

CASOLAR HOMEOWNERS ASSOCIATION ANNUAL MEETING

SATURDAY SEPTEMBER 5TH, 2015 3PM

1150B Sandstone Drive and Via Conference Call

AGENDA

CALL TO ORDER

ROLL CALL OF ATTENDEES

ESTABLISH A QUORUM

VOTE ON APPROVAL OF MINUTES FROM 08/23/2014 MEETING

APPROVAL OF BOD FOR 2015-2016 YEAR

PRESIDENT'S REPORT

TREASURER'S REPORT

VOTE ON RATIFICATION OF 2015-2016 BUDGET

VOTE ON UPDATE OF HOA DOCUMENTS TO COLORADO GUIDELINES

VOTE ON WAIVING OF ANNUAL AUDIT

REPORT ON LANDSCAPE ACCOMPLISHMENTS

**REPORT FROM MEETING WITH FIRE MARSHAL RE: WILDFIRE
ASSESSMENTS**

SET DATE FOR NEXT ANNUAL MEETING

ADJOURNMENT

CASOLAR DEL NORTE HOMEOWNERS ASSOCIATION ANNUAL MEETING

**SATURDAY SEPTEMBER 5th, 2015 - 3 PM Mountain Time
1150B Sandstone Drive**

This proxy and ballot information is for the September 5th, 2015 Annual Meeting of the Casolar Del Norte Home Owners Association. The meeting will be held at 3PM Mountain Time at the home of Kenny Friedman, 1150B Sandstone Drive and via conference bridge that we will have set up to allow remote callers to attend the meeting. The call-in number is 888-875-1833 and the passcode to join the conference bridge will be 268526797#. This information is also posted on the "www.casolarvail.com" web site under the "Homeowners Directory" section. The login/password to gain access to those sections of the web site that are protected are a login name of "ski" and a password of "vail".

If you wish to proxy your votes please fill out, sign and return a completed PROXY form. Alternatively, if you wish to vote on the attached ballot items and return them in advance of the meeting you may also do so. These must be returned by US Postal mail or email and **RECEIVED** by us no later than Saturday, August 29, 2015 in order to be counted. The address to return either your PROXY or your BALLOT documents is below.

Casolar Del Norte Home Owners Association
PO Box 2966
Vail, Colorado 81658-2966
Email: nbigsbv1006@yahoo.com

PROXY FOR SEPTEMBER 2015 ANNUAL MEETING OF CASOLAR DEL NORTE HOMEOWNER'S ASSOCIATION

In the event that the undersigned is not present, or if present and does not elect to vote in person, the undersigned hereby appoints and constitutes:

Majority of Board

Or

Name of Individual _____

as proxy of the undersigned to attend the annual meeting of the Casolar del Norte Homeowner's Association to be held at 3:00 p.m. Saturday, September 5th, 2015 at 1150B Sandstone Drive, Vail, Colorado 81657 and any adjournment or adjournments thereof, with full power to vote and act for the undersigned in their name, place and stead, in the same manner, to the same extent and with the same effect that the undersigned might if they were present thereat, giving said full power of substitution and revocation and the undersigned hereby revokes any other proxy heretofore given by them.

Dated this _____ Day of _____, 2015

Signature of Lot Owner

Signature of Lot Owner

Name and Address:

Casolar Address:

Please return this notice by August 29, 2015 to: Casolar Del Norte Homeowners Association
P.O. Box 2966
Vail, Colorado 81658-2966
Or via email: nbigby1006@yahoo.com

PLEASE INITIAL AND WRITE DOWN YOUR CASOLAR UNIT NUMBER IF MAILING OR FAXING BALLOT: _____ UNIT# _____

Approval of the minutes of the 2014 Annual Meeting

Cast your vote to approve the minutes of the 2014 Annual Meeting. Our governing documents call for the Members to approve the minutes from the prior year's annual meeting at the next annual meeting. A copy of these minutes, pending approval, is already posted to www.casolarvail.com under the "Minutes" section for 08-23-2014. Your ballot MUST be RECEIVED later than August 29, 2015 in order to be counted.

I cast my vote in FAVOR of approving the 2014 minutes.

I cast my vote AGAINST approval of the 2014 minutes.

PLEASE INITIAL AND WRITE DOWN YOUR CASOLAR UNIT NUMBER IF MAILING OR FAXING BALLOT: _____ UNIT# _____

Casolar Del Norte HOA 2015-2016 Director Positions

Please Vote for up to FIVE (5) Board Members ("Directors") to serve as the Casolar Board for the 2015-2016 year. Put a checkmark in the right hand column for up to five (5) of the choices below to indicate a vote for that person.

Nancy Bigsby (Incumbent)	<input type="checkbox"/>
Kenny Friedman (Incumbent)	<input type="checkbox"/>
Donna Pylman Hurwitz (Incumbent)	<input type="checkbox"/>
Brendan McCarthy	<input type="checkbox"/>
Bill Russell	<input type="checkbox"/>
Write In:	<input type="checkbox"/>

The business of the Association is managed by a Board of five (5) directors whose term runs for one year. Elections are held at the Annual meeting. Three members of last year's Board, Nancy Bigsby, Donna Pylman Hurwitz and Kenny Friedman, are all willing to serve for another year (if elected). Your ballot MUST be RECEIVED by August 29 in order to be counted.

Please Initial and write down your Casolar unit number if mailing your ballot. _____ Unit # _____

President's Report: Casolar Del Norte Homeowners Association

The Board of Directors of the HOA has been working really hard this past year and we believe that we have made significant strides towards our long term goals. On a more personal note I believe the current board worked really well together and I have very much enjoyed the business relationships as well as the camaraderie of my neighbors. Alas, the time has come for a few of the present board members to resign their positions and I want to give strong accolades to Rob Wright, our Vice-President, and Marshall Turley, our Treasurer. Rod's sage advice and insights will be dearly missed and Marshall has done a yeoman's job as our Treasurer for the past two years. From the bottom of my heart I thank both of you for the service you have provided to the HOA and I am confident in stating that the BOD and the HOA appreciate all that you have contributed. Thank you.

Although we are losing two of the five board members we still can maintain the cohesiveness of the board with Nancy Bigsby, our Secretary and longtime board member, and Donna Hurwitz, our member at large. Nancy has been on the board the longest and is a wealth of knowledge and truly committed to Casolar in any capacity she has held and is there for all of us every day. She cares about our community, never misses a meeting and will always meet with me regarding HOA business anytime it is needed twelve months of the year. Thank you Nancy.

We have two excellent candidates that have stepped forward to volunteer to replace the seats that are vacant and I am pleased to share with everyone that Brendan McCarthy and Bill Russell are on the ballot for election for the 2015-2016 Board of Directors. Presuming the three incumbents are reelected along with the two new additions your Board of Directors will look like this:

Kenny Friedman-Incumbent and President

Donna Hurwitz-Incumbent and Vice President

Nancy Bigsby-Incumbent and Secretary

Bill Russell-Past Board Member and Treasurer

Brendan Marshall-Past Board Member and Member at Large

I strongly ask for your votes to this proposed board and we will continue to serve the membership at large to the best of our abilities.

Time for a quick recap of the 2014-2015 years accomplishments:

- At last year's Annual HOA Meeting it was asked of the current BOD to form an Audit Committee and have the financials reviewed and approved by other HOA members outside the BOD. We had the financials reviewed by both Mr. Allen Mulligan and Mr. Gerald Merfish, independently, and collectively. They both reported that the financial statements were accurate and that all funds are accounted for and have been verified to their satisfaction.
- We took on and completed a huge Wildfire Mitigation Project in conjunction with the Town of Vail, The Community Development Department and the Vail Fire Department. The HOA lands were rated as "High" (red zone) before we undertook this common area mitigation. After the job was completed we have now received a "Moderate" (yellow zone) which is the lowest rating we can ever achieve because of our hillside topography. We will continue to maintain our Moderate designation and follow all guidelines that the Fire Department has given to us.
- We undertook and completed a complete re-write and modernization of the HOA's Bylaws and the Covenants and Restrictions that were originally instituted in 1979. Donna Hurwitz, a BOD member and a licensed attorney, took the lead position on this huge undertaking and we, the BOD, thank you so much for your leadership and guidance with our attorneys and the rest of the board. She worked tirelessly and has been our conduit between the BOD and our attorney. The documents now reflect what the HOA is and recognizes that the needs of the community have changed drastically between 1979 and 2015 and we sincerely ask for your "yes" vote on this major accomplishment that has been undertaken.
- The Telemark Dumpster has been removed on Vail View Drive and I thank Bill Russell for his drive and help in getting that community wide eye sore removed as well as make Telemark Condominiums compliant with the TOV recycling laws.
- Finally, we have hired a new landscaping company this summer and I believe that the quality of this new service has put Casolar in the best condition I have ever seen in my past thirteen years of residency. We have completed the Sandstone Drive and Vail View Drive portions of the landscape commitments and look forward to continuing the improvements on both Casolar Drive and Vail View Drive.

In looking back on the last two years since I became President of the Board I can share two insights with you. The first is that I never thought I would spend as much time and energy on a day in day out basis that I do. The entire BOD has been very committed to our goals and achievements and I couldn't do my job without their full support and their willingness to see

our goals through to fruition. The second insight I will share with you is that it is a pleasure to serve in the Presidents capacity and I really enjoy every minute of my time spent in this role.

Thank you and I look forward to another year of Casolar Del Norte projects and activities.

Respectfully,

Kenneth O. Friedman, President

Casolar Del Norte Home Owners Association
Budget vs. Actuals: FY2015-2016 OCT1 2015 THROUGH SEPT 30 2016 - FY15 P&L
October 2014 - September 2015

	Oct - Dec, 2014		Jan - Mar, 2015		Apr - Jun, 2015		Jul - Sep, 2015		Projected Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Income										
FROM RESERVES or left from last year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOMEOWNER DUES	0.00	53,580.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53,580.00
Total Income	\$ 0.00	\$ 53,580.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 53,580.00
Gross Profit	\$ 0.00	\$ 53,580.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 53,580.00
Expenses										
ACCOUNTING FEES	0.00	830.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	830.00
BANK CHARGE	0.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00
INSURANCE	0.00	650.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	1,750.00
LEGAL FEES	0.00		0.00							0.00
Capital Project to Revise Governing Documents	0.00		0.00		0.00					0.00
GENERAL	0.00	600.00	600.00	600.00	600.00	600.00	413.00	667.00	413.00	2,467.00
Total LEGAL FEES	\$ 0.00	\$ 600.00	\$ 0.00	\$ 600.00	\$ 0.00	\$ 600.00	\$ 413.00	\$ 667.00	\$ 413.00	\$ 2,467.00
Licenses & Fees	0.00	0.00	0.00	0.00	40.00	0.00	0.00	0.00	0.00	40.00
STATE FEES	0.00		28.39						28.39	0.00
Total Licenses & Fees	\$ 0.00	\$ 0.00	\$ 0.00	\$ 28.39	\$ 40.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 28.39	\$ 40.00
Meeting Expenses										
Annual Meeting	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	100.00
Total Meeting Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 100.00	\$ 0.00	\$ 100.00
OFFICE & PHONE										
Domain Name Fee	0.00	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Office Box	0.00	21.00	21.00	21.00	21.00	21.00	25.00	25.00	0.00	40.00
Postage and Delivery Expense	0.00	35.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.00
Printing and Repro. Expense	0.00	35.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.00
Teleconference Service	0.00	82.00	0.00	83.00	0.00	82.00	0.00	83.00	0.00	35.00
Web Site Hosting	0.00	40.00	0.00	0.00	70.00	0.00	0.00	0.00	0.00	330.00
Total OFFICE & PHONE	\$ 0.00	\$ 213.00	\$ 0.00	\$ 144.00	\$ 0.00	\$ 173.00	\$ 0.00	\$ 108.00	\$ 0.00	\$ 638.00
Repair & Maintenance										
Common Area Maintenance Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IRRIGATION SYSTEM										
Irrigation Backflow Valve Certification	0.00	0.00	0.00	0.00	625.00	0.00	0.00	0.00	0.00	0.00
Repair & Maintenance - Irrigation System	880.00	880.00	870.00	870.00	880.00	880.00	870.00	870.00	0.00	3,500.00
WATER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water - 1141 Casolar Dr	0.00	0.00	0.00	0.00	535.00	0.00	535.00	535.00	0.00	1,070.00
Water - 1150 Casolar Dr	0.00	0.00	0.00	0.00	180.00	0.00	180.00	180.00	0.00	360.00
Water - 1150 Sandstone	0.00	0.00	0.00	0.00	357.00	0.00	358.00	358.00	0.00	715.00

	0.00	0.00	0.00	0.00	0.00	180.00	180.00	0.00	360.00
Water - 1151 Casolar Dr									
Total WATER	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,252.00	\$ 0.00	\$ 1,253.00	\$ 0.00	\$ 2,505.00
Total IRRIGATION SYSTEM	\$ 0.00	\$ 880.00	\$ 0.00	\$ 870.00	\$ 2,757.00	\$ 0.00	\$ 2,123.00	\$ 0.00	\$ 6,630.00
LANDSCAPING	0.00			0.00	6,000.00	0.00	9,000.00	0.00	15,000.00
A- Fall Blow Leaves and Irrigation Tubes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B- Lawn Services - Mowing & Flower Beds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C- Spring Cleanup- Fertilize, Weed, etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Project for Landscape Improvements									
Tree Spraying	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tree Trimming and Removal Services	0.00	0.00	0.00	0.00	3,300.00	0.00	0.00	0.00	3,300.00
Total LANDSCAPING	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,300.00	\$ 0.00	\$ 9,000.00	\$ 0.00	\$ 18,300.00
SNOW REMOVAL SERVICES	7,500.00	0.00	7,500.00	0.00	2,500.00	0.00	0.00	0.00	17,500.00
Total Repair & Maintenance	\$ 0.00	\$ 8,380.00	\$ 0.00	\$ 8,370.00	\$ 14,557.00	\$ 0.00	\$ 11,123.00	\$ 0.00	\$ 42,430.00
ROAD REPAIRS									
Road Cracks and Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total ROAD REPAIRS	\$ 0.00	\$ 500.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 500.00
TRASH	0.00	1,200.00	0.00	1,200.00	0.00	1,200.00	0.00	0.00	4,800.00
Total Expenses	\$ 0.00	\$ 12,398.00	\$ 0.00	\$ 10,314.00	\$ 28.39	\$ 17,670.00	\$ 413.00	\$ 13,198.00	\$ 53,580.00
Net Operating Income	\$ 0.00	\$ 41,182.00	\$ 0.00	\$ 10,314.00	\$ 28.39	\$ 17,670.00	\$ 413.00	\$ 13,198.00	\$ 0.00
Net Income	\$ 0.00	\$ 41,182.00	\$ 0.00	\$ 10,314.00	\$ 28.39	\$ 17,670.00	\$ 413.00	\$ 13,198.00	\$ 0.00

Tuesday, Jul 14, 2015 02:04:28 PM PDT GMT-6 - Cash Basis

Vote on Ratification of the proposed 2015-2016 Budget

Cast your vote to ratify the proposed 2015-2016 Budget as posted on www.casolarvail.com under the "Budget" section, a copy of which was also attached to this Ballot package. Your ballot **MUST** be RECEIVED no later than **August 29, 2015 in order to be counted.**

I cast my vote in FAVOR of ratification of the proposed 2015-2016 Budget.	<input type="checkbox"/>
I cast my vote AGAINST the ratification of the proposed 2015-2016 Budget.	<input type="checkbox"/>

The current Board has put together a budget which we believe should cover Association costs for the 2015-2016 fiscal year. A copy of this budget, dated 07-13-2015, was included with this Ballot information and an online copy may be found on the web site www.casolarvail.com under the "budget" section. Under this budget, dues will remain unchanged from last year. If approved, the Association will have roughly \$40,000 in our reserve account. The current Board recommends that you vote in favor of ratifying this budget.

PLEASE INITIAL AND WRITE DOWN YOUR CASOLAR UNIT NUMBER IF MAILING OR FAXING BALLOT: _____ UNIT# _____

Casolar Del Norte Home Owners Association

BUDGET OVERVIEW

	TOTAL
Income	
FROM RESESRVES or left from last year	0.00
HOMEOWNER DUES	53,580.00
Total Income	\$53,580.00
Gross Profit	\$53,580.00
Expenses	
ACCOUNTING FEES	830.00
BANK CHARGE	25.00
INSURANCE	1,750.00
LEGAL FEES	
GENERAL	2,467.00
Total LEGAL FEES	2,467.00
Licenses & Fees	40.00
Meeting Expenses	
Annual Meeting	100.00
Total Meeting Expenses	100.00
OFFICE & PHONE	
Domain Name Fee	40.00
Post Office Box	88.00
Postage and Delivery Expense	35.00
Printing and Repro. Expense	35.00
Teleconference Service	330.00
Web Site Hosting	110.00
Total OFFICE & PHONE	638.00
Repair & Maintenance	
Common Area Maintenance Contingency	0.00
IRRIGATION SYSTEM	
Irrigation Backflow Valve Certification	625.00
Repair & Maintenance - Irrigation System	3,500.00
WATER	0.00
Water - 1141 Casolar Dr	1,070.00
Water - 1150 Casolar Dr	360.00
Water - 1150 Sandstone	715.00
Water - 1151 Casolar Dr	360.00
Total WATER	2,505.00
Total IRRIGATION SYSTEM	6,630.00
LANDSCAPING	15,000.00

A- Fall Blow Leaves and Irrigation Tubes	0.00
B- Lawn Services - Mowing & Flower Beds	0.00
C- Spring Cleanup- Fertilize, Weed, etc	0.00
Capital Project for Landscape Improvements	0.00
Tree Spraying	3,300.00
Tree Trimming and Removal Services	0.00
Total LANDSCAPING	18,300.00
SNOW REMOVAL SERVICES	17,500.00
Total Repair & Maintenance	42,430.00
ROAD ENGINEERING & SURVEY	0.00
ROAD REPAIRS	0.00
Road Cracks and Repairs	500.00
Total ROAD REPAIRS	500.00
TRASH	4,800.00
Total Expenses	\$53,580.00
Net Operating Income	\$0.00
Net Income	\$0.00

Sunday, Jul 12, 2015 10:11:44 PM PDT GMT-6 - Cash Basis

Vote on Adoption of proposed Amended and Restated ByLaws

Cast your vote to adopt the Amended and Restated ByLaws

I cast my vote in FAVOR of Adoption of the Amended and Restated ByLaws	<input type="checkbox"/>
I cast my vote AGAINST the Adoption of the Amended and Restated ByLaws	<input type="checkbox"/>

The current Board has been working with the attorney for the HOA to restate all of our governing documents in order to bring them up to date with current Colorado law. The proposed Amended and Restated ByLaws have been approved by the Board of Directors and now need to be approved by the Members. A copy of the proposed Amended and Restated ByLaws was included with this Ballot Information. It has been annotated by the attorney to show how the various sections correspond with our existing ByLaws. Our existing ByLaws may be found on the website www.casolarvail.com under the Governing Documents section. Your ballot MUST be RECEIVED no later than August 29 in order to be counted.

PLEASE INITIAL AND WRITE DOWN YOUR CASOLAR UNIT NUMBER IF MAILING OR FAXING BALLOT: _____ UNIT# _____

This document is in the DRAFT FOR HOMEOWNER REVIEW effective 7/17/2015. No reliance should be made, nor representations inferred from, the contents of this draft document.

**AMENDED AND RESTATED BYLAWS
OF
CASOLAR DEL NORTE HOME OWNERS ASSOCIATION**

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**AMENDED AND RESTATED BYLAWS
OF
CASOLAR DEL NORTE HOME OWNERS ASSOCIATION**

RECITALS

Casolar Del Norte Home Owners Association, a Colorado nonprofit corporation ("Association"), certifies that:

- A. The Association desires to amend and restate its Bylaws currently in effect as follows.
- B. The provisions set forth in these Amended and Restated Bylaws supersede and replace the existing Bylaws and any amendments.
- C. The Bylaws of the Association are amended by striking in all articles their entirety, and by substituting the following:

ARTICLE 1. INTRODUCTION AND PURPOSE

The Association is a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act.

These Amended and Restated Bylaws are adopted to regulate and manage the affairs of the Association. The Association's purposes are to: act as the owner's association pursuant to the Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail, as may be amended from time to time (the "Declaration"); operate and govern the community known as Casolar Del Norte ("Community"); provide for the administration, maintenance, preservation and architectural review of the Lots and Common Areas within the Casolar Del Norte Community; and to preserve the value and desirability of the Community and further the interests of the residents of the Community.

[NOTE: This provision has been added.]

ARTICLE 2. DEFINITIONS

All capitalized terms used in these Amended and Restated Bylaws will have the same meaning as set forth in Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail.

[NOTE: This provision is similar to Article 1 of the current Bylaws.]

ARTICLE 3. MEMBERSHIP AND VOTING

Section 3.1 Membership. Every person who is an Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of any Lot. Ownership of the Lot is the sole qualification for membership.

[NOTE: This provision modifies Article II of the current Bylaws to expressly incorporate the language of Article III, Section 1 of the Declaration regarding membership qualifications. If the Association amends and restates the Declaration in the future, there will be no need to modify the Bylaws because they reference sections in the current Declaration.]

Section 3.2 Suspension of Member Rights. Without notice or hearing, during any period in which a Member is in default in the payment of any assessment levied by the Association, the Member's voting rights will be deemed suspended by the Board of Directors. After notice and an opportunity for a hearing, a Member's voting rights may also be suspended for a period not to exceed 60

days or during any period of violation of any other provision of the Governing Documents, whichever is greater.

[NOTE: This provision incorporates the authority to suspend voting rights for failure to pay assessments and for covenant violations for as long as the violation continues. The current Bylaws also reference the right to use of the recreational facilities.]

Section 3.3 Member Voting.

(a) The Owner of a Lot is entitled to one equally weighted vote for the Lot, except Lots 4 and 5 that are allocated .6 of a vote while the Lot is undeveloped and 1.5 votes after the Lot is developed.

(b) Each Member eligible to vote may vote in person or by proxy at all Member meetings.

(c) If only one of several Owners of a Lot is present at a Member meeting, the Owner present is entitled to cast the vote allocated to the Lot.

(d) If more than one of the Owners is present, the vote allocated to the Lot may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement is deemed to exist if any one of the Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another Owner of the Lot. If co-Owners disagree or attempt to cast more than one vote, no such votes will be counted.

(e) In the absence of express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a partnership may be cast by any general partner of that partnership, the vote of a limited liability company may be cast by any manager of that limited liability company, the vote of a corporation may be cast by any officer of that corporation, and the vote of a trust may be cast by any trustee of that trust.

(f) The chair of the meeting may require reasonable evidence that a person voting on behalf of a partnership, limited liability company, corporation or trust is qualified to vote.

(g) Votes allocated to Lots owned by the Association may be cast by the Board of Directors.

[NOTE: This provision substantially revises Article III of the current Bylaws to clarify how votes are registered if a Lot is owned by multiple people or by an entity.]

Section 3.4 Proxies.

(a) The vote allocated to a Lot may be cast under a proxy duly executed by an Owner.

(b) All proxies will be in writing and filed with the secretary or designee of the Association at least 24 hours prior to the meeting.

(c) If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of the vote by the other Owners of the Lot through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes will not be counted.

(d) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over the meeting.

(e) A proxy is void if it is not dated.

(f) A proxy terminates 11 months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Lot for which the proxy was issued.

(g) A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

[NOTE: This provision is an expanded version of the proxy provision set forth in Article IV, Section 5 of the current Bylaws.]

Section 3.5 Voting Procedures.

(a) Votes for contested positions on the Board of Directors will be taken by secret ballot.

(b) At the discretion of the Board or upon request of 20% of the Owners who are present in person or by proxy at a meeting at which a quorum is present, a vote on any matter affecting the Community on which all Owners are entitled to vote will be by secret ballot.

(c) A neutral third party or a committee of volunteers will count the ballots. The volunteers will be Owners selected or appointed at an open meeting, in a fair manner, by the president or another person presiding during that portion of the meeting. The volunteers will not be Board members and, in the case of a contested election for a Board position, will not be candidates. The results of a vote taken by secret ballot will be reported without reference to Owners' names, addresses, or other identifying information.

(d) Voting may be by voice, by show of hands, by consent, by mail, by electronic means, by proxy, by written ballot, or as otherwise determined by the Board of Directors prior to the meeting or by a majority of the Members present at a meeting; provided, however, if secret balloting is required, the means of voting must protect the secrecy of the ballot.

[NOTE: This provision has been added to reflect current Colorado law as outlined in the Colorado Common Interest Ownership Act ("CCIOA").]

Section 3.6 Voting by Mail or Electronic Means in Lieu of a Meeting.

(a) In case of a vote by mail or electronic means in lieu of a meeting, the secretary will mail or deliver written notice to all Members at each Member's address as it appears in the Association's records given for notice purposes. The notice will include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Members are entitled to vote by mail or electronic means for or against such proposal, (iii) a date at least ten days after the date such notice will have been given, on or before which all votes must be received at the Association's office at the address designated in the notice, and (iv) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote. Voting by mail or electronic means will be acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Members at a meeting.

(b) The Association may conduct elections of directors by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it; provided however, that any procedures adopted will provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Member of the Association for a vacant position, subject to the nominated Member's consent, and provided that a system is established to maintain the secrecy of ballots in contested elections as required by the Colorado Common Interest Ownership Act.

[NOTE: The above provision has been added to give the Association the flexibility to conduct director elections and to conduct other business by mail, as one method to encourage Member participation. Voting by mail is permitted under the Colorado Revised Nonprofit Corporation Act. This process is slightly different than voting by proxies in that no meeting need actually be held if a vote by mail is used.]

Section 3.7 **Voting in Elections of Directors/Other Voting.** In an election of directors, the candidates receiving the largest number of votes will be elected. On all other items, the vote of more than 50% of Members voting at a meeting at which at least a quorum is present will constitute a majority and will be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation as amended, or by law.

[NOTE: This provision has been added.]

Section 3.8 **Voting List/Membership List.** The Association will maintain a record of the names of all Owners in a form that permits preparation of a list of the Owners' names and physical addresses at which the Association communicates with them and the number of votes each Owner is entitled to vote. At all times, the list will be available for inspection and copying in accordance with the Association's records inspection policy.

[NOTE: We have added this provision to be consistent with CCIOA.]

Section 3.9 **Limitation on Use of Voting List/ Membership List.** Unless the Board of Directors gives its prior consent, the Association's voting lists and membership list or any part thereof may not be: (a) obtained or used by any person for any purpose unrelated to a Member's interest as a Member; (b) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election by the Association; (c) used for any commercial purpose; or (d) sold to or purchased by any person.

[NOTE: This provision has been added. It incorporates statutory limitations on use of a membership list.]

Section 3.10 **Transfer of Membership.** Transfer of memberships will be made on the Association's books only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot. Prior to presentation of such evidence, the Association may treat the previous Owner as the Member entitled to all rights connected with a membership, including the rights to vote and to receive notice, without liability.

[NOTE: This provision has been added.]

ARTICLE 4. MEETINGS OF MEMBERS

Section 4.1 **Annual Meetings.** An annual meeting of the Members will be held during each of the Association's fiscal years, at such time, date and place as the Board determines. At these meetings, the directors will be elected by the Members, in accordance with the provisions of the Bylaws. Failure to hold an annual meeting will not affect the validity of any corporate action and will not be considered a forfeiture or dissolution of the Association.

[NOTE: This provision revises and updates Article IV, Section 1 of the current Bylaws to allow the Board more flexibility in scheduling annual meetings.]

Section 4.2 **Budget Ratification Meetings.** Meetings to consider proposed budgets will be called in accordance with the Colorado Common Interest Ownership Act ("Act"). The Act's budget process allows a percentage of the Membership to veto a proposed budget adopted by the Board. The Act's budget process to be followed is as follows:

(a) the Board of Directors will prepare and approve a proposed budget at least annually.

(b) Within 45 days after the Board of Directors adopts the proposed budget, the Board of Directors will mail or deliver a summary of the proposed budget to those entitled to vote and set a date for a special or annual meeting to consider ratification of the proposed budget.

(c) Notice for the meeting at which the budget will be considered must be mailed not less than 10 days or more than 60 days before the meeting, or such longer time as allowed by the Act.

(d) At the meeting, unless Owners holding a majority of the votes in the Association vote to reject the proposed budget, the proposed budget is ratified and becomes the approved budget of the Association.

(e) A quorum is not required at the meeting if the meeting is only a budget meeting. If the meeting is also an annual or special meeting at which other business is to be conducted, a quorum is required for other business to be conducted, but not required for ratification of the budget.

(f) If the proposed budget is rejected by a majority vote, the budget last ratified continues until a subsequent budget proposed by the Board of Directors is ratified.

[NOTE: This provision has been added to set forth procedures for budget meetings. Please note that the CCIOA statutory procedure has been amended since the Association's Declaration was filed. CCIOA provides that the budget will be delivered not more than 90 days after the Board adopts the budget and provides that notice will be reasonable. Since the notice requirement for meetings under these amended Bylaws is 10 days, we have used that date rather than 14 days so as to avoid confusion.]

Section 4.3 **Special Meetings.** Special meetings of the Members may be called by the president, by a majority of the members of the Board of Directors or by the secretary upon receipt of a written petition signed by Owners comprising at least 20% of the total votes of the Association. A written petition by the Owners must identify the special meeting purpose on each page of the petition, which must be a purpose for which the Association membership is authorized to act under the Governing Documents. The Board of Directors will determine the form of notice, and the date, time and place of the meeting. If the secretary does not give notice for a special meeting demanded pursuant to a proper petition within 30 days after the date the written demand(s) is delivered to the secretary, the person(s) signing the demand(s) may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Any meeting called under this section will be conducted by the president of the Board, or in his absence, a person chosen by a majority of the Board.

[NOTE: This provision revises Article IV, Section 3 of the current Bylaws. It incorporates the current 20% requirement for a special meeting (rather than 25%) and provides more guidance about calling meetings requested by Owners.]

Section 4.4 **Record Date.** The record date for determining Members entitled to notice of any Member meeting will be the date of the notice of the meeting, unless the record date is otherwise determined by the Board.

[NOTE: This provision has been added to establish a default record date for notice purposes.]

Section 4.5 **Notice of Meetings.** Written notice of each meeting of Members will be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, or by hand delivery, at least ten days before, but not more than 50 days before the meeting to each Member entitled to vote, addressed to the Member's address last appearing

on the Association's books, or supplied by a Member to the Association for the purpose of notice. In addition, if electronic means are available, notice will be sent by e-mail to any Owner who requests such delivery and furnishes the Association with his e-mail address at least 24 hours before the meeting. The notice will specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No matters will be heard nor action adopted at a special meeting except as stated or allowed in the notice. Notice of an annual meeting need not include a description of the purpose(s) except the purpose(s) will be stated with respect to: (a) an amendment or restatement to the Declaration, Articles of Incorporation or Bylaws of the Association; (b) any proposal to remove an officer or director from office; (c) any budget changes; or (d) any other purpose for which a statement of purpose is required by law or the Governing Documents.

[NOTE: This provision updates Article IV, Section 3 of the current Declaration and incorporates the statutory minimum notice of 10 days). It has also been updated to comply with CCIOA requirements regarding email notice and notice requirements for specific purposes.]

Section 4.6 **Place of Meeting.** Member meetings will be held at the principal office of the Association or at such other place as may be fixed by the Board of Directors and specified in the notice of the meeting.

[NOTE: This provision has been added.]

Section 4.7 **Quorum.** The presence of 10% of the Members eligible to vote at the beginning of any meeting, in person or by proxy, constitutes a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, and these Bylaws. Once a quorum is established for a meeting, it is conclusively presumed to exist until the meeting is adjourned and will not need to be reestablished. If the required quorum is not present, the Members who are present will have power to adjourn the meeting from time to time to a later date, until such time as a quorum will be present.

[NOTE: This provision is similar to Article V, Section 4 of the current Bylaws.]

Section 4.8 **Adjourned and Reconvened Meetings.** Any membership meeting may be adjourned, to be reconvened at a later date or time, by vote of the Owners holding a majority of the vote represented at the meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of such reconvened session is required if the original session is adjourned for a period not exceeding ten days.

[NOTE: This provision has been added to allow the Association to adjourn a meeting to a new date, even when a quorum is present.]

Section 4.9 **Order of Business.** The Board of Directors may establish the order of business and prescribe reasonable rules for the conduct of all Member meetings. Failure to strictly follow Robert's Rules of Order will not invalidate any action taken at a meeting.

[NOTE: This provision has been added.]

Section 4.10 **Waiver of Notice.** Waiver of notice of a membership meeting will be deemed the equivalent of proper notice. Any Member may waive, in writing, any notice of any membership meeting, either before or after such meeting. A Member's attendance at a meeting, whether in person or represented by proxy, is deemed a waiver by the Member of improper notice of the date, time, and location thereof and of any specific business being conducted at the meeting, unless the Member specifically objects to improper notice at the time the meeting is called to order or the Member objects to improper notice of the specific business before the business is put to a vote.

[NOTE: This provision has been added to specify how a Member may waive notice, and the consequences of not objecting to improper or defective notice. It is consistent with the waiver provisions in the Colorado Revised Nonprofit Act.]

ARTICLE 5. BOARD OF DIRECTORS

Section 5.1 **Number of Directors.** The Association's affairs are governed by a Board of Directors which consists of five members, elected or appointed as provided below (the "Board"). Co-Owners of the same Lot may not serve on the Board at the same time. In the case where through removal or resignation, the total number of Board members is less than five, the Board will be considered properly constituted until the vacancies are filled. The number of directors may be increased or decreased by amendment of these Bylaws.

[NOTE: This provision revises Article V, Section 1 of the current Bylaws to require that directors be owners and to specify that co-Owners cannot be Board members at the same time.]

Section 5.2 **Qualifications of Directors.**

(a) Only one Owner per Lot who is eligible to vote, current in payment of assessments, and otherwise in good standing, may be elected to, or appointed to fill a vacancy on the Board.

(b) If any Lot is owned by a partnership, corporation or trust, any officer, partner or trustee of that entity will be eligible to serve as a director and will be deemed to be a Member for the purposes of these Bylaws.

(c) Any director who is more than 30 days delinquent in payment of any assessment will not be qualified to serve on the Board.

(d) Any director who has unexcused absences from three consecutive Board meetings will not be qualified to serve on the Board. An absence will be excused if the absent Board member notifies the president of the planned absence and the reason for the absence at least three days before the meeting, and a majority of the remaining Board members approve the absence as being for a valid purpose.

(e) Any director who is in violation of any provision of the Association's Governing Documents for more than 30 days will not be qualified to serve on the Board.

(f) Any director who maintains an adversarial proceeding of any type against the Association will not be qualified to serve on the Board.

(g) If a director is not qualified to serve on the Board, the director's position will be deemed vacant.

[NOTE: This provision has been added and expands the qualifications for Board members.]

Section 5.3 **Nominating Committee.** Nomination for election to the Board of Directors will be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee will consist of a chairperson, who will be a member of the Board of Directors, and two or more Association Members. The Board will appoint the nominating committee three months prior to each annual Member meeting, to serve until the close of the annual meeting. Nominating committee members will be announced at each annual meeting. Nominating committee members will make as many nominations for election to the Board of Directors as it will, in its discretion, determine, but

not less than the number of vacancies that are to be filled. Nominations will be from among the Members only.

[NOTE: This provision revises the nominating committee provision only with regard to its term, which under the current Bylaws is from the annual meeting to annual meeting.]

Section 5.4 **Term of Office.** The term of office of directors will be one year or until a successor is elected. At the expiration of a director's term, if a successor cannot be elected for any reason, the existing director will continue to hold office and begin serving another term until his or her successor is elected to fill the remainder of such new term, or he or she resigns.

[NOTE: This provision is the same as the term of office portion of Article V, Section 2 of the current Bylaws.]

Section 5.5 **Resignation.** Any director may resign at any time by giving written notice to the president, to the secretary or to the Board of Directors stating the effective date of the resignation. Acceptance of a resignation will not be necessary to make the resignation effective.

[NOTE: This provision has been added.]

Section 5.6 **Removal of Directors.**

(a) One or more directors or the entire Board of Directors may be removed at a special Member meeting called pursuant to these Bylaws, with or without cause, by a vote of a majority of the Members. Notice of any Member meeting to remove directors will state that the purpose of the meeting, or a portion of that meeting, is to remove one or more directors. Notice will be provided to every Member, including the directors sought to be removed, as provided in these Bylaws. Directors sought to be removed will have the right to be present at this meeting and will be given the opportunity to speak to the Members prior to a vote to remove being taken.

(b) If one or more directors is removed, a successor will be elected by the Members at the meeting to serve for the unexpired term of his or her predecessor.

[NOTE: This provision revises Article V, Section 3 of the current Bylaws to address instances where a director may be removed by the Members. In the case of removal, the Members will elect a replacement.]

Section 5.7 **Vacancies.** Vacancies on the Board caused by any reason (other than removal) may be filled by appointment by a majority vote of the remaining Board at any time after the occurrence of the vacancy, even though the directors present at that meeting may constitute less than a quorum. Each person so appointed will be a director who will serve for the remainder of the unexpired term.

[NOTE: This provision incorporates the right of the Board to fill vacancies caused for any reason other than removal by the Members; e.g., death or resignation or disqualification as set forth in Article V, Section 3.]

Section 5.8 **Compensation.** No director will receive compensation for any service he may render as a director to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of Association duties.

[NOTE: This provision is similar to Article V, Section 4 of the current Bylaws.]

ARTICLE 6. MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 **Location of Meetings and Open Meetings.** All Board meetings will be open to attendance by Members or their designated representatives, as provided by Colorado law. All Board meetings will be held at the Association's principal office, or at such other location, within or convenient to the Community as may be fixed by the Board of Directors. Meetings may also be held by conference call or electronic means, if necessary.

[NOTE: This provision has been added.]

Section 6.2 **Regular Meetings.** Regular Board meetings will be held at such times, place and hour as may be fixed by the Board. The Board may set a schedule of regular meetings by resolution, and no further notice is necessary to constitute regular meetings. Agendas for Board meetings will be made reasonably available for examination by all Members or their representative.

[NOTE: This provision is similar to Article VII, Section 1 of the current Bylaws.]

Section 6.3 **Special Meetings.** Special Board meetings will be held when called by the president or by any two directors. If a notice for a special meeting demanded by two or more directors is not given by the Board within 30 days after the date the written demand(s) is delivered to the Board, the directors signing the demand(s) may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Only those matters contained in the notice of the special meeting may be discussed, unless all directors are present at the meeting and agree to waive the notice requirement for such other matters. Agendas for special Board meetings will be made reasonably available as provided above.

[NOTE: This provision revises Article VII, Section 2 of the current Bylaws to clarify procedures that should be employed if a special meeting is not called as requested.]

Section 6.4 **Annual Meetings.** An annual meeting of the Board may be held, without notice, immediately following and in the same place as the annual meeting of the Members, or at such other date and place as the directors may determine. The purpose of this annual meeting is to elect officers and for the transaction of such other business as may come before the meeting.

[NOTE: This provision has been added.]

Section 6.5 **Notice of Board Meetings.** Except as provided above, written notice of each Board meeting will be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least three days before the meeting, or by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, personal delivery, facsimile, and e-mail delivery, to each Board member, addressed to the Board member's address last appearing on the Association's books, or supplied by a Board member for the purpose of notice. The notice will specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

[NOTE: This provision revises the notice provisions, but retains the three day notice for special Board meetings.]

Section 6.6 **Waiver of Notice.** A waiver of notice of any Board meeting, signed by a director, whether before or after the meeting, will be the equivalent to the giving of notice of the meeting to the director. A director's attendance at a meeting constitutes waiver of notice of the meeting except when the director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

[NOTE: This provision has been added and is consistent with director waiver provisions in the Colorado Revised Nonprofit Act.]

Section 6.7 **Quorum; Voting.** A majority of the directors constitutes a quorum for the transaction of business, unless there are fewer than three directors, in which case all directors must be present to constitute a quorum. One or more directors who participate by means of telephone or electronic communication will be deemed present for establishing a quorum, if all persons so participating can hear each other. The votes of a majority of the directors present at a meeting at which a quorum is present will constitute a Board decision unless there are fewer than three directors, in which case, unanimity of the directors is required to constitute a Board decision. If at any meeting there will be less than a quorum present, a majority of those present may adjourn the meeting.

[NOTE: This provision is similar to Article VII, Section 3 of the current Bylaws. It also specifies that directors may be present by telephone, not just in person.]

Section 6.8 **Director Proxies.** To determine a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a director may execute, in writing, a proxy to be held by another director. The proxy will specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote will not be counted for the purpose of having a quorum present or as a vote on the particular issue before the Board.

[NOTE: This provision has been added to allow for director voting by proxy pursuant to the Colorado Revised Nonprofit Corporation Act.]

Section 6.9 **Action without a Meeting.** The directors have the right to take any action in the absence of a meeting, which they could otherwise have taken at a meeting if a notice stating the action to be taken and the time by which a director must respond is transmitted in writing to each director and each director, by the time stated in the notice:

- (a) votes in writing for such action; or
- (b) votes in writing against such action, abstains in writing from voting; or
- (c) fails to respond or vote and fails to demand that action not be taken without a meeting.

The action will be authorized if the number of directors voting in favor of the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. An abstention is not a vote in favor or against an action. Any action taken under this section has the same effect as though taken at a Board meeting. All signed written instruments necessary for any action taken pursuant to this section will be filed with the minutes of the Board meetings.

[NOTE: This provision revises Article V, Section 5 to incorporate current statutory language in the Colorado Revised Nonprofit Act for taking Board action outside a meeting. Unanimous approval is not required.]

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 **Powers and Duties.** The Board may act in all instances on the Association's behalf, except as provided in the Declaration, these Bylaws or the Colorado Common Interest Ownership Act. The Board has, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the Association's affairs, and for the operation and maintenance of the Community as a first class residential community, including the following powers and duties:

- (a) exercise any other powers conferred by the Governing Documents;
- (b) adopt and amend rules and regulations, including penalties for infraction thereof;
- (c) adopt and amend budgets subject to any requirements of the Declaration and the Bylaws;
- (d) keep and maintain full and accurate books and records showing all of the Association's receipts, expenses, or disbursements;
- (e) collect assessments as provided by the Governing Documents;
- (f) employ a managing agent, independent contractors or employees as it deems necessary, and prescribe their duties;
- (g) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents, and, in the Association's name, on behalf of the Association or two or more Owners, on matters affecting the Community;
- (h) make contracts, administer financial accounts and incur liabilities in the Association's name;
- (i) acquire, hold, encumber and convey, in the Association's name and in the ordinary course of business, any right, title or interest to real estate, pursuant to the consent requirements set forth in the Declaration;
- (j) grant easements, leases, licenses, concessions through or over the Common Areas subject to the requirements set forth in the Declaration;
- (k) borrow funds and secure loans with an interest in future assessments in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing the indebtedness as the Board of Directors may deem necessary and give security therefor, subject to the requirements set forth in the Declaration;
- (l) provide for the indemnification of the Association's directors and any person serving without compensation at the Association's request, and maintain association professional liability insurance;
- (m) supervise all persons acting on the Association's behalf of and/or at the Association's discretion;
- (n) procure and maintain liability and hazard insurance as set forth in the Governing Documents;
- (o) cause all persons having fiscal responsibilities for the Association's assets to be insured and/or bonded, as it may deem appropriate;
- (p) appoint committees as deemed appropriate or as required in the Declaration. Committees will have authority to act only to the extent designated in the Governing Documents or delegated by the Board; and

(q) exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Governing Documents or the Colorado Common Interest Ownership Act.

[NOTE: This section is similar to Article VIII, Section 1 of the current Bylaws.]

Section 7.2 **Responsible Governance Policies.** To the extent procedures are not already set in these Bylaws or the Declaration, the Board of Directors will adopt policies, procedures and rules and regulations concerning:

- (a) collection of unpaid assessments;
- (b) handling of conflicts of interest involving Board members;
- (c) conduct of meetings;
- (d) enforcement of covenants and rules, including notice and hearing procedures and a fine schedule;
- (e) inspection and copying of Association records by Owners;
- (f) investment of reserve funds;
- (g) procedures for the adoption and amendment of policies, procedures, and rules;
- (h) procedures for addressing disputes arising between the Association and Owners;
- (i) obtaining reserve studies and funding reserves; and
- (j) any other policies or procedures required by law or adopted by the Board.

[NOTE: This provision has been added to highlight the policies each association is required to adopt pursuant to Colorado law.]

Section 7.3 **Managing Agent.** The Board may employ a managing agent for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. Regardless of any delegation to a managing agent, the directors will not be relieved of responsibilities under the Governing Documents or Colorado law.

[NOTE: This provision has been added.]

ARTICLE 8. OFFICERS AND DUTIES

Section 8.1 **Designation and Qualification.** The Association's officers consist of a president and vice-president, a secretary, a treasurer and any other officers and assistant officers the Board deems necessary. The president and vice president must be directors. Except for the offices of secretary and treasurer, which may be held by the same person, no person may hold more than one office simultaneously. The Board may elect other officers as they may determine in their sole discretion and such officers will have the authority and perform the duties as the Board may determine.

[NOTE: This provision is similar to Article IX, Sections 1, 4 and 7 of the current Bylaws.]

Section 8.2 **Election and Terms of Office.** The Board will elect the officers for one year terms at the first Board meeting following the annual Member meeting. Each officer will serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.

[NOTE: This provision is similar to Article IX, Sections 2 and 3 of the current Bylaws.]

Section 8.3 **Resignation and Removal of Officers.** A majority of the directors may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. A resignation will take effect on the date of receipt of a notice or at any later time specified therein. Acceptance of a resignation will not be necessary to make it effective.

[NOTE: This provision is similar to Article IX, Section 5 of the current Bylaws.]

Section 8.4 **Vacancies.** A vacancy in any office may be filled by appointment by majority vote of the Board. Unless earlier removed, the officer appointed to the vacancy will serve for the remainder of the term of the officer he or she replaces.

[NOTE: This provision is similar to Article IX, Section 6 of the current Bylaws.]

Section 8.5 **Duties of Officers.** The duties of the officers are as follows:

(a) **President.** The president will be the chief executive officer and will have all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation including, but not limited to the following: preside at all Board and Member meetings; see that Board decisions and resolutions are carried out; sign all contracts, leases and other written instruments; direct, supervise, coordinate and have general control over the Association's day-to-day affairs.

(b) **Vice President.** The vice president will take the place of the president and perform the president's duties whenever the president is absent or unable to act and will perform other duties imposed by the Board of Directors. If neither the president nor the vice president is able to act, the Board of Directors will appoint another director to act in the place of the president on an interim basis.

(c) **Secretary.** The secretary will record the votes and maintain the minutes of all Board and Member meetings; serve notice of Board and Members meetings; keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties incident to the office of secretary or as required by the Board.

(d) **Treasurer.** The treasurer will be responsible for the receipt, deposit and disbursement of Association funds and securities and for maintenance of full and accurate financial records; will prepare an annual budget and a statement of income and expenditures to be presented to the membership, and deliver a copy of each to the Members. The treasurer will perform all duties incident to the office of treasurer and such other duties as may be assigned by the Board of Directors.

(e) The duties of any officer may be delegated to the managing agent or another Board member; provided, however, the officer will not be relieved of any responsibility under this section or under Colorado law.

[NOTE: This provision is similar to Article IX, Section 8 of the current Bylaws.]

ARTICLE 9. ASSOCIATION DOCUMENTS AND RECORDS

[NOTE: The record provisions set forth in this article are consistent with CCIOA and update Article XI of the current Bylaws.]

Section 9.1 **Records and the Right to Inspect Records.** The Association or its managing agent, if any, will keep and maintain records as required by Colorado law. The Association's records will be subject to inspection and copying by any Member, at the Member's expense, in accordance with Colorado law and the Association's responsible governance policy regarding inspection and copying of records. The policy may require advance notice of inspection, specify hours and days of the week during which inspection will be permitted, establish a reasonable maximum time limit for any inspection session, and establish reasonable fees for copies.

Section 9.2 **Disclosure of Records.**

(a) The Association will provide written notice to all Members of a change in the Association's address, designated agent, or managing agent within 90 days of the change.

(b) The Association will make the following information available to Members within 90 days of the end of the fiscal year:

- (i) the date on which the fiscal year begins;
- (ii) the operating budget for the current fiscal year;
- (iii) a list, by Lot type, of the current regular and special assessments;
- (iv) the annual financial statements, including any amounts held in reserve for the prior fiscal year;
- (v) the results of the most recent available financial audit;
- (vi) a list of the Association's insurance policies, including the insurer's name, policy limits, policy deductibles, additional named insureds, and expiration dates for each policy;
- (vii) the Association's Bylaws, Articles of Incorporation, and rules and regulations;
- (viii) minutes of Board and Member meetings for the prior fiscal year; and
- (ix) the Association's responsible governance policies.

This information may be posted on a website, kept in a binder or file at the Association's principal place of business, mailed to Members, or personally delivered to Members. The Association will send notice of the availability of such information to each Member within 90 days of the end of the fiscal year. If the information is posted on a website, the Association will send notice to the Members of the web address by first class mail or e-mail.

Section 9.3 **Minutes.** Minutes or any similar record of Board and Member meetings, when signed by the secretary or acting secretary of the meeting, will be presumed to truthfully evidence the matters set forth in the minutes. A recitation in the minutes that notice of the meeting was properly given will be prima facie evidence that the notice was given.

ARTICLE 10. INDEMNIFICATION

[NOTE: The indemnification provisions of this article are consistent with the provisions of the Colorado Revised Nonprofit Act, except that directors and officers insurance to fund indemnification is not required under the Act.]

Section 10.1 **Obligation to Indemnify.**

(a) The Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; by reason of the fact that the person is or was a director, officer or committee member of the Association; provided the person is or was serving at the request of the Association in such capacity; and provided that the person: (i) acted in good faith, and; (ii) in a manner that the person reasonably believed to be in the best interests of the Association, and; (iii) with respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith and in a manner reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe the conduct was unlawful.

(b) Notwithstanding anything in subsection (a) above, unless a court of competent jurisdiction determines that, in view of all circumstances of the case, the person is fairly and reasonably entitled to expenses, no indemnification will be made: (i) in connection with a proceeding by or in the right of the Association, the person has been adjudged to be liable to the Association; or (ii) in connection with any other proceeding charging that the person received an improper personal benefit, whether or not involving action in an official capacity, where the person has been adjudged liable on the basis the person received an improper personal benefit.

(c) To the extent that the person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, the person will be indemnified against actual and reasonable expenses (including expert witness fees, attorney fees and costs) incurred in connection with the action, suit or proceeding.

Section 10.2 **Determination Required.**

(a) The Board of Directors will determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination will be made by the Board of Directors by a majority vote of a quorum consisting of those members of the Board of Directors who are not parties to the action, suit or proceeding.

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board so directs, a determination may be made, at the discretion of the Board, by: (i) independent legal counsel selected by a majority of the full Board; or (ii) by the voting Members, but voting Members who are also at the same time seeking indemnification may not vote on the determination.

Section 10.3 **Payment in Advance of Final Disposition.** The Association will pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board of Directors with:

(a) a written affirmation of that person's good faith belief that he or she has met the standard of conduct described above; and

(b) a written statement that the person will repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 10.4 **No Limitation of Rights.** The indemnification provided in this article will not be deemed exclusive of or a limitation upon:

(a) any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Board of Directors, or otherwise, or

(b) any rights which are granted pursuant to C.R.S. § 38-33.3-101, et seq., and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 10.5 Directors and Officers Insurance. The Association will purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board, whether or not the Association would have the power to indemnify the person against liability under provisions of this article.

ARTICLE 11. AMENDMENT

Section 11.1 Amendment. These Bylaws may be amended by an affirmative vote of a majority of Members present, in person or by proxy, at a regular or special Member meeting at which a quorum is present or by mail ballot as provided for in these Bylaws.

[NOTE: This provision updates Article XIV, Section 1 of the current Bylaws.]

ARTICLE 12. MISCELLANEOUS

Section 12.1 Standard of Conduct for Directors and Officers. Each director and officer will perform his duties as a director or officer in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of his duties, a director or officer will be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

A director or officer will not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer will not be liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director or officer performs his duties in compliance with this section. A director or officer, regardless of title, will not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

The Board of Directors will have the power and authority to adopt additional reasonable standards or rules of conduct for directors and officers which do not conflict with this section.

[NOTE: This section has been added. It is the standard of care outlined in the Colorado Revised Nonprofit Corporation Act.]

Section 12.2 Electronic Communications.

(a) **Records and Signatures.** Whenever the Governing Documents require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item.

Whenever these Bylaws require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (i) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; and (ii) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (iii) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(b) Verification and Liability for Falsification. The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association will be liable to any Owner or any other person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature will fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred and expenses incurred as a result of such acts.

[NOTE: This section has been added.]

Section 12.3 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Association.

[NOTE: This provision has been added.]

Section 12.4 Notices. All notices to the Association or the Board will be delivered to the office of the managing agent, or, if there is no managing agent, to the Association's office, or to such other address as the Board may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner will be mailed to the Owner's address as it appears in the Association's records. All notices will be deemed to have been given when mailed or transmitted, except notices of changes of address, which will be deemed to have been given when received.

[NOTE: This provision has been added.]

Section 12.5 Conflicts. In the case of any conflicts between the Declaration and these Bylaws or the Articles of Incorporation, the terms of the Declaration will control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation will control.

[NOTE: This provision is similar to Article XIV, Section 2 of the current Bylaws.]

Section 12.6 Waiver. No restriction, condition, obligation or provision contained in these Bylaws will be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

[NOTE: This provision has been added.]

Section 12.7 Interpretation. The provisions of these Bylaws will be liberally construed to effect the purpose of ensuring that the Community will at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each member.

[NOTE: This provision has been added.]

CERTIFICATION

By signature below, the secretary of the Board of Directors certifies these Amended and Restated Bylaws received the affirmative vote of a majority of the members present and voting, in person or by proxy, at a duly called meeting or by mail ballot.

This _____ day of _____, 201__.

CASOLAR DEL NORTE HOME OWNERS ASSOCIATION,
a Colorado Nonprofit Corporation

By: _____
Secretary

Vote on Adoption of the Second Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail

Cast your vote to adopt the Second Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail

I cast my vote in FAVOR of Adoption of the Second Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail.

I cast my vote AGAINST the Adoption of the Second Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail.

The current Board has been working with the attorney for the HOA to restate all of our governing documents in order to bring them up to date with current Colorado law. The proposed Second Amended and Restated Declaration of Covenants and Restrictions have been approved by the Board of Directors and now need to be approved by the Members. A copy of the proposed Second Amended and Restated Declaration of Covenants and Restrictions was included with this Ballot information. It has been annotated by the attorney to show how the various sections correspond with our existing Amended and Restated Declaration of Covenants and Restrictions. The existing Amended and Restated Declaration of Covenants and Restrictions may be found on the website www.casolarvail.com under the Governing Documents section. Your ballot MUST be RECEIVED no later than August 29 in order to be counted.

PLEASE INITIAL AND WRITE DOWN YOUR CASOLAR UNIT NUMBER IF MAILING OR FAXING BALLOT: _____ UNIT# _____

This document is in the **DRAFT FOR HOMEOWNER REVIEW** effective 7/17/2015. No reliance should be made, nor representations inferred from, the contents of this draft document.

[SPACE ABOVE RESERVED FOR RECORDING DATA]

**SECOND AMENDED AND RESTATED DECLARATION OF
COVENANTS AND RESTRICTIONS FOR
CASOLAR VAIL
(ALSO KNOWN AS CASOLAR DEL NORTE)**

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**SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS AND
RESTRICTIONS FOR
CASOLAR VAIL
(ALSO KNOWN AS CASOLAR DEL NORTE)**

This Second Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail ("Declaration") will be effective upon recording.

RECITALS

A. Deane Knox and Leo Payne recorded the Declaration of Covenants and Restrictions for Casolar Vail on February 7, 1979 in Book 281, Page 634 in the records of the Eagle County Clerk and Recorder.

B. The Declaration of Covenants and Restrictions for Casolar Vail was amended by the First Amendment recorded on August 31, 1981 in Book 328, Page 408 and the Second Amendment recorded on January 10, 1990 at Reception No. 417097 in Book 520, Page 928 in the records of the Eagle County Clerk and Recorder. The Declaration and these amendments are collectively referred to as the "Original Declaration."

C. The Original Declaration was amended and restated in its entirety by the Amended and Restated Declaration of Covenants and Restrictions for Casolar Vail (Also known as Casolar Del Norte) recorded on December 11, 1992 at Reception No. 492588, Book 596, Page 495 in the records of the Eagle County Clerk and Recorder (hereafter referred to as the "Amended and Restated Declaration");

D. The Amended and Restated Declaration has been amended by an unrecorded Amendment dated in 1997 and an unrecorded amendment signed and adopted on November 18, 2013.

E. Article IX, Section 2 provides that the Declaration may be amended by consent of 51% of the voting membership of the Association.

F. This Declaration does not alter the undivided interest of the Lots and does not terminate the Community.

G. The purposes of the amendments in this Amended and Restated Declaration include, but are not limited to, the following:

- to update the Original Declaration to comply with current state law;
- to clarify the allocation of maintenance responsibilities between the Association and the Owners;
- to update restrictions in the Community;
- to update provisions so as to allow the Association to efficiently operate the Community and deal with Community concerns; and
- to add provisions that provide tools for the Association to effectively solve problems and enforce the Declaration, Bylaws, and Rules and Regulations.

H. Owners holding at least 51% of the total Association vote of all the Lots desire to amend the Original Declaration, have approved this Amended and Restated Declaration, and have determined this Declaration to be reasonable and not burdensome.

NOW, THEREFORE, the Original Declaration is replaced by the covenants, servitudes, easements, and restrictions set forth below:

ARTICLE 1. NAME AND TYPE

The type of common interest community is a planned community. The name of the planned community is Casolar Del Norte. The Association's name is the Casolar del Norte Home Owners Association.

ARTICLE 2. DEFINITIONS

Section 2.1 Generally, terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Colorado Common Interest Ownership Act or the Colorado Revised Nonprofit Corporation Act. Unless the context otherwise requires, certain terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall be defined as follows:

(a) **Act** means the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, as such Act may be amended from time to time and as applicable to those common interest communities created prior to July 1, 1992.

(b) **Area of Common Responsibility** means and refers to the Common Area, together with those areas on the Lots and any other areas, which by the terms of this Declaration or by contract or written agreement with any other person or entity become the responsibility of the Association.

(c) **Articles** or **Articles of Incorporation** means the Articles of Incorporation of the Casolar del Norte Home Owners Association, as filed with the Secretary of State of the State of Colorado, and as may be amended from time to time.

(d) **Association** means the Casolar del Norte Home Owners Association, a Colorado nonprofit corporation, its successors or assigns.

(e) **Board** or **Board of Directors** means the body responsible for management and operation of the Association.

(f) **Bylaws** mean the Bylaws of the Casolar del Norte Home Owners Association, as may be amended from time to time.

(g) **Common Area** means all real property owned by the Association for the common use and enjoyment of the Owners, together with all improvements located thereon and all common property owned by the Association, but excluding the Lots.

(h) **Common Expenses** mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Community including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Areas and fulfilling the Association's responsibilities.

(i) **Community-Wide Standard** means the standard of conduct, maintenance, or other activity generally prevailing within the Casolar del Norte Community. Such standard may be more specifically determined by the Board of Directors.

(j) **Community** means all property as more particularly described in the Original Declaration and/or Exhibit "A", that is attached hereto and incorporated herein by reference, which is submitted to the provisions of the Act by this Declaration.

(k) **Dwelling Unit** means any room or group of rooms on a Lot as expressly permitted by the Town of Vail, with kitchen facilities designed for or used by one Family (as defined below) as an independent housekeeping unit.

(l) **Family** means an individual, or two or more persons related by blood, marriage, or adoption, excluding domestic servants, living together in a Dwelling Unit used as a single housekeeping unit or a group of not more than four unrelated persons living together in a Dwelling Unit used as a single housekeeping unit.

(m) **Governing Documents** mean this Declaration and all exhibits hereto, the Association's Bylaws, Rules and Regulations, and the plats of the Community, all as may be supplemented or amended from time to time.

(n) **Electronic Record** means information created, transmitted, received, or stored by electronic means and retrievable in human perceivable form, such as email, web pages, electronic documents, and facsimile transmission.

(o) **Lot** means and refers to any of the separately numbered lots or plots shown upon any recorded subdivision Plat of the Property, together with all appurtenances thereto and improvements now or hereafter located thereon, with the exception of the Common Area and any public streets or rights-of-way.

(p) **Majority** means those eligible votes, Owners, or other group as the context may indicate totaling more than 50% of the total eligible number.

(q) **Mortgage** means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation including, but not limited to, a transfer or conveyance of fee title for such purpose.

(r) **Mortgagee** or **Mortgage Holder** means the holder of any Mortgage.

(s) **Owner** means the record titleholder of a Lot within the Community, including contract sellers, but shall not include those having an interest merely as security for the performance of any obligation. For purposes hereof, the holder of a tax deed on a Lot shall be deemed the Owner thereof, notwithstanding the fact that there may exist a right of redemption on such Lot.

(t) **Person** means any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

(u) **Plat** means and refers to the plats of the Property and improvements that are subject to this Declaration and that are designated in the Plat recorded in the records of the Office of the Clerk and Recorder of Eagle County. The term Plat shall collectively mean and refer to all plats and supplements thereto for the Property.

(v) **Property** means and refers to real estate that was submitted to the Original Declaration and/or that is submitted to the provisions of this Declaration as described in Exhibit "A" attached hereto and incorporated herein by reference.

(w) **Resident** means any Person staying overnight in a residence on a Lot for a total of more than 30 days, either consecutive or nonconsecutive, in any calendar year, regardless of whether such Person is a tenant or the Owner of such Lot.

(x) **Rules and Regulations** means any instrument, however denominated, adopted by the Association, as allowed for under this Declaration and the Act, for the regulation and management of the Community and/or Lots, including any amendments or revisions.

[NOTE: This article updates Article I of the current Declaration to set forth definitions used in this Amended and Restated Declaration.]

ARTICLE 3. ASSOCIATION MEMBERSHIP, ALLOCATION OF VOTES, AND ALLOCATION OF LIABILITY FOR COMMON EXPENSES

Section 3.1 Membership. All Lot Owners are members of the Casolar del Norte Home Owners Association. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, but the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot owned.

[NOTE: This section is similar to Article III, Section 1 of the current Declaration.]

Section 3.2 Voting. The Owner or collective Owners of a Lot shall be entitled to one equally weighted vote for such Lot, subject to the following exceptions:

(a) currently undeveloped Lots 4 and 5 are entitled to .60 of a vote until commencement of construction of a single family Dwelling Unit; and

(b) upon commencement of construction of a Dwelling Unit on Lot 4 and Lot 5, the owner of Lot 4 will be entitled to 1.5 votes and the owner of Lot 5 will be entitled to 1.5 votes.

This alteration of voting rights is based on a reduction in density from the originally planned three Dwelling Units to two Dwelling Units on the Lots and the right for each Dwelling Unit to utilize half of the unbuilt Dwelling Unit's planned square footage. If this condition is not fulfilled, the voting rights set forth above will be void and each Lot will be entitled to one vote.

When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners determine among themselves and as more specifically stated in the Bylaws, otherwise the Lot's vote shall be suspended if more than one Person seeks to exercise it.

[NOTE: This incorporates language in the Third Amendment to the current Amended and Restated Declaration.]

Section 3.3 Allocation of Liability for Common Expenses. Except as provided in this section regarding Lots 4 and 5 or elsewhere in the Governing Documents, the amount of all Common Expenses shall be assessed equally among the Lots. Lots 4 and 5 will be assessed at 1.5 times the assessment for all other Lots.

[NOTE: The general allocation of assessments incorporates the assessment obligation in the Third Amendment to the current Amended and Restated Declaration.]

ARTICLE 4. ASSESSMENTS

Section 4.1 Purpose of Assessments. The Association has the power to levy assessments. The assessments for Common Expenses are used to fulfill the Association's obligations pursuant to this Declaration and to promote the common benefit and enjoyment of the Owners and Residents in the Community as may be more specifically defined and authorized from time to time by the Association.

[NOTE: This section is a simpler version of the purpose outlined in Article IV, Section 2, of the current Declaration.]

Section 4.2 Personal Obligation For Assessments. Each Owner is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; (b) special assessments; and (c) individual Lot assessments that are established pursuant to the terms of this Declaration. These amounts are also the personal obligation of the Person who was the Owner of the Lot

at the time when the assessments fell due. The personal obligation to pay any past due sums due the Association will not pass to a successor in title unless expressly assumed by him.

[NOTE: This section is similar to Article V, Section 1, of the current Declaration.]

Section 4.3 **Lien.** All assessments, together with charges, interest, costs, and reasonable attorneys' fees actually incurred (including post-judgment attorneys' fees, costs, and expenses), up to the maximum amount permitted by law, will be a charge on the Lot and a continuing lien upon the Lot against which each assessment is made. The Association has the authority to record a notice of lien in the Eagle County, Colorado, real property records evidencing the lien created under this Declaration. The Association's lien under this article is not subject to the provision of any homestead exemption as allowed under state or federal law. The lien has the priority as set forth in the Act.

[NOTE: This section modifies Article V, Section 5 of the current Declaration. This provision explains what is included in the lien and only refers to the Act for lien priority.]

Section 4.4 **Payment of Assessments.** Assessments will be paid in the manner and on the dates as may be fixed by the Association. No Owner may exempt himself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Areas, the Association's failure to provide services or perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties.

[NOTE: This section has been added.]

Section 4.5 **Individual Lot Assessments.** The Association has the power to levy individual Lot assessments against Lots pursuant to this section as it deems appropriate.

(a) Any expense or liability incurred by the Association as a result of the willful, negligent, or wrongful act of an Owner, the Owner's family, guests, or other Residents of the Lot, or any breach by any of these parties of any of the provisions of the Governing Documents, may be an assessment against the Lot, including cost to repair damages and fines.

(b) Any expense benefiting fewer than all of the Lots, or significantly disproportionately benefiting all Lots, may be assessed equitably against those Lots benefited according to the benefit received. Except as provided in subsection (a) above, expenses incurred for the maintenance, repair, or replacement of the Common Areas or Areas of Common Responsibility will not be assessed as an individual Lot assessment.

[NOTE: This section has been added and incorporates individual assessments addressed in the Act.]

Section 4.6 **Delinquent Assessments.** All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) If the annual assessment, any part or installment thereof, or any other fine, special assessment, or charge is not paid in full within 30 days of the due date, or such other date as may be provided by the Board in the Association's collection policy:

(i) a late charge in an amount determined by the Board and set forth in the Association's collection policy and administrative expenses may be imposed without further notice or warning to the delinquent Owner; and

(ii) interest at the rate determined by the Board and set forth in the Association's collection policy, not to exceed the maximum amount permitted by Colorado law may be imposed without further notice or warning to the delinquent Owner.

(b) If any assessment is payable in installments and an installment remains unpaid for 60 days, then upon written notice to the Owner, the Board may accelerate and declare immediately due all of that Owner's unpaid installments. Upon acceleration, that Owner shall lose the privilege of paying any and all assessments and charges in installments for that fiscal year, unless such privilege is otherwise reinstated in the Board's sole discretion.

(c) If assessments, fines, or other charges, or any part thereof, remain unpaid more than 30 days after the assessment payments first become delinquent, the Owner's right to vote will be automatically suspended until all amounts owed are paid in full and the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, and Colorado law, including reasonable attorneys' fees actually incurred. Enforcement under this section is not dependent upon or related to other restrictions and/or other actions.

(d) If partial payment of assessments or other charges are made, the amount received may be applied as provided for in the Association's collection policy.

(e) Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue assessments or related charges, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments or related charges, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien.

(f) Foreclosure or attempted foreclosure by the Association of its lien does not preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment or related charges, or monthly or other installments thereof, that are not fully paid when due. The Association has the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey, or otherwise deal with the Lot. If a foreclosure action is filed to foreclose any assessment lien, and an Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent the Lot or apply for the appointment of a receiver for the Lot without prior notice to the Owner. The rights of the Association are expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

[NOTE: This section incorporates provisions of Article Five, Section 5.10, of the current Declaration. Also, the interest rate is to be set in the Collection Policy.]

Section 4.7 Computation of Budget and Assessment. Prior to the beginning of each fiscal year, the Board will prepare a budget covering the estimated costs of operating the Community during the coming year, including an annual reserve contribution for replacement of improvements that are the Association's responsibility, and the Board will establish the annual assessment. The Board will cause a summary of the budget to be delivered to each member within 90 days after the Board adopts the budget and will set a date for a meeting of the Lot Owners to consider the budget, which meeting will occur within a reasonable time after delivery of the budget summary. The budget and the assessment will become effective unless disapproved at a duly called Association meeting by a vote of a Majority of the total Association membership; provided, however, if a quorum is not obtained at the annual or other meeting called to ratify the budget, the budget will become effective even though a vote to disapprove the budget could not be called at this meeting.

Notwithstanding the foregoing, if the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget has been determined as provided herein, the budget in effect for the current year will continue for the

succeeding year. In such case, the Board may propose a new budget at any time during the year. The approval procedure set forth in this section for budgets will also apply to a new budget proposed by the Board.

The budget does not operate as a limitation on expenditures by the Board, but, rather, the budget is merely an estimate of Common Expenses on which the Board may base the annual assessments.

[NOTE: This provision revises Article V, Section 3 to incorporate the time frames currently outlined in the Act.]

Section 4.8 **Special Assessments.** In addition to the annual assessment provided for above, the Board may, at any time, and in addition to any other rights it may have, impose a special assessment against all Owners; provided that if the special assessment exceeds 15% of the current budget, the special assessment must be approved in accordance with the meeting and notice procedures set forth above. In order to be effective, any special assessment that exceeds 15% of the current budget will become effective unless disapproved at a duly called Association meeting by a vote of a majority of the total Association membership; provided, however, if a quorum is not obtained at the meeting, the special assessment will become effective even though a vote to disapprove the special assessment could not be called at this meeting.

[NOTE: This provision incorporates the voting requirement for a special assessment included in the last paragraph of Article V, Section 3 of the current Declaration.]

Section 4.9 **Statement of Account.** The Association will furnish to an Owner or the Owner's designee, or to a holder of a security interest or its designee, a statement setting forth the amount of unpaid assessments then levied against the Lot in which the Owner, designee, or holder of a security interest has an interest. The Association will deliver the statement personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party within 14 calendar days after the Association's registered agent receives the request by personal delivery or by certified mail, first class postage prepaid, return receipt requested. The information contained in the statement, when signed by the treasurer of the Association, or managing agent, if any, will bind the Association, the Board, and every Owner as to the person or persons to whom the statement is issued and who rely on it in good faith. The Association may establish a reasonable fee relating to the statement, which may incorporate any fees imposed by a managing agent.

[NOTE: This provision has been added and is consistent with requirements of the Act.]

Section 4.10 **Reserves and Surplus Funds.** As part of the annual budget, the Association will establish and fund reasonable reserves for repair and replacement of the Common Area, including private streets, irrigation lines, and other property maintained by the Association. The Association may maintain surplus funds, if any, as unallocated reserves and such funds will not be credited to the Owners in proportion to their Common Expense liability or be credited to them to reduce their future Common Expense assessments. Funds set aside for reserves cannot be expended on other than reserve items without approval of the Board of Directors and in accordance with the Owner budget ratification procedures in Section 4.7 above.

[NOTE: This provision is similar to Article V, Section 9 of the current Declaration.]

Section 4.11 **Borrowing.** The Association has the power to assign its right to borrow money and assign future income, including the right to assign its right to receive Common Expense assessments, but only upon the affirmative vote of a Majority of the Owners present and voting, in person or by proxy, at a duly constituted meeting called for that purpose, or by ballot in lieu of a meeting as provided for in the Bylaws.

[NOTE: This provision has been added. It gives the Board the authority to assign assessment income (the collateral typically requested by banks for a loan), if borrowing is approved by a majority of the owners present and voting at a meeting or by ballot. Without this provision, the Board could borrow money without any consent of the Owners.]

ARTICLE 5. MAINTENANCE RESPONSIBILITY

Section 5.1 **By the Owner.** Each Owner is obligated to maintain and keep in good repair all portions of his or her Lot, including the Dwelling Unit and all improvements made by the Owner to the Lot, unless any portion of a Lot that is expressly made the maintenance obligation of the Association. This maintenance responsibility includes, but is not limited to the following:

(a) all portions of the Dwelling Unit, including, but not limited to exterior cladding, paint, stucco, stone, gutters, downspouts and roofs;

(b) decks, patios, walkways and other improvements serving the Dwelling Unit that are located on easement areas or Common Areas;

(c) any planter boxes, whether stone, wood or another material, adjacent to or abutting a Dwelling Unit and any retaining walls, whether stone, wood, stucco or other materials, adjacent to or abutting or otherwise protecting the Dwelling Unit;

(d) driveways serving the Dwelling Unit;

(e) sewer lines serving a Dwelling Unit to the point where it intersects the main sewer line that is maintained by the Eagle River Water and Sanitation District;

(f) any portion of the heating and air conditioning systems including serving the Lot, whether located within or outside the boundaries of the Lot;

(g) individual irrigation systems that are not part of the Association irrigation system, which as of the date of recording of this Declaration include irrigation systems on the following Lots: Lot 6B (1190B Casolar Drive), Lot 7B (1180B Casolar Drive), Lot 7A (1180A Casolar Drive) and Lots 14A and 14B (1148 Sandstone Drive);

(h) all communications, television, telephone, cable and electrical lines, receptacles and boxes serving the Dwelling Unit, whether located within or outside the Lot boundaries;

(i) non-conforming structures, which as of the date of recording of this Declaration include the following:

(i) Lot 10B (1150B Casolar Drive): garden, stone patio, steps, stone retaining walls, deer statuary, and iron fence at end of the extra parking/snow storage space,

(ii) Lot 12B (1121B Vail View Drive): water feature,

(iii) Lot 7B (1180B Casolar Drive): terraced grass hillside and retaining wall,

(iv) Lot 11B (1101B Vail View Drive): planting box to rear of Dwelling Unit;

(v) Lot 7A (1180A Casolar Drive): turf grass by roadside (served by independent irrigation system referenced in Section 5.1 (g));

(vi) Lot 6B (1190B Casolar Drive): patio, walkways, fencing, landscaping, and stone retaining wall across from garage;

(vii) Lot 6A (1190A Casolar Drive): four trees next to upper deck; and

(viii) Lot 8A (1170A Casolar Drive): planting bed on east side of Dwelling Unit adjacent to the road and bordered by stones.

(j) any other exterior improvements made by an Owner to the Lot or Common Area.

Section 5.2 **Additional Owner Responsibilities.** In addition, each Lot Owner shall have the responsibility:

(a) To keep the Lot in a neat, clean, and sanitary condition, including keeping the driveways, walkways and steps serving the Dwelling Unit free and clear of snow, ice, and any accumulation of water or other debris; provided that if the Dwelling Unit is not occupied, snow removal is not required.

(b) To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Lots.

(c) To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible.

Subject to the maintenance responsibilities herein provided, if an Owner or Resident performs maintenance or repair performed on or to the Common Area or Area of Common Responsibility without prior written approval of the Association, the cost of the maintenance or repair will be the sole expense of such Owner or Resident and the Owner or Resident is not entitled to reimbursement from the Association even if the Association subsequently accepts the maintenance or repair.

[NOTE: Sections 5.1 and 5.2 have been added and include information provided to us by the Board.]

Section 5.3 **By the Association.** The Association shall maintain and keep in good repair as a Common Expense all Common Areas, other than portions of the Common Areas identified as Owner responsibility in Section 5.2 above. The Association will also maintain the stone/brick retaining wall on the north side of Casolar Drive on either side of the mailboxes. Such maintenance includes, but may not be limited to private street and road maintenance and trash removal. The Association will also take reasonable action to clear and remove snow from Common Areas, as determined by the Board of Directors in the Association's annual or periodic contract with a snow removal contractor. The foregoing maintenance will be performed consistent with the Community-Wide Standard.

If, during the course of performing its maintenance responsibilities, the Association discovers that maintenance, repair, or replacement is required of an item that is the Owner's responsibility, and such maintenance, repair, or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's sole expense, without prior notice to the Owner, such being deemed an emergency situation.

If the Board determines that the need for maintenance or repair of the Area of Common Responsibility is caused through the willful or negligent act of any Owner or Resident, or their family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's Lot, and such cost will become the personal obligation of the Owner, a lien against the Lot to be collected as provided in this Declaration and the Association's collection policy.

The Association will repair incidental damage to any Lot resulting from performance of work that is the responsibility of the Association. The Association is not liable to any Owner, Resident, or any, guest, or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this article where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements that are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

[NOTE: This section has been added. It incorporates maintenance obligations listed under the purpose of assessments in Article V, Section 2 and the owner negligence provision in Article III, Section 4 of the current Declaration.]

Section 5.4 **Radon.** The U.S. Environmental Protection Agency ("EPA") states that exposure to elevated levels of radon gas can be injurious. Any test to measure the level of radon gas can only show the level at a particular time under the circumstances occurring at the time of testing. Owners may wish to test for the presence of radon gas and to purchase or install devices that may be recommended by qualified radon specialists. If the devices require exterior modifications to the Dwelling Unit, prior written consent in accordance with the terms of this Declaration is required. Each Owner agrees to hold the Association harmless from any claim or liability with respect to radon gas and related matters.

[NOTE: This section has been added.]

Section 5.5 **Failure to Maintain.** If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association will give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice will be set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors.

Unless the Board of Directors determines that an emergency exists, the Owner shall have 30 days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten days. If the Board determines that: (a) an emergency exists, or (b) an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense. Such costs will be added to and become a part of the assessment to which such Owner is subject and will become and be the personal obligation of the Owner. A lien may assessed against the Lot be collected, as provided for in this Declaration and in the Association's collection policy.

[NOTE: This section has been added.]

Section 5.6 **Maintenance Standards and Interpretation.** The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another term of the Board. These variances do not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this article. No decision or interpretation by the Board will constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

[NOTE: This section has been added.]

ARTICLE 6. PARTY WALLS

Section 6.1 **General Rules of Law to Apply.** Each wall built as a part of the original construction of the residences or Lots that serves and separates any two adjoining Lots or residences constitutes a party wall and, consistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 6.2 **Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall will be shared by the Owners who make use of the wall in equal proportions.

Section 6.3 **Damage and Destruction.** If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has benefited by the wall may restore it, and the other Owner or Owners thereafter who are benefited by the wall must contribute to the cost of restoration thereof in equal proportions, without prejudice. However, any Owner may call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 6.4 **Right to Contribution Runs With Land.** The right of any Owner to contribution from any other Owner under this article is appurtenant to the land and will pass to such Owner's successors-in-title.

Section 6.5 **Arbitration.** In the event of any dispute arising concerning a party wall, or under the provisions of this article, each party will appoint one arbitrator. Should any party refuse to appoint an arbitrator within ten days after written request therefor by the Board, the Board will appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one additional arbitrator and the decision by a majority of all three arbitrators will be binding upon the parties. Compliance with this section is a condition precedent to any right of legal action that either party may have against the other in a dispute arising under the provisions of this article.

[NOTE: This article has been added. In a community with shared walls between residences, such a provision should be included.]

ARTICLE 7. ARCHITECTURAL REVIEW

Section 7.1 **Establishment of Architectural Review Committee.** The Architectural Review Committee ("Committee") shall consist of the members of the Board of Directors unless the Board appoints a separate committee. If a separate committee is appointed, the Board has authority to remove any members of the Committee at its sole discretion.

[NOTE: This provision is similar to Article VI, Section 1 of the current Declaration, but provides some flexibility should the Board want to delegate this function to a committee at some point in the future.]

Section 7.2 **Authority of Association to Hire Consultants.** The Association has the authority to select and employ professional consultants to assist the Committee in discharging its duties when the Board deems it necessary. The anticipated cost of a consultant, if necessary, will be provided to the Owner prior to engagement of such consultant. The cost of such consultants shall be paid by the Owner of any Lot for which plans and specifications have been submitted for approval. The Owner of any such Lot shall be responsible for paying the full cost of each review, whether or not submitted plans and specifications are approved by the Committee, and the Committee may require payment of all such costs prior to approval of plans and specifications. The Committee also may charge reasonable fees to cover

the cost of review or inspections performed hereunder, and any such fees shall be published in the design standards.

[NOTE: This section is similar to the authority of the Board to Association in the Rules.]

Section 7.3 **Architectural Covenants.** Except as otherwise provided herein, no Owner, Resident, or any other person may, without first obtaining written approval of the Committee:

(a) make any encroachment onto the Common Areas or other Lots, except to the extent that there is a recorded easement in place for such encroachment;

(b) make any exterior change, alteration, improvement, grading, or other construction (including, but not limited to, fences, energy conservation devices or systems, walls, and landscaping) to the Lot or structures on the Lot; and

(c) make any interior alterations or additions that would affect the structural engineering of the Dwelling Unit or the Dwelling Unit on an adjacent Lot.

[NOTE: This section incorporates provisions in Article VI, Section 2 of the current Declaration.]

Section 7.4 **Required Action by the Association.** Applications for approval of any exterior modification must be in writing and provide such information as the Committee may reasonably require. Plans and specifications will include, but may not be limited to: floor elevations, plot, drainage, drainage and landscaping plans; snow removal plan; entry and driveway plan, the specifications or principal exterior materials, including window casings, location and character of all utilities and full descriptions of all fences and lighting. The Committee is the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, subject to the approval procedure provided below and provided no decision of the Committee may be arbitrary or capricious. The Association will be entitled to stop any construction that does not conform to the approved plans.

The standard for approval of exterior modifications or improvements includes, but is not limited to: (a) aesthetic consideration; (b) materials to be used; (c) compliance with the Community-Wide Standard, this Declaration, or the architectural guidelines that may be adopted by the Board, if any; (d) harmony with the external design of the existing building, Lots, and structures, and the location in relation to surrounding structures and topography; and (e) any other matter deemed to be relevant or appropriate by the Committee. An objective of the Committee is to seek to assure that no improvement will be so similar or dissimilar to others in the vicinity that monetary or aesthetic values will be impaired.

If the Committee fails to approve or to disapprove such application within 30 days after the application and all information as the Committee may reasonably require have been submitted, then the Owner submitting the application shall issue written notice, via certified mail, to the Association President and Secretary, informing the President of the Owner's intent to proceed with the modification as identified in the application. Unless the Association issues a written disapproval of the application within ten days of receipt of the Owner's notice, the approval will not be required and this section will be deemed complied with as to the items specifically identified in the application; provided, however, even if the requirements of this section are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the Bylaws, or the Rules and Regulations of the Association or of any applicable zoning or other laws.

[NOTE: This section revises and supplements a portion of Article VI, Sections 2 and 3 of the current Declaration. Rather than granting automatic approval for an improvement if the Committee fails to respond, this provision will require the owner to notify the Association of the owner's intent to proceed. This will help prevent an application from completely falling through the cracks, but still gives an owner the opportunity to proceed if the Association never responds to the application.]

Section 7.5 **Condition of Approval.** As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance of such construction, change, modification, addition, or alteration, unless otherwise agreed to in writing by the Board. AS a condition of approval, the Committee may require an Owner applicant to post a reasonable cash bond with the Association in an amount determined by the Committee. It is the responsibility of every Lot Owner to determine for himself or herself what architectural modifications have been made to his or her Lot by any predecessor-in-interest. At the discretion of the Board, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

[NOTE: This section has been added. The maintenance article identifies Lots with individual irrigation systems and other non-conforming structures. To address future modifications, a recorded document should evidence the maintenance obligations so future owners are on notice of their obligations. This section also incorporates the bond requirement addressed in Article VI, Section 2 of the current Declaration.]

Section 7.6 **Limitation of Liability.** Review and approval of any application pursuant to this article may be made on any basis, including solely the basis of aesthetic considerations, and neither the Committee nor the Board of Directors shall bear any responsibility for ensuring the design, quality, structural integrity, or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations, and other governmental requirements. Neither the Association, the Board of Directors, the Committee, nor any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner, design, or quality of approved construction on, or modifications to, any Lot, nor may any action be brought against the Association, the Board of Directors, the Committee, or any member thereof, for any such injury, damage, or loss.

[NOTE: This section is similar to the last paragraph of Article VI, Section 3 of the current Declaration.]

Section 7.7 **No Waiver of Future Approvals.** Each Owner acknowledges that the members of the Board of Directors and the Committee will change from time to time and that interpretation, application, and enforcement of the architectural standards may vary accordingly. Each Owner further acknowledges that the Board of Directors may adopt different architectural standards for different parts of the Community, based on street visibility and location of the proposed modification in the building. The approval of the Committee of any proposals, plans, and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans, and specifications, drawings, or matters whenever subsequently or additionally submitted for approval or consent.

[NOTE: This section has been added]

Section 7.8 **Commencement and Completion of Construction.** All changes, modifications, and improvements approved by the Committee hereunder must be commenced within six months from the date of approval. If not commenced within such time, then such approval will be deemed revoked, unless the Committee gives a written extension for commencing the work. All modifications to existing Dwelling Units approved by the Committee hereunder shall be completed in its entirety within 90 days from the date of commencement, unless otherwise agreed in writing by the Committee. All new construction shall be completed within 12 months of commencement. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement. The Owner is responsible to provide the Committee with notice of completion and the Committee has authority to inspect the work.

[NOTE: This section has been added. There is flexibility to extend time frames since mountain weather may interfere with the ability of an Owner to complete construction even if it is diligently pursued.]

Section 7.9 **Variances**. The Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Declaration or in architectural guidelines adopted by the Board. Such variances or adjustments may not be materially detrimental or injurious to other property or improvements in the Community.

[NOTE: This section is similar to the variance provision in the Association's rules, but does not include the unanimous vote.]

Section 7.10 **Right to Appeal**. If the Board is not acting as the Committee, an Owner whose plans have been disapproved or conditionally approved may appeal any decision of the Committee to the Board within 30 days of the decision. The Board will review the decision of the Committee pursuant to the criteria set forth in this article and the architectural guidelines, if any. Any decision of the Committee may be overruled and reversed by a majority of the directors by a written decision setting forth the reasons for the reversal when the directors conclude that the Committee's decision was inconsistent with the criteria set forth in this article and/or the guidelines.

[NOTE: This section has been added to address any future situation when a Board may designate Owners to serve on the Committee who are not directors.]

Section 7.11 **Architectural Guidelines**. The Committee may propose architectural guidelines from time to time, which guidelines may be approved by the Board and included in or with any Rules and Regulations of the Association. Board approval is necessary to affect any proposed architectural guidelines.

[NOTE: This section has been added.]

Section 7.12 **Enforcement**. Any construction, alteration, or other work performed in violation of this article, any other provision of this Declaration, the architectural guidelines, or any applicable zoning regulation will be deemed to be nonconforming. Upon written request from the Board, a violating Owner must, at the Owner's own cost and expense, remove such nonconforming construction, alteration, or other work and restore the Lot to substantially the same condition as it existed prior to such construction, alteration, or work. If the Owner fails to do so, the Association or its designees will have the right, in addition to all other available remedies, to enter the Lot, remove the violation, and restore the property; and any such expenses will be an individual assessment against the Lot to be collected as provided for in Article 4 of this Declaration and in the Association's collection policy. Alternatively, the Association may impose fines after reasonable notice and an opportunity for a hearing.

The Association also has the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this article and its decisions. Furthermore, the Association has the authority to record in the Eagle County records a notice of noncompliance with the provisions of this article. The Association may seek attorney fees incurred in enforcing the provisions of this article.

[NOTE: This section has been added.]

ARTICLE 8. USE RESTRICTIONS

Each Lot Owner is responsible for ensuring that the Owner's family, guests, tenants, and Residents comply with all provisions of the Governing Documents and the Rules and Regulations of the Association. Furthermore, each Owner and Resident shall always endeavor to observe and promote the

cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants, or Residents, as a result of such person's violation of the Governing Documents, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants, or Residents.

In addition to the following use restrictions, the Board of Directors may adopt Rules and Regulations in accordance with the terms hereof and as specified in the Bylaws.

Section 8.1 Use of Lots.

(a) Residential /Business Use. Each Lot and Dwelling Unit will be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any part of the Community, except that the Owner or Resident residing in a Lot may conduct ancillary business activities or home occupations within the Lot so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Lot;

(ii) the business activity does not involve visitation of the Lot by employees, clients, customers, suppliers, or other business invitees in greater volume than would normally be expected for guest visitation to a residential Lot without business activity and the business activity does not have more than one employee;

(iii) the business activity is legal and conforms to all zoning requirements for the Community;

(iv) the business activity does not increase traffic and parking in the Community in excess of what would normally be expected for residential Lots in the Community without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services, and other such similar delivery services);

(v) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

(vi) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Residents of the Community, as determined in the Board's discretion; and

(vii) the business activity does not result in a materially greater use of Common Areas or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis that involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

The Association, its directors, officers, and agents have no liability for any in-home occupation. Owners and Residents are required to comply with permitting requirements and any other requirements of Eagle County, Colorado.

[NOTE: This section modifies that portion of Article VII, Section 3 of the current Declaration that prohibits commercial uses of any kind to address home occupations.]

(b) **Occupancy.** Unless a Lot Owner has received prior written Board approval for an occupancy exceeding the limitations of this Section, all occupancies of a Dwelling Unit in excess of four consecutive weeks are limited to not more than four unrelated adults 18 years or older.

[NOTE: This section is similar to Article VII, Section 2 of the current Declaration, but to avoid confusion defines an adult as 18 years or older.]

Section 8.2 Leasing. Lot Owners have the right to lease or allow occupancy of a Lot upon such terms and conditions as the Owner may deem advisable subject to the terms of this Declaration, subject to restrictions of record and subject to the following:

(a) "Leasing" or "Renting" for the purposes of this Declaration is defined as regular, exclusive occupancy of a Lot by any person other than the Owner. For the purposes of this Declaration, occupancy by an Owner's roommate if the Owner occupies the Lot as such Owner's primary residence shall not constitute leasing under this Declaration.

(b) Short term occupancies and rentals may be regulated by the Town of Vail. Owners are required to comply with all Town of Vail ordinances.

(c) All leases or rental agreements for periods in excess of 30 days will be in writing and shall provide that the leases or rental agreements are subject to all terms of the Governing Documents. Owners are required to provide tenants with copies of the current Declaration and any Rules and Regulations of the Association.

(d) Each Owner who leases his or her Lot shall provide the Association, upon request, a copy of the current lease and tenant information, including the names of all occupants; vehicle descriptions, including license plate numbers; and any other information reasonably requested by the Association or its agents.

(e) All occupancies, leases, and rental agreements of Lots shall state that the failure of the tenant, lessee, renter, or his or her guests to comply with the terms of the Governing Documents (including, but not limited to, parking restrictions) constitute a default of the occupancy, lease, rental agreement, and of this Declaration and such default will be enforceable by either the Association or the landlord, or by both of them.

(f) All occupancies of Lots shall be subject to the right of the Association to remove and/or evict the occupant for failure to comply with the terms of the Declaration, the Bylaws of the Association, the Articles of Incorporation, or the Rules and Regulations of the Association. If the Association requests that the Owner evict the Owner's tenant based on the terms of this Declaration, and the Owner fails to commence such action within 30 days of the date of the Association's request and notice, the Association may commence eviction proceedings. Upon failure by the Owner to comply with the Association's request to evict, the Owner delegates and assigns to the Association, acting through the Board, the power and authority to evict the lessee as attorney-in-fact on behalf of and for the benefit of the Owner. If the Association evicts the lessee, any costs, including, but not limited to, reasonable attorney fees actually incurred and court costs associated with the eviction shall be an Assessment and lien against the Lot.

(g) Leases shall be for the entire Dwelling Unit.

(h) All Owners who reside at a place other than the Community will provide to the Association an address and phone number(s) where the Owner can be reached in the case of emergency or other Association business. It is the Owner's sole responsibility to keep this information current.

[NOTE: This section has been added.]

Section 8.3 **Subdivision.** Lot numbers 1, 2, 3, 6, 7, 8, 9, 10, 12, 13, 14 and 15 have been subdivided into two parcels with one Dwelling Unit permitted on each parcel (each of which is designated by the Lot number and either A or B) and such Lots may not be further subdivided. Lot 11 has been subdivided into three separate parcels (Lot 11-A, Lot 11-B, an Lot 11-C) and no more than three Dwelling Units may be placed on Lot 11. Lot 4 and Lot 5 may not be subdivided and only one Dwelling Unit may be placed on each of these Lots. Any structure erected on any of these lots maybe divided under a scheme of multiple ownerships as long as such structure contains no more than two Dwelling Units.

[NOTE: This section is similar to Article VII, Section 1, except that it acknowledges that Lot 5 may not be subdivided.]

Section 8.4 **Use of Common Areas.** There will be no obstruction of the Common Areas, nor will anything be kept, parked, or stored on or removed from any part of the Common Areas without the Association's prior written consent, except as specifically provided for in the Governing Documents with regard to Common Areas subject to easement rights. The Association will not be liable to the Owner or his Residents, guests, family members, and invitees, for loss or damage, by theft or otherwise, of any property that may be stored in or upon any of the Common Areas.

[NOTE: This section is similar to Article VII, Section 5 of the current Declaration, but also adds a liability disclaimer.]

Section 8.5 **Use of Garages.** Garages will be used solely for the purpose of storing vehicles and other personal property belonging to the Owner or Resident. No Owner or Resident may store any explosives, or any flammable, odorous, noxious, corrosive, and hazardous or pollutant materials or any other goods in the garage that would cause danger or nuisance to the Community. Garages may not be used for any purposes unlawful or contrary to any ordinance, regulation, fire code, or health code. If hazardous substances are stored, used, generated, or disposed of in the garage, or if the garage becomes contaminated in any manner for which the Owner or Resident thereof is legally liable, Owner or Resident will indemnify and hold harmless the Association and Board of Directors from any and all claims, damages, fines, judgments, penalties, costs, liabilities, losses, and any and all sums paid from settlement of claims, attorney's fees, consultant fees, and expert fees arising as a result of that contamination by Owner or Resident. Garages may not be converted to living areas; provided that any garage that has been converted as of the date of this Declaration shall be grandfathered.

[NOTE: This section has been added.]

Section 8.6 **Prohibition of Damage, Nuisance and Noise.** Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Property, or any part thereof, that would increase the rate of insurance on the Property or any Lot or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

The residences on the Lots in the Community are built in close proximity to one another, resulting in the sharing of common walls. As a result, noise and vibration may be detectable between Lots. Therefore, an Owner or Resident shall not conduct activities within a Lot or use a Lot in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Lot by its respective Owner and Resident.

Noxious, destructive, offensive, or unsanitary activity may not be carried out upon the Property. No Owner or Resident may use or allow the use of the Lot or any portion of the Property at any time, in any way that may endanger the health or property of other Residents, unreasonably annoy, disturb, or cause embarrassment or discomfort to other Owners or Residents, or, in the Board's discretion, constitute a nuisance. The intention of this provision is to grant the Association and aggrieved Owners and Residents a right of redress for actions, activities, or conduct that unreasonably disturbs or impairs the peaceful and safe enjoyment of the residences.

Nothing in this section will be construed to affect the rights of an aggrieved Owner or Resident to proceed individually against a violator hereof for relief from interference with his property or personal rights, and the Board may, in its discretion, require aggrieved individuals to seek redress personally for interference with their rights before the Association intervenes and commences enforcement action hereunder. No claim for any loss, damage, or otherwise will exist by an aggrieved Owner or Resident against the Association for failure to enforce the provisions hereof if the aggrieved Owner or Resident has not personally pursued all available remedies against the violator for redress provided under Colorado law.

Specific unauthorized and unreasonable annoyances or disturbances shall include, but not be limited to, the following:

(a) any fighting, screaming, shouting, excessively loud talking, playing of music or television, raucous behavior, or insobriety either outside of a Lot at any time or within a Lot, if such conduct can be heard in the normal course of activities in any other Lot(s);

(b) the use of any alarm, equipment, or device, mechanical or otherwise, that creates or produces excessively loud sounds or any vibrations either outside of a Lot at any time or within a Lot if such sounds can be heard or vibrations felt in the normal course of activities in any other Lot(s), except for residence or car alarms that will turn off in a maximum of 15 minutes;

(c) any threatening or intimidating conduct toward any Resident, guest, or pet in the Community;

(d) any conduct that, in the Board's reasonable discretion, creates any danger or risk of injury to others or damage to property in the Community or that creates any threat to health or safety of any other Resident or pet;

(e) any excessively loud play activities either outside of a Lot at any time or within a Lot if such conduct can be heard in the normal course of activities in any other Lot(s);

(f) any conduct that creates any noxious or offensive odor either outside of a Lot at any time or within a Lot if such odors can be detected in the normal course of activities in any other Lot(s);

(g) any incessant or excessive pet noises, including dog barking, if such conduct can be heard in the normal course of activities in any other Lot(s);

(h) any construction or similar activities in a Lot that can be heard in other Lots between the hours of 9:00 p.m. and 7:30 a.m.; and

(i) using or allowing the use of the Lot or the Common Areas in any manner that creates noise between the hours of 10:00 p.m. and 7:00 a.m. that can be heard by persons in another Lot that will, in the Board's sole discretion, unreasonably interfere with the rights, comfort, or convenience of any other Owner, members of his or her family, guests, invitees, or Residents of his or her Lot.

[NOTE: This section substantially expands upon Article VII, Section 7.16, of the current Declaration. It is frequently difficult to enforce nuisance provisions because they tend to be broad and subjective. Therefore, this section identifies specific behaviors that are typically objectionable in communities where homes are in close proximity to each other.]

Section 8.7 **No Damage or Waste.** No Owner, Resident, or agent of either may do any work that would jeopardize the soundness or safety of any structure within the Community, or would impair any easement or other interest in the Community, without prior written consent of all Association Members and their first Mortgagees.

No damage to or waste of the Common Areas or services, including use of water, will be permitted by any Owner or any Resident, guest, family member, or invitee of any Owner. Each Owner and Resident will indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by the Owner or Resident, or the Owner's or Resident's guest, family member, or invitee.

[NOTE: This section has been added.]

Section 8.8 Water. Each Dwelling Unit must be connected with the Eagle River Water and Sanitation District's facilities. No private well is permitted to be used as a source of water for human consumption. Each Owner is responsible for paying to the appropriate governmental authority or district all tap fees, water line fees, sewer fees and charges.

[NOTE: This section has been retained from Article VII, Section 7 of the current Declaration since there remain undeveloped lots. The reference in Section 7 to sewer line maintenance is addressed in the maintenance section of this Declaration.]

Section 8.9 Pets. No Owner or Resident may keep any animals other than two domesticated dogs or cats on any portion of the Property. A reasonable number of household pets weighing less than two pounds each may also be kept within the Dwelling Unit. The following animals may not be brought into or kept in the Community at any time: livestock; horses; pigs of any type, including pot-bellied pigs; poultry of any kind, including chickens, venomous snakes; or other animals determined in the Association's sole discretion to be dangerous animals. The Association may adopt additional Rules and Regulations to supplement this Section, including but not limited to Rules and Regulations defining generally recognized household pets.

No Owner or Resident may keep, breed, or maintain any pet for any commercial purpose. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Areas or the Lots without the prior written approval of the Association, except dogs that are confined within an enclosed area on the Lot when the pet owner is home. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outside of the residence or an enclosed area on the Lot. Feces left by pets upon the Common Areas, or on the Lots, including the pet owner's Lot, must be removed promptly by the owner of the pet or the person responsible for the pet. Owners will be responsible for the cost of any damage caused by pets residing in their Lot and such amounts will be collected as provided for in this Declaration and the Association's collection policy.

The Board may require after notice and hearing that any pet that, in the Board's opinion, endangers the health of any Owner or Resident or creates a nuisance or unreasonable disturbance, be permanently removed from the Community. If the Owner or Resident fails to comply with such a Board's request to remove a pet, the Association may seek a court order requiring the Owner or Resident to do so.

Any Owner or Resident who keeps or maintains any pet in the Community is deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Community.

[NOTE: This section supplements Article VII, Section 10 of the current Declaration. It expands the restrictions on prohibited pets and retains the authority to require removal of a pet after notice and hearing. There is no limitation on the number of pets in the current Declaration, but the rules limit pets to two. This section also permits a reasonable number of pets under two pounds (typically guinea pigs, hamsters and small birds). This section also requires that pets be on a leash at all times when outside a residence or enclosed area on the Lot and requires owners to indemnify the Association for claims related to actions of their pets.]

Section 8.10 Parking.

(a) **General.** Off-street parking spaces are required for each Dwelling Unit as follows: no more than two parking spaces per Dwelling Unit with each space to be no less than nine feet wide and nineteen feet long, and if enclosed and/or covered, not less than seven feet high. At least one parking space per Dwelling Unit will be located within the main building or within an accessory garage whenever such development is reasonable and appropriate for the site and is required by the Design Review Board of the Town of Vail. All Owners, Residents and their guests and lessees must park vehicles within the required parking spaces. Temporary parking of vehicles that do not interfere with normal use of the roadway is permitted; provided that no overnight parking of vehicles on or adjacent to the roadways is permitted. Parking is subject to the Rules and Regulations adopted by the Board.

(b) **Prohibited Vehicles.** No overnight storage or parking of boats, recreational vehicles or large or oversized vehicles (as reasonably determined by the Board of Directors) are permitted in the Community. Emergency vehicles, as defined in the Act, are permitted in the Community. Notwithstanding the above, otherwise prohibited vehicles are allowed temporarily on the Common Areas during normal business hours only for the purpose of serving any Lot or the Common Areas.

(c) **Enforcement.** If any vehicle is parked on any portion of the Community in violation of this section or in violation of the Rules and Regulations, the Association or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after 24 hours the vehicle may be towed. The notice will include the name and telephone number of the person or entity that will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If 24 hours after such notice is placed on the vehicle the violation continues, or occurs again within six months of such notice, the Board or agent of the Association may have the vehicle towed in accordance with the notice, without further notice to the vehicle owner or user.

If a vehicle located in the Community is blocking another vehicle or access to another Owner's driveway or garage, is obstructing the flow of traffic, is in a fire lane or in front of a fire hydrant, or would otherwise impede the passage of fire department vehicles, is blocking snow plow lanes or snow storage areas, is parked on any grassy area, or is otherwise creating a hazardous condition, no notice will be required and the vehicle may be towed immediately in accordance with the governmental regulations.

If a vehicle is towed in accordance with this section, neither the Association nor any director, officer, or agent of the Association will be liable to any person for any claim of damage as a result of the towing. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

[NOTE: This section incorporates Article VII, Section 8 of the current Declaration and also the rules regarding vehicle parking.]

Section 8.11 Vehicle Repair and Maintenance. Maintenance, repair, rebuilding, dismantling, repainting, or any kind of servicing of vehicles, trailers, or boats may not be performed or conducted in the Community unless done within a completely enclosed garage that screens the sight and sound of the activity from the street and from adjoining property. This restriction does not prohibit Residents from washing or polishing Residents' vehicles unless limited by watering restrictions.

[NOTE: This section has been added.]

Section 8.12 Signs. Except as may be provided in this Declaration or the Rules and Regulations or as may be required by state law or legal proceedings, no signs, house identification signs, mail boxes, poster boards, billboards or advertising structures of any kind will be placed or permitted to remain in the Community without the prior written consent of the Board or its designee.

[NOTE: This provision is the same as Article VII, Section 6 of the current Declaration. Many communities permit sale signs and security signs without Board approval. Also, political signs are permitted under Colorado law.]

Section 8.13 **Rubbish, Trash, Garbage and Recycling.** All rubbish, trash, garbage and recycling must be regularly removed from the Lot and is not permitted to accumulate in the Dwelling Unit or on the Lot. Disposal of garbage and trash and recycling must be in approved, "bear-proof" receptacles as permitted by law. Such receptacles must be kept inside the Dwelling Unit except during periods of pick-up, as permitted by law or ordinance. Outdoor burning of refuse is not permitted. No incinerators or other device for burning of refuse or refuse indoors will be constructed, installed or used by any Person.

[NOTE: This is similar to Article VII, Section 9 and the current rules, but also addresses recycling.]

Section 8.14 **Unightly, Unkempt, and Hazardous Conditions.** Activities that might tend to cause disorderly, unsightly, or unkempt conditions shall not be pursued or undertaken on any part of the Common Areas or on the Lots. No activities are permitted that are or may be unsafe or hazardous to any person or property. No open fires are permitted on the Common Areas and are only permitted on the Lots if in a contained gas or electric barbecue unit that complies with local ordinances. After notice and hearing, the Association may enter upon any Lot and remove unsightly objects and remedy unsightly or hazardous conditions; provided the Association may not enter the Dwelling Unit except as otherwise permitted in the Governing Documents. The cost of such removal is chargeable to such Owner as an individual assessment.

[NOTE: This section has been added.]

Section 8.15 **Trees.** No trees will be cut, trimmed or removed from the Community except with the prior written approval of the Board.

[NOTE: This section is the same as Article VII, Section 11 of the current Declaration.]

Section 8.16 **Landscaping and Gardening.** Any disturbance by an Owner to the surface area of the Property as the result of construction or work of any other kind, will be removed or eliminated promptly replanting the surface in native grass, by landscaping, or by gardening or by other and similar means; provided that the Owner must comply with the terms of Article 7 of this Declaration.

[NOTE: This section incorporates language from Article VII, section 12 of the current Declaration. The provisions regarding easements for sprinklers is incorporated in the easement section of this Declaration.]

Section 8.17 **Antennas and Satellite Dishes.** No transmission or reception antennas or facilities shall be permitted except as allowed by federal law ("Permitted Antenna"). Except for Permitted Antennas, no exterior television, transmission or any other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained on a Site, without written approval of the Architectural Standards Committee.

Permitted Antennas shall be installed in the least conspicuous location available on a Site that permits acceptable signals, without unreasonable delay or increase in the cost of installation, maintenance or use of the Permitted Antenna. The Association may adopt rules regarding location and installation of Permitted Antennas, subject to limitations of applicable federal law.

[NOTE: This section has been added and contains provisions of the Telecommunications Act of 1996. Satellite dishes one meter or less are permitted under federal law.]

Section 8.18 **Temporary Structures.** Temporary structures, trailers temporarily located in the Community and other temporary structures are permitted only as necessary during construction for construction purposes only; provided that such structures are approved by the Association. Further, no outbuilding or temporary structure may be used on any Lot at any time for residential purposes, either temporarily or permanently.

[NOTE: This section is the same as Article VII, Section 11 of the current Declaration.]

Section 8.19 **Fences.** No fence, wall, or hedge higher than five feet and no chain link fences of any height will be erected or maintained with in the Property.

[NOTE: This section incorporates the height limitation on fences and prohibition on chain link fences but deletes references to fences for tennis courts and other recreational installations as we understand there is no place in the community for such structures.]

Section 8.20 **Gas and Propane Tanks.** Except gas or propane tanks for barbeque grills maintained in accordance with local ordinances, all gas or propane tanks located within the Property must be buried underground or shielded in some other fashion as approved by the Board pursuant to the requirements of Article 7 of this Declaration.

[NOTE: This section is the same as Article VII, Section 17 of the current Declaration.]

Section 8.21 **Exterior Lighting.** No Owner may install exterior lights without the prior written consent of the Association pursuant to Article 7 of this Declaration. All exterior lighting must also comply with Town of Vail requirements.

[NOTE: This section modifies Article VII, Section 17 (Section 17 is duplicated in the current Declaration) of the current Declaration to address all types of lighting. The reference to lights used to illuminate signs has been deleted since signs are generally prohibited. This section also adds requirement that owners must comply with all requirements of the Town of Vail.]

Section 8.22 **Electric Service Drops.** All power lines located on the Property, including service drops, must be concealed from view by underground installation along their entire lengths.

[NOTE: This section is the same as Article VII, Section 18 of the current Declaration.]

Section 8.23 **Solar Panels.** Upon prior written approval of the Association and subject to Article 7 of this Declaration, solar panels may be placed on an Owner's Lot. The Association may adopt reasonable guidelines regarding installation of solar panels.

[NOTE: This section has been added. CCIOA provides that the Association may impose reasonable aesthetic provisions that govern the dimensions, placement, or external appearance of an energy efficiency measure (which includes solar panels) that may be included in the Rules and Regulations.]

Section 8.24 **Rules and Regulations.** The Board of Directors may adopt, amend, and repeal Rules and Regulations concerning and governing the Community in furtherance of the provisions of this Declaration and the general plan of development. The Board of Directors may also establish and enforce penalties for infractions of the rules, including, but not limited to fines.

[NOTE: This section incorporates the authority to adopt rules set forth in Section 3.5(b) of the current Declaration.]

Section 8.25 **Use of the Words Casolar Vail, Casolar del Norte, and the Casolar del Norte Home Owners Association.** No Resident or Owner is permitted to use the words Casolar Vail, Casolar del Norte or Casolar del Norte Home Owners Association or the logo of the Community or Association, if any, or any derivative thereof, in connection with any goods, materials, or services, the use of which is likely to cause confusion, mistake, or deception as to the source or origin of such goods, materials, or services, without the prior written consent of the Association.

[NOTE: This section has been added. Its goal is to limit confusion by prohibiting residents from using the Association or community name for their commercial ventures.]

ARTICLE 9. INSURANCE

[NOTE: The current Declaration does not include any insurance provisions.]

Section 9.1 Insurance on the Lots.

(a) Each Owner is obligated to obtain and keep in full force and effect at all times property insurance for the Dwelling Unit all other insurable improvements on the Lot or easement areas or other improvements made by the Owner or the Owner's predecessor-in-title providing "special form" coverage in an amount equal to the full replacement cost, before application of deductibles. If "special form" coverage is not reasonably available at reasonable cost, the Owner will obtain, at a minimum, broad form covered causes of loss, in like amounts.

(b) Each Owner may also obtain such other insurance the Owner deems desirable including insurance for personal property and for liability for any injuries occurring to persons on the Lot, on easement areas appurtenant to the Lot or on other improvement constructed by the Owner or the Owner's predecessor-in-title.

(c) Any insurance policy obtained by an Owner will, to the extent possible at reasonable cost, contain a waiver of the right of subrogation by the insurer as to any claim against the Association, its officers, directors, agents and employees and against other Owners and Residents.

(d) The Association has no liability for the failure of any Owner to maintain required insurance. Upon request by the Board, the Owner shall furnish a copy of such insurance policy or policies to the Association.

Section 9.2 Damage to or Destruction of Structures on Lots. In the event of damage to or destruction of structures on a Lot or easement area, the Owner shall proceed reasonably promptly to repair or to reconstruct the damaged structure in a manner consistent with the construction at the time of damage or destruction or such other plans and specifications as are approved in accordance with this Declaration.

Section 9.3 Insurance to be Carried by the Association. The Association will obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth in this Declaration, which insurance coverage includes the following terms and will be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. Insurance policies will provide that the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, the individual Owners and their respective household members. Insurance premiums for insurance provided by the Association is a Common Expense to be included as a part of the annual assessments levied by the Association.

(a) **Property Insurance on Common Areas.** The Association will obtain property insurance providing "special form" coverage in an amount not less than the full insurable replacement cost of the insured property, less applicable deductibles for any improvements on the

Common Areas, if any. If "special form" coverage is not reasonably available at reasonable cost, the Association shall obtain, at a minimum, broad form covered causes of loss, in like amounts.

(b) **Association Liability Insurance.** The Association will obtain general liability insurance in amounts no less than \$1,000,000.00, covering claims for bodily injury or property damage. Coverage will include, without limitation, liability for personal injuries and operation of automobiles on behalf of the Association. Each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Areas or membership in the Association.

(c) **Association Fidelity Insurance.** The Association will obtain fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees; provided such coverage shall be at least the amount of reserves plus two months assessments. If such insurance is not reasonably available, the Board will exercise its reasonable business judgment in determining the coverage amounts.

(d) **Directors' and Officers' Liability Insurance.** The Association shall obtain directors' and officers' liability insurance to protect the officers, directors, committee members and any person acting at the discretion of the Board from personal liability in relation to their duties and responsibilities in acting on behalf of the Association. The directors' and officers' liability policy shall include coverage for non-monetary claims.

(e) **Other Association Insurance.** The Association may obtain insurance against such other risks, of similar or dissimilar nature as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.4 **Claims and Adjustments by the Association.** Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association and not to any holder of a first lien security interest.

Section 9.5 **Condemnation Allocations and Distributions.** In the event of a distribution of condemnation proceeds to the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record and pursuant to the Act.

ARTICLE 10. EASEMENTS

Section 10.1 **Easements for Use and Enjoyment.** Every Lot Owner and Resident has a right and non-exclusive easement of ingress and egress, use, and enjoyment in and to the Common Areas that are appurtenant to and pass with the title to his or her Lot, subject to the following provisions:

(a) the right of the Association to have access to the Lots to discharge its rights and obligations, under the Governing Documents, including without limitation, the maintenance responsibility of the Association;

(b) the exclusive right of each Lot Owner to use that portion, if any, of the private driveway appurtenant to the Owner's Lot and Dwelling Unit as shown on the site plan, that is located within the Common Area;

(c) the right of the Association to suspend the voting rights of an Owner for any period during which any assessment or charge against his or her Lot that is provided for herein remains unpaid and for a reasonable period of time for an infraction of the Declaration, Bylaws, or Rules and Regulations;

- Declaration;
- (d) the right of the Association to borrow money as set forth in Article 4 of this Declaration;
 - (e) the right of the Association to grant easements, leases, and licenses across the Common Area, including cross-easements;
 - (f) the right of the Association to adopt Rules and Regulations regarding the use of Common Area;
 - (g) the right of the Association to dedicate or transfer all or any portion of the Common Area subject to approval of Owners holding 67% of the total Association vote, provided that the Board shall have the right to enter into agreements with any public authority for purposes necessary and beneficial, in the Board's discretion, to achieve the goals of the Association without such vote and the granting of easements as provided for above will not be deemed a transfer or dedication; and
 - (h) the right of the Association to change the use of portions of the Common Area or to close portions of the Common Areas.

Any Lot Owner may delegate his or her right of use and enjoyment in and to the Common Areas and facilities located thereon to the members of his or her family, tenants, and guests, and shall be deemed to have made a delegation of all such rights to the Residents of his or her Lot, if leased.

[NOTE: This section is similar to the easement rights in Article IX, Section 6 of the current Declaration.]

Section 10.2 Easement for Entry. The Association has an easement to enter onto Lots for maintenance, emergency, or safety purposes. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Resident of the Lot. For the purposes of this section, an emergency justifying immediate entry into a residence on a Lot shall include, but not be limited to, the following situations: a water or other utility leak, fire, strong foul odor, obvious insect infestation, or sounds indicating that a person or animal might be injured or sick and require immediate medical attention. No one exercising the rights granted in this section shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above-referenced parties, it being agreed that no duty to enter a Lot shall exist.

Each Owner will also afford to other Owners, and to their agents or employees, access over the Owner's Lot (but not the residence) reasonably necessary to allow other Owners to fulfill their respective maintenance, repair, and replacement obligations.

If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Area or any Lot through which access is taken, the Owner responsible for the damage, or expense to avoid damage, or the Association if it is responsible, is liable for the cost of prompt repair.

[NOTE: This section has been added.]

Section 10.3 Sprinkler System Easement. The Association has an easement to enter the Dwelling Units on Lots 1A (1141A Casolar Drive), 2B (1151B Casolar Drive), 10A (1150A Casolar Drive), and 15A (1150A Sandstone Drive) to maintain and operate sprinkler systems currently maintained or operated by the Association and the Association may continue to obtain electrical service from these Lot Owners for such purpose without charge or expense. If the Association desires to expand the current sprinkler system, the Association may negotiate easements from other Owners to maintain sprinkler control systems within their Dwelling Units.

[NOTE: This section incorporates the sprinkler easement referenced in Article VII, Section 12 of the current Declaration and the Easement Agreement for Lot 2B. Lots 14A and B will also be subject to an easement agreement.]

Section 10.4 **Support**. Every portion of a Lot contributing to the support of an abutting Lot shall be burdened with a non-exclusive easement of support for the benefit of such abutting Lot.

[NOTE: This section has been added.]

Section 10.5 **Encroachments**. To the extent that any Lot or Common Area encroaches on any other Lot or Common Area, a valid easement for the encroachment exists. Encroachments referred to herein include, but are not limited to, unintentional encroachments caused by error in the original construction of the Buildings, by error in the Map, by the settling, rising or shifting of the earth, by changes in position caused by repair or reconstruction of the dwellings or any part thereof or by any other movement of any portion of the improvements located upon the community. However, an easement for encroachment shall not exist if the willful conduct by an Owner or the Association caused the encroachment.

[NOTE: This section incorporates language from the proposed amendment drafted last year and revises Article IX, Section 7 of the current Declaration.]

Section 10.6 **Utilities**. To the extent that any utility line, pipe, wire, or conduit serving any Lot, Lots, or the Common Areas lies wholly or partially within the boundaries of another Lot or the Common Areas, such other Lot, Lots, or the Common Areas shall be burdened with a non-exclusive easement for the use, maintenance, repair, and replacement of such utility line, pipe, wire, or conduit, such non-exclusive easement to be in favor of the Lot, Lots, or Common Areas served by the same and the Association.

[NOTE: This section has been added.]

Section 10.7 **Public in General**. The easements and rights created in this article do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public; provided, however, nothing set forth herein shall in any way limit or restrict any existing easements or rights already granted to the public as such easements or rights are previously recorded in the Eagle County, Colorado, records.

[NOTE: This section has been added.]

ARTICLE 11. AUTHORITY AND ENFORCEMENT

Section 11.1 Compliance With and Enforcement of Governing Documents.

(a) Compliance Required. Every Owner and Resident will comply with the applicable provisions of the Governing Documents. Any aggrieved Owner has the right to take action to enforce the terms of the Governing Documents against another Owner.

(b) Association Remedies. The Association may enforce all applicable provisions of the Governing Documents and may impose sanctions for violation thereof. Sanctions may include, without limitation:

(i) imposition of reasonable monetary fines, after notice and opportunity for a hearing, which fines will be a lien upon the violator's Lot;

(ii) suspension of the right to vote;

(iii) suspension of any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(iv) exercise of self-help or action to abate any violation of the Governing Documents in a non-emergency situation, subject to any requirements as may be set forth in this Declaration, including those related to maintenance, repair, or replacement;

(v) requiring an Owner, at the Owner's expense, to remove any structure or improvement on the Lot or the Common Area in violation of the Governing Documents and to restore the Lot or the Common Area to its previous condition and, upon failure of the Owner to do so, the Association will have the right to enter the Lot/Common Area, remove the violation and restore the Lot/Common Area to substantially the same condition as previously existed and any action will not be deemed a trespass;

(vi) record in the Eagle County, Colorado real property records a notice of violation identifying any uncured violation of the Governing Documents; and

(vii) other remedies provided for in this Declaration or by applicable law.

(c) **Emergencies and Legal Action.** In addition, the Association may take the following enforcement procedures to seek compliance with the Governing Documents:

(i) exercise self-help in any emergency situation (specifically including, but not limited to, towing vehicles that are in violation of any parking Rules and Regulations); and/or

(ii) institute any civil action to enjoin any violation or to recover monetary damages, or both.

(d) **Remedies Are Cumulative.** All remedies set forth in the Governing Documents will be cumulative of any remedies available at law or in equity.

(e) **Costs Incurred By Association.** If the Association exercises any of its rights pursuant to this section, all costs will be assessed against the violating Owner or Resident and there will be a lien against the Lot. Additionally, subject to the Act, the Association will also be entitled to reasonable attorney fees actually incurred, which will be collected as an assessment.

Section 11.2 Failure to Enforce. The decision to pursue enforcement action in any particular case will be left to the Association's discretion, except that the Association may not be arbitrary and capricious in taking enforcement action. The Association's failure to enforce any provision of the Declaration, Bylaws, or Rules and Regulations is not deemed a waiver of its right to do so thereafter. No claim or right of action exists against the Association for failure of enforcement where: (a) the Association determines that its position is not strong enough to justify taking enforcement action; (b) a particular violation is not of such a material nature as to be objectionable to a reasonable person or justify the expense and resources to pursue; or (c) the Owner or party asserting a failure of enforcement possesses an independent right to bring an enforcement action at law or in equity and has failed to do so.

[NOTE: These sections outline in more detail the Association's enforcement rights that are set forth in Article IX, Section 4 of the current Declaration.]

ARTICLE 12. AMENDMENTS

Except where a higher vote is required for action under any other provision of this Declaration or by the Act, in which case such higher vote shall be necessary to amend such provision, this Declaration

may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the Owners holding at least 51% of the total Association vote.

Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Eagle County, Colorado real property records.

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration to correct any scrivener's errors, comply with any applicable state, city, or federal law, and/or to bring the Community into compliance with applicable Rules and Regulations of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD"), and the Veterans Administration ("VA") pursuant to federal law.

Any action to challenge the validity of an amendment adopted under this article must be brought within one year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

[NOTE: This section revises and updates Article IX, Section 2 of the current Declaration. The amendment percentage remains the same at 51%. Additionally, authority has been added for the Board to amend the Declaration in limited circumstances, and the statutory provision regarding the statute of limitations to challenge an amendment has been added. We have also eliminated the requirement of obtaining first mortgagee approval for amendments as this is not required in a community that is not a condominium.]

ARTICLE 13. GENERAL PROVISIONS

Section 13.1 **Security**. The Association may, but is not required to, from time to time, provide measures or take actions that directly or indirectly improve security in the Community. However, each Owner, for himself and his Residents, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and the Association does not have a duty to provide security in the Community. Furthermore, the Association does not guarantee that non-unit Owners and non-Residents 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 other Owners or Residents. Each Owner is responsible to protect his person and property and all responsibility to provide security lies solely with each Owner. The Association is not liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

[NOTE: This section has been added to put residents on notice that they are responsible for security of themselves and their property.]

Section 13.2 **Implied Rights**. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

[NOTE: This section has been added.]

Section 13.3 **Electronic Records, Notices, and Signatures**. Notwithstanding any other portion of this Declaration, records, signatures, and notices shall not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made or presented electronically. The relevant provisions of the Bylaws shall govern the giving of all notices required by this Declaration.

[NOTE: This section has been added.]

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

The property consists of 30 separate Lots that are more particularly described as follows: Lot A-7, A-8 and A-9, Lionsridge Filing No. 1, Eagle County, Colorado.

This document is in the DRAFT FOR HOMEOWNER REVIEW effective 7/17/2015. No reliance should be made, nor representations inferred from, the contents of this draft document.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
FOR
CASOLAR DEL NORTE HOME OWNERS ASSOCIATION
(A COLORADO NONPROFIT CORPORATION)**

The undersigned signs and acknowledges, for delivery to the Secretary of State of Colorado, these Amended and Restated Articles of Incorporation under the Colorado Revised Nonprofit Corporation Act.

RECITALS

Casolar Del Norte Home Owners Association, a Colorado nonprofit corporation ("Association"), certifies to the Secretary of State of Colorado that:

By their signatures below, the President and Secretary of the Board of Directors certify that these Amended and Restated Articles of Incorporation received the approval of an affirmative vote of a majority of the members present, in person or by proxy, at a regular or special meeting of the members at which a quorum was present;

The provisions set forth in these Amended and Restated Articles of Incorporation supersede and replace the existing Articles of Incorporation and all amendments;

The Association desires to amend and restate its Articles of Incorporation currently in effect as set forth below and that the Articles of Incorporation of the Association are hereby amended by striking in their entirety Articles I through VII, inclusive, and by substituting the following:

ARTICLE 1. Name

The name of the corporation is Casolar Del Norte Home Owners Association (the "Association").

[NOTE: This article is the same as Article I of the current Articles of Incorporation.]

ARTICLE 2. Duration

The duration of the Association shall be perpetual.

[NOTE: This article is the same as Article II of the current Articles of Incorporation.]

ARTICLE 3. Principal Office and Registered Agent

The principal office of the Association is 1151A Casolar Del Norte, Apt. A, Vail, Colorado 81657. The registered agent of the Association is Marshall Turley at the registered address of 1151A Casolar Del Norte, Apt. A, Vail, Colorado 81657. The principal office and the registered agent and office of the Association may change from time to time, by action of the Board of Directors.

[NOTE: This article updates Article VII of the current Articles of Incorporation.]

ARTICLE 4. Nonprofit

The Association shall be a nonprofit corporation, without shares of stock.

[NOTE: This article incorporates the reference in the introductory paragraph and the first sentence of Article IV of the current Articles of Incorporation.]

ARTICLE 5. Membership Rights and Qualifications

There shall be one membership for each Lot owned, which shall be automatically transferred upon the conveyance of the Lot. The qualifications of members of the Association, the voting rights, and other rights and obligations of members shall be contained in the Declaration of Covenants and Restrictions for Casolar Vail ("Declaration") and Bylaws of the Association.

[NOTE: This article amends Article IV of the current Articles of Incorporation to delete references to the developer and the classes of voting.]

ARTICLE 6. Purposes and Powers of the Association

The purposes for which this Association is formed are as follows:

- (a) To provide an entity for the furtherance of the interests of the owners of property subject to the Declaration (such property is hereafter referred to as the "Property");
- (b) To operate the common interest community known as "Casolar Del Norte" a planned community, and to operate and manage the Property and Common Area in Casolar Del Norte, located in Eagle County, State of Colorado, subject to the Declaration, maps, Bylaws and such rules and regulations as the Board of Directors may from time to time adopt, for the purposes of enhancing and preserving the value of the Property;
- (c) To perform all acts and services and exercise all powers and duties in accordance with the requirements for an association of owners charged with the administration of the Property under the terms of the Colorado Common Interest Ownership Act, as may be amended (the "Act") and as applicable to common interest communities created prior to July 1, 1992, and as set forth in the Declaration;
- (d) To act for and on behalf of the members of the Association in all matters deemed necessary and proper for the protection, maintenance and improvement of the lands and improvements owned by the members and the Association;
- (e) To promote, foster and advance the health, safety and welfare of the residents;
and
- (f) To do any and all permitted acts suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and do any and all acts that, in the opinion of the Board, will promote the common benefit and enjoyment of the members and residents of Casolar Del Norte, and to have and to exercise any and all powers, rights and privileges which are granted under the Act, the Declaration, Bylaws and laws applicable to a nonprofit corporation of the State of Colorado.

The foregoing statements of purpose shall be construed as a statement of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers.

[NOTE: This article is similar to Article III of the current Articles of Incorporation. Some of the powers regarding conveying property and granting easements and borrowing are addressed in the Bylaws.]

ARTICLE 7. Liability of Directors

No director shall be personally liable to the Association or its members for monetary damages for any breach of fiduciary duty as a director, except that no director's liability to the Association or its members for monetary damages shall be eliminated or limited on account of any of the following:

- (a) any breach of the director's duty of loyalty to the Association or its members;
- (b) any acts or omissions of the director not in good faith or that involve intentional misconduct or a knowing violation of law; or
- (c) any transaction in which the director received improper personal benefit.

Nothing herein will be construed to deprive any director of the right to all defenses ordinarily available to a director nor will anything herein be construed to deprive any director of any right for contribution from any other director or other person.

Any repeal or modification of this article shall be prospective only and shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

[NOTE: This article has been added.]

ARTICLE 8. Board of Directors

The business and affairs of the Association shall be conducted, managed and controlled by a Board of Directors. The Board of Directors may consist of any number between three and five persons. The number and qualification of directors, method of election, term of office, removal and filling of vacancies shall be as set forth in the Bylaws.

[NOTE: This article amends Article V of the current Articles of Incorporation. The current articles provide for a Board of three directors, but the Bylaws provide for five directors.]

ARTICLE 9. Amendment

Amendment of these Articles shall require the assent of a majority of the Members present and voting, in person or by proxy, at a regular or special meeting of the Members at which a quorum is present; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

[NOTE: This article has been added.]

ARTICLE 10. Dissolution

In the event of the dissolution of the Association as a corporation, either voluntarily or involuntarily by the members, by operation of law or otherwise, then the assets of the Association shall be deemed to be owned by the members at the date of dissolution, as part of their Lot as provided by the Declaration.

[NOTE: This article has been added.]

ARTICLE 11. Interpretation

The terms and provisions of the Declaration are incorporated by reference when necessary to interpret, construe or clarify the provisions of these Articles. In the event of conflict, the terms of the Declaration shall control over these Articles of Incorporation and the Bylaws. In the case of conflict between the provisions of these Articles of Incorporation and the Bylaws, these Articles of Incorporation shall control.

[NOTE: This article has been added.]

In witness whereof, the undersigned has signed these Amended and Restated Articles of Incorporation this ____ day of _____, 201__.

CASOLAR DEL NORTE HOME OWNERS
ASSOCIATION,
a Colorado nonprofit corporation

President

Secretary

Vote to waive requirement for annual audit

Cast your vote to determine if the Association should waive the requirement to pay for a public accountant to audit our books for the 2014-2015 fiscal year (savings of between \$2000-\$4000). Your ballot MUST be RECEIVED BY August 29, 2015 in order to be counted.

I cast my vote in FAVOR of waiving the requirement to have a public accountant audit the 2014-2015 financials (in other words, don't spend \$2000-\$4000 on an audit)	<input type="checkbox"/>
I cast my vote AGAINST waiving the requirement for an annual public accountant audit to be performed (in other words, go ahead and spend \$2000-\$4000 on an audit of the 2014-2015 financials)	<input type="checkbox"/>

Our Governing Documents state that the Treasurer shall "cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year." This audit is typically done in November/December for the year ending in September (i.e.: we'd pay this November/December to have the fiscal year which ran from October 1st 2014 thru September 30th 2015 audited). Current auditing estimates are still coming in between \$2000-\$4000 (which seems quite excessive for an Association of our size to pay). Your Board recommends that you vote in favor of waiving this requirement for the 2014-2015 financial year as a cost savings measure.

PLEASE INITIAL AND WRITE DOWN YOUR CASOLAR UNIT NUMBER IF MAILING OR FAXING BALLOT: _____ UNIT# _____

11/20/2014

Dear Casolar Del Norte Home Owner,



During the summer of 2013 Vail Fire and Emergency Services conducted a town wide home by home assessment of risk from wildland fire. During this assessment the Casolar Del Norte neighborhood was rated at High risk from wildland fire. The factors that were evaluated during this assessment included components of home construction, slopes near the home and flammable vegetation within 30 feet of the structure.

Since this assessment the Casolar Del Norte homeowners have done substantial thinning of vegetation near the homes and have asked for a reevaluation of the property. On November 7, 2014 Vail Fire and Emergency Services reevaluated the property and have determined that the present wildfire risk is **Moderate.**

While the overall rating has dropped do to proactive homeowner actions, ongoing maintenance and upkeep is essential. To maintain this rating annual maintenance activity of mowing grass, cleaning gutters and roofs, and ensuring that debris does not build up underneath and on top of decks is required.

Vail Fire and Emergency Services would like to thank you as homeowners for being proactive and committed to bettering the community. Vail Fire and Emergency Services is always available to assist with any questions you may have. Feel free to give me a call or email at any time.

Sincerely,

Paul Cada

Wildland Program Administrator
Vail Fire and Emergency Services
pcada@vailgov.com
(970)477-3475

ESTIMATE

ADDRESS
Kenneth Friedman
Vail Resorts Retail
492 East Lionshead Circle, Ste. 1
Vail, Colorado 81657

ESTIMATE # 1002
DATE 06/17/2015
EXPIRATION DATE 07/17/2015

ACTIVITY	QTY	RATE	AMOUNT
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Materials/Labor	1	9,750.00	9,750.00
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Entrance to mailbox: materials & labor all the stuff that was explained

to kenny such as:

*Everything that was shown to Kenny: flowers, mooch, grass, plants

*Spring out and moved somewhere else

*Steel around trees and plants

*Pull out posts & remove rocks and replace w/ flowers

ALL materials AND labor hours.

This was all work discussed by Carlos and Kenny. This estimate includes

TOTAL

\$9,750.00

Accepted By

Accepted Date