaser or Secured Lender of his Unit.

Section 3.3 Membership. The Association shall have one class of voting members consisting of all Owners and, except as otherwise provided for in this Declaration or the Articles of Incorporation, shall be entitled to vote in Association matters based on one vote per Unit. Any specific restrictions and procedures governing the exercise of the right to vote shall be set out in the Bylaws of the Association.

Section 3.4 Availability of Documents and Financial Records. The Association shall maintain such books and records as may be required under the Act. The Association shall make available for inspection and copying, upon request, during normal business hours or under other reasonable circumstances, to Owners, Secured Lenders, and to such authorized agents of any Owner, current copies of the Governing Documents, financial records and financial statements of the Association and any other documents required by the Act. All rights and obligations shall be set forth in the Policies and Procedures for Inspection and Copying of Records.

Section 3.5 Information to be Made Available. Within 90 days after the end of each fiscal year, the Association shall make the following information available to Owners upon reasonable notice and at no cost to the Owners:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list, by unit type, of the association's current assessments, including both regular and special assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
- (f) A list of all association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
- (g) All the association's bylaws, articles, and rules and regulations;
- (h) The minutes of the Board and Owner meetings for the fiscal year immediately preceding the current annual disclosure; and
- (i) The association's Policies and Procedures adopted under the Act.

Section 3.6 Method of Disclosure. The disclosures shall be accomplished by one or more of the following means: Posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a Common Expense liability.

Section 3.7 Manager. By a written contract with the Manager, the Board may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions, or duties of the Association as it shall authorize. The Board may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles, Bylaws, or any other Governing Documents of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Board and/or as stated in the contract for services. The Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.8 Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Governing Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Act and the Governing Documents or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Act and the Governing Documents and every other duty or obligation implied by the express provisions of the Governing Documents or necessary to reasonably satisfy any such duty or obligation. Without limiting the generality of the foregoing, the Association is empowered to pledge its future receivables as collateral securing any loan or other obligations of the Association.

Section 3.9 Education and Training. As a Common Expense, the Board may authorize reimbursement of Board Members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of owners' associations specific to Colorado. The Association shall also provide education to Owners, at no cost and on at least an annual basis, as to the general operations of the association and the rights and responsibilities of Owners, the Association, and its Board under Colorado law. The criteria for compliance with this section shall be determined by the Board.

ARTICLE 4 COMMON ELEMENTS

Section 4.1 Designation of Common Elements. Certain areas of land have been designated on the Map as Common Elements intended for the common use and enjoyment of Owners for recreation and other related activities, as provided in this Declaration and other applicable documents. The Common Elements owned by the Association are not dedicated hereby for use by the general public.

Section 4.2 Obligation of Association. The Association shall maintain and keep the Common Elements in good repair, and the cost of such maintenance shall be funded as provided in this Declaration. The duties of the Association regarding maintenance are further described in Article 6.

Section 4.3 Limitation Upon Liability of Association. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROPERTY, AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 10, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THOSE PORTIONS OF THE PROPERTY TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION, OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

Section 4.4 Owner's Acts or Omissions. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or replacement of the Common Elements, is caused by the act or omission of any Owner, or by the act or omission of any member of such Owner's family or by a tenant, guest or invitee of such Owner, the cost of such repair, maintenance, replacement or expense to avoid such damage, shall be the personal obligation of such Owner to the extent that said Owner would be liable for the acts of such persons under the laws of the State of Colorado; and any costs, expenses and fees incurred by the Association for such maintenance, repair or replacement shall be added to the Assessment to which such Owner's Lot is subject and shall be subject to all of the terms and provisions of Article 11 of this Declaration (Assessment). A determination of the act or omission of any Owner, or any member of an Owner's family or a tenant, guest or invitee of any Owner, and the amount of the Owner's liability therefore, shall be determined by the Board at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this Section may be appealed by said Owner by following the Alternative Dispute Resolution Policy.

Section 4.5 Limited Common Elements. A portion of the Common Elements is reserved for the exclusive use of the individual Owners of the respective Units and such areas are referred to as `Limited Common Elements.` Some Limited Common Elements are identified on the Map as `L.C.E.` Subject to the provisions of this Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to his Unit. Furthermore, any balcony, patio, deck, or yard which is accessible from, associated with, and which adjoins a Unit or Units shall, without further reference thereto, be used in connection with such Unit to the exclusion of the use thereof by the other Owners of the Common Elements, except by invitation. The exterior doors and door frames used as access to the individual Units shall be considered LCE, subject to maintenance obligations of Owners provided herein. All of the Owners of Units shall have a non-exclusive right in common with all of the other Owners to use of sidewalks, pathways, and walkways located within the Community.

Section 4.6 Common Expenses and Limited Common Expenses. Common Expenses are assessed to and allocated to the Owners in accordance with Article 11; however, (i) should any Common Expense or portion thereof benefit fewer than all of the Units, the Common Expense shall be assessed exclusively against the units benefited, and (ii) if any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Unit.

Limited Common Expenses are those which benefit the Limited Common Elements. Any Limited Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be equally assessed against the units to which that Limited Common Element is assigned. Any Limited Common Expense or portion thereof benefiting fewer than all of the Units shall be assessed exclusively against the units benefited.

Section 4.7 Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to the members of his family, his tenants, guests, licensees, and invitees, but only in accordance with and subject to the limitations of the Governing Documents. Owners shall be jointly and severally liable with their family, tenants, guests, licensees and invitees for any default of the provisions of this Declaration, Articles, Bylaws, Rules and Regulations and Policies and Procedures of the Association.

ARTICLE 5 EASEMENTS AND PARKING

Section 5.1 Owners' Easements. Every Owner has a right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to every Unit subject to the provisions contained herein.

Section 5.2 Recorded Easements. The Property shall be subject to all easements as shown on the Map, any other recorded map or plat affecting the Property, and any other easements and licenses of record or of use as of the date of recordation of this Declaration. In addition, the Property is subject to those easements set forth in this Article.

Section 5.3 Other Easements.

5.3.1 *Easement for Encroachments.* Each Unit shall be subject to an easement for encroachments created by construction, settling and overhang, previously existing or as a result of any addition or improvement pursuant to this Declaration. A valid easement for such encroachments and for the maintenance of same, so long as they exist, shall and does exist. In the event any improvement is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Unit due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the improvements shall stand.

5.3.2 *Easement for Support.* Each Unit is subject to a blanket easement for support and a blanket easement for the maintenance of the structures or improvements presently situated, or to be built in the future, on the Property.

5.3.3 *Easement for Utilities.* There is hereby created a blanket easement upon, across, over, in and under the Property for the benefit of the Units and the structures and improvements situated thereon for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, cable television, and electricity. Said blanket easement includes future utility services not presently available to the Units that may reasonably be required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Units and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Association as to locations.

5.3.4 *Ingress and Egress Easement.* The Units may have common access roads, streets or driveways serving more than one Unit, and there is granted hereby a non-exclusive easement to the Owners of Units served by any such road, street or driveway for ingress and egress purposes over and across such road, street or driveway. No Owner shall hinder nor permit his guests to hinder reasonable access by any other Owner and his guests to the Units roads, streets, driveways and other parking areas.

Section 5.4 General Maintenance Easement. An easement is hereby granted to the Association, and any Board Member or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Property, including the Units, Common Elements, and the Limited Common Elements, and a right to make such use of these locations as may be necessary or appropriate to make emergency repairs, to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Governing Documents, including the right to enter upon any Unit for the purpose of performing maintenance, repair, replacement or improvement to the exterior of any Unit. Some of the Common Elements are or may be located within a Unit or may be conveniently accessible only through a particular Unit. The Association, Board and Manager shall have an easement for access through each Unit and to all Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, or as a result of emergency repairs within another Unit, at the instance of the Association, the Board, or Manager, shall be a Common Expense of all Owners. Notwithstanding the foregoing, if any such damage is the result of the negligence or carelessness of any Owner, then such Owner shall be solely responsible for the costs and expenses of repairing such damage.

Section 5.5 Reservation of Easements, Exceptions, and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Elements, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, and conduit installation areas, to create other reservations, exceptions, and exclusions with respect to the Common Elements for the best interest of all the Owners and the Association and to assign its right to future income, including the right to receive Assessments.

Section 5.6 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

Section 5.7 Right of Entry. The Association through its duly authorized agents shall have the right in cases of an emergency originating in or threatening a unit, or in the case of circumstances existing within a unit which may affect the health or well-being of other occupants or the Association, to enter therein immediately without notice. Upon reasonable notice, occupants shall permit entry into a unit for the purpose of performing routine installations, alterations, repairs, inspections to the mechanical, electrical or utility services, or routine safety inspections for the safety of properties, including annual chimney inspections, which, if not performed would affect the use of other units, or to otherwise ensure compliance with the Governing Documents rules and regulations. Such request shall be made in advance for entry at a time convenient to the occupant, and such consent shall not be unreasonably withheld.

Section 5.8 Access and Key to Unit. To further enable the Association to carry out the duties provided in the Governing Documents, including this Article, every Unit Owner must provide a working key, lockbox code, or code access to their individual Unit which key or code is to be held in safe keeping by the Manager. This requirement is absolute to ownership and is due to the need for emergency access to the Units, periodic checks of the common waterline and shut off valves and the need for periodic checks to Units which are left unoccupied for long periods of time so that damage may be prevented to the entire Property. No one shall alter any lock or install a new lock on any door leading to any Unit without furnishing a new key to the Manager.

Section 5.9 Parking. The unenclosed parking spaces identified on the Map or as actually constructed are Common Elements and use thereof is granted by the Association to the Unit Owners on a license basis subject to the Rules and Regulations adopted by the Board. Each Unit shall have rights to use of two (2) parking spaces in the parking spaces designated on the Map. Each first-floor Unit has one (1) assigned parking space directly in front of the Building in which the Unit is located and each second-floor Unit has one (1) assigned parking space in the other parking spaces designated on the Map. Parking regulations shall be as set forth in the Rules and Regulations of the Association, as they may be amended from time to time. Owners must advise their tenants, guests, and invitees of the Rules and Regulations concerning parking. Any violations and any fines issued are the responsibility of the Owner and shall be treated as an assessment.

ARTICLE 6
COVENANTS REGARDING MAINTENANCE

Section 6.1 General Owner Responsibility. All items not expressly the responsibility of the Association as set forth in this Article shall be the responsibility of the Owner. In the event any damage occurs to an area that comprises the exterior of a Unit but which is not part of the Association's maintenance responsibilities as set forth herein the Association shall repair the same in order to preserve the exterior continuity of the Project but in such event the cost thereof may be assessed only to the Owner(s) of the affected Unit(s) in proportion to the work performed upon each Unit as may be determined by the Board.

Section 6.2 Association Maintenance as to Common Elements. The maintenance of the Common Elements shall include, but shall not be limited to, upkeep, repair and replacement, subject to any insurance then in effect, of all landscaping (except within yards which are designated Limited Common Elements), fences, walls, gates, signage, irrigation systems, sidewalks, driveways and improvements, if any located in the Common Elements. Without limiting the generality of the foregoing, said obligations shall include the keeping of the Common Elements in good, clean, attractive and sanitary condition, order and repair; removing snow and any other materials from the Common Elements which might impair access to the Community or the Units; keeping the Community safe, attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the Common Elements.

Section 6.3 Additions, Alterations and Improvements - Common Elements and Limited Common Elements. There shall be no capital additions, alterations or improvements, of or to the Common Elements, including the Limited Common Elements, by the Association requiring expenditures in excess of **\$ 20,000.00** in any one calendar year without prior approval by the Owners representing a majority interest in the Common Elements, except in the event of an emergency; the limitations set forth above shall not apply to any expenditures made by the Association for maintenance and repair of the Common Elements in conjunction with the Association's duties to maintain and repair, or for repair in the event of damage, destruction or condemnation.

Section 6.4 Owner's Responsibility as to Units. The Owner shall be responsible for maintaining and repairing, and replacing all portions of the Owner's Unit, including the interior walls, the materials making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit. The Owner shall also maintain and keep in good repair and in a clean, safe, sightly, and operational condition the interior of the Unit, including the fixtures, interior doors, windows, window frames, window screens, appliances, fireplaces (from below damper inward to Unit) floor coverings, heater and dryer vents, cabinets, lighting fixtures, hot water heaters, boilers and electrical, plumbing and mechanical systems and the improvements affixed thereto. The Owner shall replace any materials removed pursuant to these obligations with the same or like-kind materials. In further regard to windows and window frames, the Association shall

maintain insurance on these elements and the Association's insurance shall be responsible for the windows and window frames on the Property in the event of a covered loss.

Section 6.5 Responsibility as to Limited Common Elements. The Association shall be responsible for maintaining and repairing the Limited Common Elements appurtenant to the Units except for the specific obligations of the Owner as provided hereafter. The Owner shall clean and keep in neat and clean condition the balcony, patio, porch, and/or deck appurtenant to the Owner's Unit, which shall include without limitation, snow removal from the balcony, patio, porch, and/or deck (if any). Further, the Owner shall be responsible for the maintenance and upkeep, repair and replacement of exterior doors and door frames used as access to their individual Unit. The Owner shall have the sole discretion to determine the manner in which such maintenance shall be performed, subject to the Design Review provisions herein. However, the Association shall have the right and power to prohibit storage or other activities deemed unsafe, unsightly, unreasonably noisy, or otherwise offensive to the senses and perceptible from another Unit or the Common Elements. The Rules and Regulations may set forth storage restrictions and unsafe, unsightly, unreasonably noisy, or otherwise offensive activities. Charcoal grills are deemed unsafe and shall not be stored, used, or brought upon any part of the Property, including the Limited Common Elements.

Section 6.6 Owner's Failure to Maintain or Repair. In the event that a Unit and the improvements thereupon or the Limited Common Elements are not properly maintained and repaired or replaced as required in this Section, and if the maintenance responsibility for the unmaintained item lies with the Owner of the Unit, or in the event that the improvements on the Unit are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Board shall have the right to enter upon the Unit or Limited Common Element to perform such work as is reasonably required to restore the Unit and the Buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, upon demand.

The Association shall be entitled to reimbursement for costs of repair from any Owner who causes, or whose tenant, employee or guest causes, damage to the exterior of the Owner's Unit or the Common Elements by any act of negligence or willful misconduct.

All unreimbursed costs shall be treated as an assessment against the Unit until reimbursement is made. The assessment may be enforced in the same manner as an unpaid Assessment levied in accordance with this Declaration.

Section 6.7 Any Damages Caused by Owner. If, due to the act or neglect of an Owner, the Owner's guests, tenants, agents, invitees or licensees, loss or damage shall be caused to any person or property, including the Property, the Common Elements, the Units and all improvements thereon, such Owner shall be liable and responsible for the loss or damage except

to the extent that such loss or damage is covered by insurance obtained by the Association and the carrier of the insurance has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner as an assessment and the assessment may be enforced in the same manner as an unpaid Assessment levied in accordance with this Declaration.

Section 6.8 Maintenance and Insurance Responsibility Chart. Exhibit 3 attached hereto and incorporated herein addresses maintenance and insurance responsibilities of the Owners and the Association. All items not expressly the responsibility of the Association as set forth in this Article or in Exhibit 3 shall be the responsibility of the Owner. In the event of any conflict between this Article and Exhibit 3 this Article shall govern.

ARTICLE 7

COVENANTS AND RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY

All Property within the Community shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Board or by an appropriate committee (subject to review by the Board) if such strict application would be unreasonable or unduly harsh under the circumstances or is inconsistent with applicable law. Any such modification or waiver must be in writing.

Section 7.1 Use/Occupancy. All Units within the Community shall be used only for those uses and/or purposes as allowed by the local zoning, control and regulation. Occupancies may also be subject to any Rules and Regulations adopted by the Board.

Section 7.2 Nuisances. No nuisance shall be allowed upon the Common Elements, Limited Common Elements, or within a Unit, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Property by the Owners. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No sound shall be emitted on any part of the Property which is unreasonably loud or annoying. No odor shall be emitted on any part of the Property which is noxious or offensive to others. No light shall be emitted from any part of the Property which is unreasonably bright or causes unreasonable glare. Determinations of violations of this provision shall be made by the Board.

Section 7.3 Compliance with Other Laws. No improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed.

Section 7.4 Compliance with Insurance Requirements. Except as may be approved in writing by the Association, nothing shall be done or kept on the Community which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

Section 7.5 Restriction on Signs and Advertising Devices. Except as provided in this Section or the Rules and Regulations, no sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Community except such sign or signs as may be approved in writing by the Association or allowed by the Act.

Section 7.6 Restrictions on Animals; Fees.

7.6.1 *Restriction and Allowance; Limitation of 2.* No animals, livestock, reptiles or birds shall be kept in any part of the Community, except that domesticated dogs, cats, birds or fish may be kept by Owners in a Unit, subject to all governmental animal ordinances and laws and subject to the fees outlined below, the Rules and Regulations concerning and governing the Community, and any portion thereof that may be adopted, amended, or repealed from time-to-time by the Association or Board. No more than 2 of the animals described above may be kept by an Owner in a Unit.

7.6.2 *Prohibition on Tenants Keeping Pets.* No Owner's tenant, roommate, or invitee may keep a pet in a Unit. This provision shall be enforced by the policies and procedures regarding enforcement of covenants as may be amended from time to time. Owners are responsible for any fines, expenses of the Association, and attorney fees and costs, even if the pet belongs to the Owner's tenant, roommate in the Unit, or invitee. Rules regarding temporary guests of Owners and the pets of the guests, if any, shall be set forth in the Rules and Regulations and may be amended from time to time. The fines, expenses of the Association, and attorney fees and costs, shall be treated as an assessment against the Unit and may be collected against the Owner in the same fashion as assessments.

7.6.3 *Rules and Damages.* Owners shall notify their tenants or invitees of the prohibition and the Rules and Regulations of the Association. Owners are responsible for any damage caused by the animal(s) kept by the Owner or the Owner's tenant or invitee, and shall be obligated to clean up after the animal(s) on the Property. No animals shall be allowed to remain tied or chained to any balconies, patios or other parts of the Community and if this provision is violated, the Association or its agent may remove such animal and charge the Owner with the costs thereof. Owners are responsible for any charges to their tenants or invitees and any charges shall be treated as an assessment against the Unit.

Section 7.7 Map Restrictions. The restrictions, if any, included on the Map for the Property are incorporated herein by this reference.

Section 7.8 Compliance with Governing Documents. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, Bylaws, the Rules

and Regulations of the Association, and the Policies and Procedures as amended. The obligations, burdens, and benefits of membership in the Association concern the land and shall be covenants running with each Owner's Unit for the benefit of all other Units.

Section 7.9 Rules and Regulations, Policies and Procedures. In furtherance of the provisions of this Declaration and the Act, Rules and Regulations and Policies and Procedures concerning and governing the Community or any portion thereof may be adopted, amended, or repealed from time-to-time by the Board. The Board may establish and enforce penalties for the infraction thereof.

Section 7.10 Unit Floor Coverings. Within Heather of Vail Buildings, there are one-story, first floor Units (the `Lower Units_) and there are Units located directly above the first floor Units (the `Upper Units_). The purpose of this Section is to reduce or eliminate the negative impact of sound transmissions from Upper Units causing unwanted sounds to the Lower Units.

The sound transmissions caused by the Upper Unit floor coverings shall not negatively impact the Lower Units. Any installation of new flooring in the Upper Units must be pre-approved by the Board in compliance with this Section, or a design review committee appointed by the Board, and shall be subject to any Policies and Procedures adopted. Policies and Procedures regarding floor covering restrictions, sound-proofing, and compliance may be enacted by the Board and amended from time to time as necessary. Should flooring exist within any Upper Units that does not comply with the purpose of this section, the Board shall require the flooring to comply upon sale or other transfer of title of the subject unit.

In any event, all Unit floor coverings and impact sound must comply with any Town of Vail, County and governmental ordinances and the laws of Colorado.

ARTICLE 8 DESIGN REVIEW

Section 8.1 Exterior Alterations. No alteration of the exterior of a Unit, including repainting of the structure and replacing doors or windows, or altering any balcony, yard, deck patio or porch, shall be made without having first obtained the prior written approval of the Board. The Board may withhold approval for any reason and when an alteration is approved, the Board shall exercise its best judgment to ensure that all modifications to structures and on land within the Property conform to and harmonize with existing surroundings and structures. The Board has the absolute right to deny any requested changes which the Board reasonably determines do not conform to and harmonize with existing surroundings and structures. All exterior alterations must meet the requirements of the Act and be approved by any required governmental body. The design review process set forth in this section shall also be applicable to windows, doors and second-story flooring modifications within a Unit.

Section 8.2 Changes to Square Footage of Units. All alterations to a Unit which cause an increase or decrease to the useable square footage of the Unit require prior approval in writing

by the Board. All alterations to a Unit, regardless of required Board approval, must meet the requirements of the Act and be approved by any required governmental body.

Section 8.3 Application and Approval Requirements. All changes allowed for under the written approval required above may only be made by the Owners of those Units, as applicant, and their agents or employees after application to and approval by the Board. The application and approval process shall include at least the following:

8.3.1 Written description and diagram of proposed alterations signed by the Owner.

8.3.2 Representation and warranty by the applicant that the proposed modifications do not affect the structural integrity, electrical systems, mechanical systems, utilities, lessen the support of any portion of the Community or violate any of the provisions of this Article;

8.3.3 Representation and warranty by the applicant that all current standards of construction and the proper and appropriate safety practices will be followed in the performance of the alterations;

8.3.4 Representation and warranty that all necessary and proper permits and approvals from the appropriate governmental authorities have been or will be obtained;

8.3.5 Evidence sufficient to the Board that the applicant has complied with and/or will comply with all local rules and ordinances and that the proposed changes do not violate the terms of any document evidencing a security interest of a lender in any of the applicant's Units;

8.3.6 Proof that the contractor(s) of the Owner is/are licensed and adequately insured with proof of general liability insurance coverage in the minimum amount of \$1,000,000 and with the Association named as the additional insured; and

8.3.7 Such other information as may be reasonably requested by the Board on behalf of the Association.

Section 8.4 Approval by the Board/Agreement May Be Required. The Board shall have the authority to approve the application. Upon approval, the Owner, on behalf of itself and its assignees and transferees, agrees to the following:

8.4.1 To be responsible, now and in the future, for any structural deficiencies or problems, electrical deficiencies or problems, mechanical structural integrity, electrical systems, utility or mechanical deficiencies or problems or problems associated with a lessening of support of any portion of the Community, or for violations of any of the provisions of this Article, all as may reasonably be determined by the Association;

8.4.2 To be responsible for ongoing maintenance, repair, replacement and improvement of all of the proposed additions/modifications of the Owner, as reasonably determined by the Board;

8.4.3 To pay any and all fees and costs of the Association incurred in reviewing and effectuating the application, in an amount reasonably determined by the Board;

8.4.4 To the timely commencement of construction and timely completion of the requested modification, in accordance with the Board's written approval, unless otherwise allowed in writing by the Board;

8.4.5 For limitations on disruptions to the Community while the requested modifications are being constructed and within work hours and days as determined by the Board;

8.4.6 To provide reasonable advance notice for the work to be performed; and

8.4.7 To satisfy all conditions as may be reasonably imposed by the Board.

Section 8.5 Reply and Communication. The Board shall reply to all submittals of plans made in accordance with this Article in writing within 35 days after receipt. In the event the Board fails to take any action on submitted plans and specifications within 35 days after the Board has received the plans and specifications, approval shall be deemed to not have been granted. Yet, the Owner shall have a right of appeal to the Board. All communications and submittals shall be addressed to the Board at such address as is the registered address for the Association as maintained with the office of the Colorado Secretary of State.

Section 8.6 Maintenance Responsibilities. For all modifications made to a Unit or Limited Common Element by an Owner, whether or not made with approval of the Board or Association, and whether or not occurring prior to or after recording of this Declaration, the Owner shall be responsible for maintenance, repair and replacement of all modifications unless the Board expressly assumes any of those responsibilities to be responsibilities of the Association in writing. Nothing herein shall limit the Association's ability to enforce any modifications made without necessary approval.

ARTICLE 9 MECHANIC'S LIENS

Section 9.1 No Liability. If any Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon, no Owner of any other Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Unit. Nothing herein contained shall authorize any Owner or any person dealing through, with or under any Owner to charge the Common Elements

or any Unit other than of such Owner with any mechanic's lien or other lien or encumbrance whatever and the right and power to charge any lien or encumbrance of any kind against the Common Elements or against any Owner or any Owner's Unit for work done or materials furnished to any other Owner's Unit is hereby expressly denied.

Section 9.2 Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Elements or against any other Owner's Unit or an Owner or the Association (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within 30 days after the date of filing thereof, and further shall indemnify and save all the other Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 9.3 Association Action. Labor performed or materials furnished for the Common Elements, if duly authorized by the Association in accordance with this Declaration or its bylaws, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the basis for the filing of a lien if authorized by law against the Common Elements. Any such lien shall be limited to the Common Elements and may not be effected against an individual Unit or Units.

ARTICLE 10 INSURANCE AND FIDELITY BONDS

Section 10.1 General Insurance Provisions.

The Association shall maintain, to the extent reasonably available:

10.1.1 Property insurance on the Common Elements for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property policies; and

10.1.2 Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements and the Association, in an amount deemed sufficient in the judgment of the Board, insuring the Board, the Association, the Manager, and their respective employees, agents, and all persons acting as agents. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

10.1.3 Property insurance on the Units, including all fixtures and other property conveyed by the original Declarant and any improvements by the Association made thereafter but not including any improvements made by the Owners or any personal property of the Owners. The Association may carry such other and further insurance that the Board considers appropriate, including insurance on Units that the Association is not obligated to insure to protect the Association or the Owners.

Section 10.2 Cancellation.

If the insurance described in Section 10.1 is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

Section 10.3 Policy Provisions.

Insurance policies carried pursuant to Section 10.1 must provide that:

10.3.1 Each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association;

10.3.2 The insurer waives its rights to subrogation under the policy against any Owner or member of his household;

10.3.3 No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

10.3.4 If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 10.4 Insurance Proceeds.

Any loss covered by the property insurance policy described in Section 10.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Secured Lenders as their interests may appear. Subject to the provisions of Section 10.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Secured Lenders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 10.5 Association Policies.

The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

Section 10.6 Insurer Obligation.

An insurer that has issued an insurance policy for the insurance described in Section 10.1 shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Secured Lender. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Secured Lender to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.

Section 10.7 Repair and Replacement.

10.7.1 Any portion of the common interest community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

10.7.1.1 The regime created by this Declaration is terminated by law;

10.7.1.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

10.7.1.3 67% of the Owners vote not to rebuild.

10.7.2 The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire community is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the community and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Secured Lenders, as their interests may appear in proportion to the Common Expense liabilities of all the Units.

Section 10.8 Common Expenses.

Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses.

Section 10.9 Fidelity Insurance.

To the extent reasonably available, fidelity bonds may be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two months' current Assessments plus reserves as calculated from the current budget of the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bond may be obtained for the Manager and its officers, employees, and agents, as applicable. Any such fidelity coverage shall name the Association as an obligee and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 10.10 Worker's Compensation Insurance.

The Board shall obtain worker's compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

Section 10.11 Other Insurance.

The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Board may deem appropriate on behalf of Board Members against any liability asserted against a Board Member or incurred by him in his capacity of or arising out of his status as a Board Member. The Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 10.12 Insurance Obtained by Owners.

Each Owner shall obtain and at all times maintain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering the full replacement value of the Owner's personal property. Owners shall obtain insurance for any improvements and/or upgrades made to their Unit. Owners shall also obtain and at all times maintain personal liability insurance in a limit of not less than Three Hundred Thousand Dollars (\$300,000.00) in respect to bodily injury or death to any number of persons arising out of one accident or disaster, or for damage to personal property, and if higher limits shall at any time be customary to protect against tort liability such higher limits shall be carried. An Owner may obtain such other and additional insurance coverage on the Unit as such Owner in the Owner's sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners. No Owner shall obtain separate insurance policies on the Common Elements.

All Owners are required to provide proof of the insurance as required above to the Board, no later than March 1 of every year. The Board shall maintain on file copies of all such current policies to evidence the Owners' compliance with the obligations hereunder and to facilitate recovery of all appropriate awards or proceeds by the Association. Should an Owner fail to provide such proof of insurance, the Association may purchase the minimum insurance required on behalf of the Owner's Unit and shall be entitled to reimbursement for payment of the premium. Notice of the amount of such premium shall be sent to the Owner via electronic mail and shall be paid within ten business days of receipt of the notice. If the Owner fails to pay as required, the amount due shall be deemed a Default Assessment and payment may be enforced as a Default Assessment as provided below.

Section 10.13 Responsibility for Payment of Deductible. The Board, in its discretion, may choose to submit a claim under the Association insurance policies or not. If a deductible is charged, the payment of the deductible amount for claims which the Association is responsible for insuring shall be as follows:

10.13.1 The Association shall pay or absorb the deductible amount for any work, repairs or reconstruction for damage to Common Elements unless the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, or invitees, in which case the Association shall seek reimbursement of the deductible amount from the Owner by sending notice to the Owner, and if unpaid within fifteen calendar days from notice, will be treated as a Default Assessment under the terms of this Declaration.

10.13.2 Any loss falling within the deductible portion of the Association policies for any property belonging to Owners shall be paid or absorbed by the Owners of the Units involved in the same proportion as each Owner's claim bears to the total amount of insurance proceeds paid for the occurrence.

ARTICLE 11 ASSESSMENTS

Section 11.1 Obligation. Each Owner, by accepting a deed for a Unit, is deemed to covenant to pay to the Association the following (collectively referred to as `Assessments_): (1) the Annual Assessment imposed by the Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements, to fund reserves as deemed appropriate and necessary by the Board, and to perform the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (3) Default Assessments which may be assessed against a Unit for the Owner's failure to perform an obligation under the Governing Documents or because the Association has incurred an expense on behalf of the Owner under the Governing Documents.

Section 11.2 Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of the Heather of Vail and

for the improvement and maintenance of the Common Elements, and other areas of Association responsibility referred to herein.

Section 11.3 Apportionment of Assessments. Except as provided in this Declaration, all Assessments shall be assessed against all Units in accordance with the formula for liability for the Common Expenses as set forth in this Declaration. Assessments are currently allocated among the Owners as set forth in **Exhibit 2** of this Declaration.

Section 11.4 Basis of Assessments. Assessments may be made on an annual basis, and may be, as determined by the Board, subdivided into monthly or quarterly payments, and shall be based upon the Association's advance budgets of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year. The Board may establish discounts for early payments of any Assessment. The payment of assessments and policies and procedures for the collection of unpaid assessments are further addressed in the Policies and Procedures currently in place for the Association.

Section 11.5 Budget

(a) *Proposed Budget*. In regard to the budgets for the Annual Assessments and any other class of Assessments, prior to the beginning of each fiscal year of the Association, the Board shall adopt a proposed budget for that year. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Common Elements; expenses of management; and insurance premiums for insurance coverage as deemed desirable or necessary by the Association; care of grounds within the Common Elements; routine repairs and renovations within the Common Elements; wages; common water and utility charges for the Common Elements; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of improvements within the Common Elements on a periodic basis, as needed.

(b) *Budget Approval*. Within 90 days after the adoption of any proposed budget for the Association, the Board shall mail, by ordinary first-class mail, email or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 nor more than 60 days after mailing or other delivery of the summary. Notice of the meeting shall be given as provided in the Bylaws. Electronic mail is encouraged and may also be provided as set forth in the Bylaws. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board. The Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Board shall levy, and assess the Association's annual Assessments in accordance with the adopted annual budget, or the budget last ratified as provided herein.

The omission or failure of the Board to fix the Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Board shall have the right, but not the obligation, to make prorated refunds of any Assessments in excess of the actual expenses incurred in any fiscal year.

Section 11.6 Special Assessments. In addition to the Assessments authorized by this Article, the Board, may levy in any fiscal year one or more Special Assessments, payable over such a period as the Board may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or for any other expense incurred or to be incurred as provided in this Declaration. Any Special Assessment shall be allocated to the Owners in accordance with each Owner's Allocated Interests set forth in Exhibit 2 of this Declaration. This Section 11.6 shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Assessments under this Section are subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Units shall be borne by the Owners of those affected Units only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than 30 days after such notice shall have been given.

Section 11.7 Default Assessments. All monetary fines assessed against an Owner pursuant to the Governing Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Governing Documents, shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least ten days prior to the due date.

Section 11.8 Supplemental Assessments. The Association shall have the right to add to any Owner's Assessment as provided in this Article the following:

(a) those amounts expended by the Association for the benefit of any individual Unit or any occupant thereof, including but not limited to: Unit insurance; improvement, repair, replacement and maintenance specific to a Unit; improvement, repair, replacement and maintenance caused by the negligent or willful acts of any Owner, his or her guest, employee, licensee, lessee or invitee as set forth in this Declaration;

(b) any extraordinary maintenance, repair, improvement and replacement costs of any area which the Association maintains required on fewer than all the Units;

(c) any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of an Owner (or his agents, guests, licensees, invitees or lessees);

(d) All fines and costs assessed against an Owner pursuant to the Governing Documents; and

(e) Any other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Unit and are reasonably determined to be allocable to a particular Unit.

Section 11.9 Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to any Annual, Special, Default or Supplemental Assessment, which is not paid on or before its due date shall be delinquent. Annual Assessments shall be due and payable in monthly or quarterly installments, as determined by the Board. Any Annual Assessment is due on the 1st day of the month and shall be considered past due and delinquent if not fully paid by the 15th day of the month in which it is due. Any other type of assessment or other payments due to the Association shall be considered due on the date set by the Board and delinquent if not paid by the due date. If an Assessment installment becomes delinquent, the Board, in its sole discretion, may take any or all of the following actions:

11.9.1 Assess a late charge for each delinquency in such amount as the Board deems appropriate;

11.9.2 Assess an interest charge from the due date at the rate of no greater than 21% per annum for the Annual Assessment, and at the rate of no greater than 21% per annum for the Special, Default and Supplemental Assessments, or such other lawful rate as the Board may establish;

11.9.3 Suspend the voting rights of the Owner during any period of delinquency and remove any delinquent Owner from the Board of Directors;

11.9.4 Assign income from rents to the Association;

11.9.5 Revoke the delinquent Owner's right to use of Common Elements, including without limitation, use of parking area.

11.9.6 Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

11.9.7 Bring an action at law against any Owner personally obligated to pay the delinquent Assessments;

11.9.8 Record notice in the records of the Eagle County Clerk and Recorder of the Association's lien; and

11.9.9 Proceed with foreclosure as set forth in more detail below.

11.9.10 Notify the Owner's Secured Lender or any other party claiming an interest in the Unit of any unpaid assessments.

11.9.11 Any other remedies available pursuant to the Governing Documents and Colorado law.

Assessments chargeable to any Unit shall constitute a lien on such Unit. The Association may institute foreclosure proceedings against the defaulting Owner's Unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 11.12 Personal Obligation. The amount of any Assessment chargeable against any Unit shall be a personal and individual debt of the Owner of same. No Owner may exempt himself from liability for the Assessment by abandonment of his Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorney fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 11.13 Application of Payments. All payments received on an account of any Owner or the Owner's Unit shall be applied in the following order: (1) to payment of any and all legal fees, including attorney fees, (2) costs of enforcement and collection, (3) interest, (4) late fees, (5) returned check fees, (6) lien fees, fines, and other amounts owing or incurred with respect to such Owner pursuant to the governing documents and Colorado law, (7) delinquent special, default, or other type of assessment other than annual, (8) delinquent annual assessments, and finally to (9) current assessments owed.

Section 11.14 Successor's Liability for Assessments; Subordination of Lien. Notwithstanding the personal obligation of each Owner of a Unit to pay all Assessments on the Unit, and notwithstanding the Association's lien upon a Unit for such Assessments, all successors in interest to the fee simple title of a Unit on which Assessments are delinquent shall be jointly and severally liable with the preceding Owner for the delinquent Assessments up to the time of the grant, conveyance, or transfer of title of the Unit, including all interest, late charges, costs and attorney fees incurred by the Association to collect the Assessment from the preceding

Owner. This section creates a personal obligation upon the successor in interest which includes, but is not limited to, any purchaser or transferee of the Unit. For purposes of this section, in no event shall the Public Trustee or any other governmental entity that holds the Unit, in trust or otherwise, for any period of time be deemed an Owner or successor in interest. As the only exception to the foregoing, Secured Lenders who acquire title to a Unit by virtue of foreclosing the first mortgage or deed of trust or by deed in lieu of foreclosure, shall take the Unit free of any claims for unpaid assessments which accrue prior to the date of the sale, and the amount of the extinguished claim may be reallocated and assessed to all Units as a Common Expense at the direction of the Board.

Nothing herein shall prejudice the right of the successor to recover from the preceding Owner the amounts paid by the successor in interest to the Association.

The provisions of the Act shall govern and control the subordination of the lien for the Assessments provided for in this Declaration.

Section 11.15 Assignment of Rents. If a Unit is rented by its Owner, the rent is hereby pledged and assigned to the Association as security for the payment of all Assessments due by that Owner to the Association. If the Assessments owed by the Owner of a rented Unit are more than 30 days delinquent, the Board may collect, and the occupant or lessee shall pay to the Board, the rent for any Unit owned by the delinquent Owner, or that portion of the rent equal to the amount due to the Association; provided, however, the lessee need not make such payments to the Association in excess of or prior to the due date for monthly rental payments unpaid at the time of the Board's request. The Association shall send notice to the Owner by any reasonable means at least 7 calendar days prior to initiating the collection of rent from the Owner's occupant or lessee. The occupant and/or lessee shall not have the right to question the Board's demand for payment. Payment by the occupant or lessee to the Association will satisfy and discharge the occupant or lessee's duty of payment to the Owner for rent, to the extent of the amount paid to the Association. No demand or acceptance of rent under this Section shall be deemed to be a consent or approval of the Unit rental or a waiver of the Owner's obligations as provided in the Declaration. The Board shall not exercise this power where a receiver has been appointed with respect to a Unit or Owner, nor in derogation of the exercise of any rights to rents by a the holder of a first lien security interest of a Unit. If an occupant or lessee fails or refuses to pay rent to the Association as provided for in this Section, the Association shall have the right to bring an action for unlawful detainer for non-payment of rent under Colorado statutes, and the costs and attorney fees incurred by the Association in connection with that action shall be collectable from the occupant or lessee in that action, and from the Owner of the Unit in the same manner as any other Assessment under this Declaration.

Section 11.16 Appointment of a Receiver. The Association may seek the appointment of a receiver by the Court if an Owner becomes delinquent in the payment of assessments. The receiver shall be a disinterested person who shall manage the delinquent Owner's unit pursuant to the court's order. The purpose of a receivership is to obtain payment of assessments, prevent

waste and deterioration of the Owner's unit, and prevent negative impact on the common elements and other owners' properties.

Section 11.17 Revocation of Right to Use Common Elements. If an Assessment installment becomes more than 30 days delinquent, the Board, in its sole discretion, may revoke the delinquent Owner's right to use the Common Elements. In regard to parking, if an Owner's right to use the Common Elements is revoked by the Board, the Board must give written notice to the delinquent Owner, and then, after 48 hours, may enforce this revocation by towing, booting, or other lawful means.

Section 11.18 Payment by Secured Lender. Any Secured Lender holding a lien on a Unit may pay any unpaid Assessment payable with respect to such Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Secured Lender shall have a lien on the Unit for the amounts paid with the same priority as the lien of the Mortgage.

Section 11.19 Escrow Agreement with Secured Lender. The association may enter into an escrow agreement with the holder of a Owner's mortgage so that assessments may be combined with the Owner's mortgage payments and paid at the same time and in the same manner; except that any such escrow agreement shall comply with any applicable rules of the federal housing administration, department of housing and urban development, veterans' administration, or other government agency.

Section 11.20 Statement of Status of Assessment Payment. Upon payment of a reasonable fee set from time to time by the Board and upon written request delivered personally or by certified mail, first-class postage prepaid, return receipt requested to the Association's registered agent, the Association shall furnish to any Owner, Secured Lender, prospective Secured Lender, or their designees a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Unit. The statement shall be furnished within 14 calendar days after receipt of the request and is binding on the association, the Board, and every Owner. If no statement is furnished to the Owner or holder of a security interest or his or her designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the association shall have no right to assert a lien upon the unit for unpaid assessments which were due as of the date of the request. The Association shall maintain financial records sufficiently detailed to enable the Association to comply with this section.

Section 11.21 Assessment Reserves. There shall be a mandatory reserve fund to be used for the repair, replacement and maintenance of the Common Elements, for purchase of equipment and supplies, for use as working capital of the Association, and for any other use deemed proper by the Board, acting alone, or the Association. The amount of the reserve and payments by the Owners shall be established by the Board, acting alone, or the Association. Each Owner may be required to deposit and maintain continuously with the Association a reserve assessment in an amount equal to up to three times the amount of the estimated monthly

installment of annual Common Expense Assessments, such reserve amount to be held without interest accruing to the Owner; such advance payment shall not relieve an Owner from making any regular installment payment of the General Common Assessment as same becomes due, nor shall the Association be required to deduct from such advance payment sums due for Common Assessments by an Owner prior to instituting any proceedings against the Owner for delinquent Common Assessments. In the event the Association shall draw from such advance payment applicable to an Owner, the Owner expressly agrees following ten days' prior written notice from the Association, to repay such amounts to the Association in order to properly maintain the reserve account applicable to such Unit, and such amount to be repaid shall have the same status of the Common Assessment for purposes of the collection, enforcement and assessment lien provisions of this Declaration. Upon the sale of a Unit, an Owner shall be entitled to a credit from his purchaser for the remaining balance of such reserve account applicable to the Owner's Unit and such balance shall be replaced by the new Owner.

**ARTICLE 12
ASSOCIATION AS ATTORNEY-IN-FACT**

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association upon their damage or destruction, or a complete or partial taking as provided below. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

**ARTICLE 13
DAMAGE OR DESTRUCTION; OBSOLESCENCE**

Section 13.1 The Role of the Board. Except as provided in Section 13.6, in the event of damage to or destruction of all or part of any Common Elements improvement, or other property covered by insurance written in the name of the Association under Article 10, the Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article 10 is sometimes referred to as the "Association-Insured Property").

Section 13.2 Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in Article 13 shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or

destruction. Such costs may also include professional fees and premiums for such bonds as the Board or the Insurance Trustee, if any, determines to be necessary.

Section 13.3 Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 13.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Article 11, if permitted under the Act, levy, assess, and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

Section 13.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in equal shares per Unit, first to the Secured Lenders and then to the Owners, as their interests appear.

Section 13.6 Decision Not to Rebuild Common Elements. If Owners representing not less than 67% of the total allocated votes in the Association and all directly adversely affected Owners agree in writing not to repair and reconstruct improvements within the Common Elements; and, if no alternative improvements are authorized, then, in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 13.7 Obsolescence.

(a) Definition of Obsolescence. For purposes of this Declaration

`obsolescence_ shall mean one or more of the following:

- i. a diminution in value of the Community caused by changes in technology, public taste, and/or new inventions rendering the property less desirable on the market;
- ii. a decline in market value of the Community caused by improved alternatives available that will be more cost-effective, unrelated to physical changes in the property itself;
- iii. the need for replacement because the structure or equipment on the Property has become inefficient or outmoded because of improvements developed since its original construction or production; and
- iv. loss of value by reason of shortcomings or undesirable features contained within the Property.

(b) Determination of Obsolescence. The Heather of Vail Condominiums may be declared obsolete with the affirmative vote of not less than 67% of all Owners in the Association.

(c) Redevelopment, Renovation or Restoration. In the event the Community is declared obsolete, the intent for any redevelopment, renovation or restoration shall be to maintain a property consistent in quality of construction and use with surrounding properties. This may include a full demolition and rebuild of the existing structure.

(d) Plan for Redevelopment, Renovation or Restoration. After declaring the Heather of Vail Condominiums obsolete, the Owners shall approve a plan for the redevelopment, renovation or restoration of the Community as it relates to the Common Elements and Units by vote of not less than 67% of all Owners in the Association. Nothing herein shall preclude an Owner from a separate contract with the developer, if any. The Association, as attorney-in-fact for the owners, shall promptly cause such renovation or restoration to be made according to such plan. All Owners of Units in such building shall be bound by the terms of such plan and the costs of the work shall be the responsibility of the developer, the Owners, or both, according to the plan. If any costs are the expense of the Owners, the costs shall be assessed and paid by the Owners in the proportions of their respective interests in the Common Elements.

(e) Notice. If at any time the Owners agree that the Heather of Vail Condominiums have become obsolete as defined in this section, the Association, as attorney-in-fact for the owners, shall promptly record in the real estate records of Eagle County, Colorado, a notice of such facts. If the plan requires termination of the Community, the Association shall proceed according to the Act regarding termination and the Property shall be free and clear of the provisions of this Declaration and the Map upon termination (except for any easements or rights granted herein or in the Map to third parties). The same shall apply if the plan requires the Property be sold to a third party and in this event, the

proceeds of such sale be collected, applied and divided among the Owners in the proportions of their respective interests in the Common Elements.

ARTICLE 14 CONDEMNATION

Section 14.1 Rights of Owners. Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed in lieu of a taking under threat of condemnation by the Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 14.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Elements was conveyed and, unless otherwise required under the Act, the award shall be disbursed as follows:

If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within 60 days after such taking Owners who represent at least 67% of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the provisions in Article 13 above regarding the disbursement of funds in respect to casualty damage or destruction that is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Unit among the Owners, first to the Secured Lenders and then to the Owners, as their interests appear.

Section 14.3 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, and such Owner's interest in the Common Elements shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute such documents as are necessary to reflect such termination. Thereafter, the Association shall reallocate the ownership and assessment ratio determined in accordance with this Declaration according the same principles and shall submit such reallocation to the Owners of remaining Units for approval by amendment of this Declaration in accordance with the amendment terms hereof.

Section 14.4 Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by

this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in Article 13, Section 13.5 above.

ARTICLE 15 RIGHTS OF SECURED LENDERS

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages or deeds of trust on Units (the `Secured Lenders_). To the extent permitted under Colorado law and applicable, necessary, or proper, the provisions of this Article apply to this Declaration and also to the Articles and Bylaws.

Section 15.1 Approval Requirements. Unless at least 67% of the Secured Lenders (based on one vote for each mortgage owned), and at least 67% of the Owners have given their prior written approval, the Association shall not be entitled to:

15.1.1 By act or omission seek to abandon, partition, subdivide, sell, or transfer all or part of the Common Elements (provided, however, that the granting of easements or rights of way for public utilities or for other purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause);

15.1.2 Fail to maintain insurance required to be maintained under this Declaration;

15.1.3 Use hazard insurance proceeds for losses to improvements in the Common Elements for other than the repair, replacement, or reconstruction of such property.

Section 15.2 Title Taken by Secured Lender. Any Secured Lender who obtains title to the Unit pursuant to remedies exercised in enforcing the first mortgage, including foreclosure of the first mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Unit (i) is acquired or (ii) could have been acquired under the statutes of Colorado governing foreclosures, whichever is earlier. Such Secured Lender shall also become liable for any Assessments having priority over the first mortgage pursuant to the terms and provisions of the Act.

Section 15.3 Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Units for losses to, or taking of, all or part of the Common Elements, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any Secured Lender against the Unit.

Section 15.4 Right to Pay Taxes and Charges. Secured Lenders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and Secured

Lenders making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE 16

DURATION OF COVENANTS AND AMENDMENT OF DECLARATION

Section 16.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 16.2 Amendment. This Declaration and/or the Map, may be amended at any time by the affirmative vote or agreement of Owners holding not less than 67% of the votes possible to be cast at a meeting of the Owners called for that purpose. Any amendment must be executed by the President of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying the approval of a sufficient number of Owners of the amendment.

Section 16.3 Expenses. All expenses associated with preparing and recording an amendment to the Declaration shall be the sole responsibility of the Association, unless otherwise provided by the Act.

ARTICLE 17

LIMIT ON TIMESHARING

No Units shall be used (i) for the operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, or (ii) for the operation of a reservation or time-use system among co-Owners of a Unit managed by a party other than the co-Owners themselves or a system whereby co-Owners are required as a condition of purchase of a fractional interest in the Unit to subject the fractional interest to a pre-determined reservation or time-use system among co-Owners, regardless of whether or not the co-Owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating. Nothing in this Article shall prevent title to one Unit being held by multiple owners as tenants in common or as joint tenants with rights of survivorship.

ARTICLE 18

RIGHT TO COMBINE UNITS

No Owner shall have the right to combine a Unit with one or more adjoining Units..

ARTICLE 19

ACKNOWLEDGMENTS

Each Owner is hereby advised of the following matters affecting the Property and the Owners' use and enjoyment thereof:

Section 19.1 Mountain Conditions. Each Owner acknowledges that ownership of real property in mountain areas involves certain inherent inconveniences. These include, but are not limited to, (a) dripping water onto decks and porches from snow melt, (b) snow and ice build-up on roofs, decks and porches during winter months, and the need to remove snow from roofs and decks to prevent damage from overloading such structures, (c) the need to open windows to cool a residence, and (d) other inconveniences arising from the sometimes severe winter conditions in the Rocky Mountains.

Section 19.2 Security Disclaimer. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve security in the Community, including but not limited to, limiting access to the Community; however, each Owner, for himself or herself and his or her tenants, guests, licensees and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in the Community. Furthermore, the Association does not guarantee that non-owners will not gain access to the Community and commit criminal acts in the Community, nor does the Association guarantee that criminal acts in the Community will not be committed by Owners or their guests or invitees. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide security or the ineffectiveness of measures taken.

ARTICLE 20 GENERAL PROVISIONS

Section 20.1 Enforcement. Except as otherwise provided in this Declaration, the Board, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, subject to the policies and procedures regarding enforcement of covenants. The Association shall have the right to report any default of an Owner in regard to the Governing Documents to the Owner's Secured Lender which is not cured within thirty days of notice to the Owner of the default. Failure by the Board of the Association or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Failure of an Owner or an Owner's tenant, invitee, or other guest to comply strictly with the provisions of this Declaration, the Articles, Bylaws, Rules and Regulations, Policies and Procedures shall be grounds for an action to recover sums due for damages or injunctive relief or both, together with reasonable attorney fees, and court costs.

Section 20.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 20.3 Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 20.4 Addresses for Notices. Owners of a Unit shall furnish a mailing address to the Association as provided in the Bylaws for notices.

Any notice delivered to a Secured Lender in accordance with the terms of this Declaration shall be sent to the address for such party specified in the first mortgage unless the Secured Lender notifies the Association in writing of a different address.

All notices and demands intended to be served upon the Board shall be in writing sent to the principal office address of the Association or such address as the Board may designate from time to time by notice to all of the Owners with copy to the President. This requirement of notice to the Association and to the President must be strictly adhered to in order to satisfy the notice requirement.

All notices given in accordance with this Section shall be sent by any one of the following methods: (1) personal delivery, which shall be effective upon receipt; (2) by electronic mail (except where the Act requires otherwise) if the party to whom notice is being emailed has provided a valid email address to the other party; (3) overnight courier service, which shall be effective one business day following timely deposit with the courier service; or, (4) regular, registered or certified mail, postage prepaid, which shall be effective five days after deposit in the U.S. mail.

End of Document; Signatures and Exhibits to follow.

EXHIBIT 1

LEGAL DESCRIPTION OF PROPERTY

UNITS A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9,

UNITS B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9,

COMMON ELEMENTS, HEATHER OF VAIL CONDOMINIUMS,

and the real property described in the Amendment to Condominium Declaration recorded on November 24, 1976 at Reception Number 146539, in Book 250 at Page 271, in the records of the Eagle County Clerk and Recorder,

COUNTY OF EAGLE, STATE OF COLORADO,

also known as 5197 Black Gore Dr., Vail, CO 81657.

EXHIBIT 2

ALLOCATED INTERESTS

The formula for the Allocated Interests is allocation among all Units according to square footage. The square footage measurement used is as stated on the Eagle County website (www.eaglecounty.us) as of the date of this Declaration.

UNIT NUMBER	ALLOCATED INTEREST
Unit A-1	5.2 %
Unit A-2	5.2 %
Unit A-3	5.2 %
Unit A-4	5.1 %
Unit A-5	5.3 %
Unit A-6	5.0 %
Unit A-7	6.8 %
Unit A-8	5.9 %
Unit A-9	6.8 %
Unit B-1	5.2 %
Unit B-2	5.2 %
Unit B-3	5.1 %
Unit B-4	5.1 %
Unit B-5	5.2 %
Unit B-6	5.1 %
Unit B-7	5.9 %
Unit B-8	6.8 %

Unit B-9	5.9 %
TOTAL	100.00 %

EXHIBIT 3
Maintenance & Insurance Responsibility Chart

The chart below summarizes the maintenance and insurance responsibility for certain elements at Heather of Vail Condominiums, Vail, Colorado as provided in the Declaration. There may be exceptions where the indications in the chart are modified due to overriding language in the Declaration.

The definitions set forth in the Declaration shall apply to all capitalized terms contained in this chart.

A = Heather of Vail Condominium Association

O = Owner

Project Element	Maintenance Responsibility	Insurance Responsibility
Common Elements on the Property	A	A
Buildings, including the foundations, columns, girders, beams, structural components of Buildings, and exterior building walls and surfaces, <u>not</u> including Units	A	A
Roofs	A	A
Main or bearing roof supports within the Buildings, the main or bearing subflooring of the Buildings	A	A
Balconies, patios, decks, porches, corridors, vestibules, entrances and exits	A (with Owners to follow additional covenants to maintain these areas in neat and clean condition)	A
Chimneys, flues (from bottom of closed damper upward and outward)	A	A
Mechanical installations of the Building: for power, light, gas, water, or similar utility service or maintenance purposes, including equipment related thereto, wires, ducts, cables, conduits, and public utility lines, which are for use in connection with other Common Elements or which serve more than one Unit	A	A
Stairs, stairways, stairwells, sidewalks and concrete walkways, fire escapes, not within a Unit.	A	A
Landscape and recreational areas	A	A

All exterior doors and door frames used as access to the individual Units	O	A
Parking areas, paths, driveways, drive lanes, roadways	A	A
Building Exterior Light Fixtures	A	A
Storage Closets	A	A

Individual Unit	O	O
Interior perimeter walls, ceilings and floors - finished surfaces (including paint, wallpaper, paneling and texture)	O	O
Unfinished Interior perimeter walls (including insulation, studs, supports, and other wooden, metal, or similar structural materials), ceilings (including beams, joists, and wooden or other structural materials which constitute the ceiling), and floors (including beams, floor joists, and floor deck material which constitute the floor)	A	A
Drywall	A	A
Windows and window frames, including panes and screens, and skylights in closed position	O	A
Fireplace (from bottom of damper in closed position downward, not including the damper)	O	O
Improvements within the unfinished perimeter walls, ceilings, and floors of Unit	O	O
Heating and refrigerating elements or related equipment	O	A
Utility lines and outlets within Unit	O	A
Electrical fixtures within Unit	O	A
Plumbing fixtures and pipes within Unit	O	A
Equipment installations within an air space Unit for electricity, gas, water, and heating, including, but not limited to, pipes, wires, ducts, cables, conduits, public utility lines, equipment, tanks, pumps, motors, fans, and compressors	O	A
Hot water heater within Unit	O	A
Structural upgrades by Owner, fixtures supplied by Owner	O	O
Owner's personal property, including furnishings	O	O

****Note: Unapproved modifications are addressed in Section 8.6 of this Declaration.**

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation



OWNER SIGNATURE

A2
UNIT NO.

C. Lynne Campbell
Print Name

10/12/2016
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE

William H. Mugg
Print Name

A-3
UNIT NO.

10/20/16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

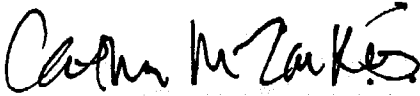
FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation



OWNER SIGNATURE

Catherine Zaikis
Print Name

A-4.

UNIT NO.

10/13/2016
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. **Vote on Amended and Restated Declaration**

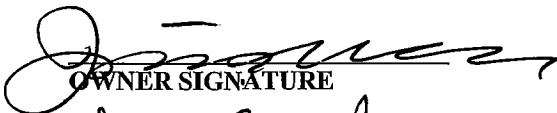
FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. **Vote on Bylaws**

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. **Vote on Articles of Incorporation**

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE

Jennifer Wanner
Print Name

A6
UNIT NO.

10/5/2016
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. **Vote on Amended and Restated Declaration**

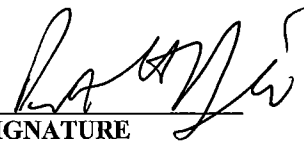
FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. **Vote on Bylaws**

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. **Vote on Articles of Incorporation**

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE
Peter Devigne
Print Name

A - 8
UNIT NO.
10/18/16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE

DAVID KRAWITZ
Print Name

A-9
UNIT NO.

10/02/2016
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation

Kathryn M Dean
OWNER SIGNATURE

31
UNIT NO.

Kathryn M Dean
Print Name

9/29/16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. **Vote on Amended and Restated Declaration**

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. **Vote on Bylaws**

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. **Vote on Articles of Incorporation**

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation

Judge D. [Signature]
OWNER SIGNATURE

B2
UNIT NO.

Judge Dramis
Print Name

10.5.16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL IT to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX IT to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation

OWNER SIGNATURE

Unit Name

B-3

UNIT NO.

10/11/16
Date

Consent: By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable, Split Owners: This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

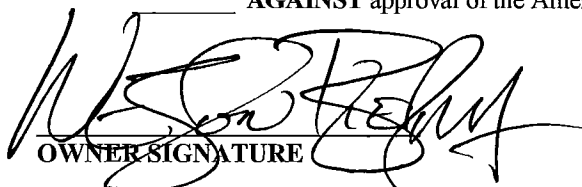
FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE

B4
UNIT NO.

WESTON BIERNA
Print Name

5 OCT 2016
Date

DANA WALENTA

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX It to (970) 477-1147.

A. Vote on Amended and Restated Declaration


FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation



 OWNER SIGNATURE
 Carol Rossi

 Print Name

B5

 UNIT NO.
 10/8/16

 Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation

J BASTIEN
OWNER SIGNATURE

JASON BASTIEN
Print Name

86
UNIT NO.

10-5-16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration


FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE
David C. Crowther
Print Name

B-7
UNIT NO.
10/14/16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration

FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE

MARISA MAUFFREY
Print Name

38
UNIT NO.

10/01/2016
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.

BALLOT

PLEASE INDICATE YOUR VOTE BELOW AND RETURN PROMPTLY SO THAT IT IS RECEIVED BY THE PROPERTY MANAGER NO LATER THAN FRIDAY, October 21, 2016 via email, mail or fax to the Heather of Vail HOA:

- EMAIL IT TO: sara@mcneillinc.com
- MAIL it to Heather of Vail, c/o McNeill Property Management at 2077 N. Frontage Road, Suite D, Vail, CO 81657
- FAX it to (970) 477-1147.

A. Vote on Amended and Restated Declaration


FOR approval of the Amended and Restated Declaration
 AGAINST approval of the Amended and Restated Declaration

B. Vote on Bylaws

FOR approval of the Amended and Restated Bylaws
 AGAINST approval of the Amended and Restated Bylaws

C. Vote on Articles of Incorporation

FOR approval of the Amended and Restated Articles of Incorporation
 AGAINST approval of the Amended and Restated Articles of Incorporation


OWNER SIGNATURE
Steven Price
Print Name

B9
UNIT NO.
10/19/16
Date

Consent. By executing and delivering this Ballot, I consent to this Vote by Mail.

Irrevocable; Split Owners. This Ballot is irrevocable once it has been received. There shall be no split voting by multiple owners of the same unit. If multiple persons or entities own the same unit, and if less than all such owners cast a Ballot, then it shall be presumed that the person casting the Ballot is acting on behalf of the majority of the multiple owners, unless the manager is notified otherwise before the vote is counted.