

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
ADOPTION AND AMENDMENT PROCEDURE

Effective Date: May 20, 2018

1. Definitions:
 - A. A policy is a course or principle of action adopted to guide the Board.
 - B. A procedure is an established or official way of conducting a course of action.
 - C. A rule is defined as a regulation or requirement governing conduct or behavior or the use of property.
2. The Board has the authority to adopt and amend policies, procedures and rules governing Association operation to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association. Policies, procedures and rules will be adopted at an open Board meeting and documented in the minutes or in a formal resolution.
3. Rules and regulations, once adopted, will be sent to all Owners and will be effective 10 days following notice.

This Adoption and Amendment Procedure was adopted by the Board of Directors this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: [Signature]
Its: President Jayne Brooks

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
COLLECTION POLICY AND PROCEDURE**

Effective Date: May 20, 2018

1. Due Dates, Late Charges, Interest, Suspension of Rights, and Acceleration of Assessments.

A. Due Dates. Monthly installments of the annual assessment are due and payable on the 1st day of each month. Payments will be deemed received on the date the payment is received in the Association's office or the Association's payment processor's office. Any installment not paid in full when due will be considered past due and delinquent.

B. Late Charge. A late charge in the amount of \$10 will be imposed for any assessment, fine or other charge not paid within 30 days of the due date without further notice to the Owner. The late charge is a personal obligation of the Owner and a lien on the Lot.

C. Interest. Interest at the rate of 21% per annum will accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner. Interest may be added to the Owner's account 30 days following the due date. Interest is a personal obligation of the Owner and a lien on the Lot.

D. Lien. Under Colorado law and the terms of the Declaration, there is a lien for any unpaid assessment. The Association reserves the right to record a notice of lien in the county records at any time after an assessment becomes delinquent.

E. Administrative Expenses. Charges imposed by the Association's management agent for delinquent accounts will be the obligation of the Owner.

F. Suspension of Rights. An Owner's voting rights are automatically suspended without notice if an assessment or other charge is not paid within 30 days of the due date.

G. Acceleration. Failure to make payment within 60 days of the due date will cause the total amount of the Owner's assessments for the remainder of that fiscal year to become immediately due and payable at the option of the Board. The Board may, in its discretion, decelerate the Owner's annual assessment.

2. Return Check Charges.

A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:

i. An amount equal to the face amount of the check, draft, or money order and a return check charge of \$20.00 or an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater; or

ii. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order will be liable to the Association for three times the face amount of the check, but not less than \$100.00.

B. If two or more of an Owner's checks are returned within any fiscal year, the Association may require that future payments, for a period of one year, be made by certified check or money order.

3. Attorney Fees and Collection Costs. The Association is entitled to recover its reasonable attorney fees and collection costs incurred in collecting assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Association is considered part of the assessments and due and payable immediately upon demand.

4. Application of Payments. All payments received on account of any Owner or the Owner's property, may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.

5. Notice. The following time frames serve as a guide for the sending of notices:

First Notice from Association or manager	30 days after due date
Second Notice from Association or manager	60 days after due date
Delinquent account turned over to Association's attorney; Lien filed; demand letter sent to Owner	90 days after due date
Suit may be filed by Association's attorney	120 days after due date

Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency specifying:

- A. The total amount due, with an accounting of how the total was determined;
- B. Whether the opportunity to enter into a payment plan exists as provided in this collection policy, and instructions for contacting the Association to enter into a payment plan, if available;
- C. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt; and
- D. A statement that action is required to cure the delinquency and that failure to do so within 30 days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

6. Payment Plans. The Association will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of six months or such other period as authorized by the Board. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment or fails to remain current with regular assessments as they come due during the payment plan term), the Association may pursue legal action subject to the notice requirements above. The Association is not obligated to negotiate a payment plan with: (i) an Owner who has previously entered into a payment plan pursuant to this policy, or (ii) an Owner

who does not occupy the Lot and acquired the Lot because of a default of a security interest encumbering the Lot or a foreclosure of the Association's lien.

All payment plans involving accounts referred to an attorney for collection will be set up and monitored through the attorney in consultation with the President of the Board or other person designated by the Board.

7. Rental Interception. To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

8. Notices: Use of Certified Mail/Regular Mail. Notices will be sent to the Owner's registered mailing address. If the Association sends a collection or demand letter or notice to a delinquent Owner by regular mail, the Association may, but is not required to, send an additional copy of that letter or notice by certified mail. Notices will be sent to the Owner's registered mailing address. Any courtesy notice of delinquency is a routine notice and may be sent by first class mail. The final letter prior to sending an account to an attorney or collection agency will be sent by certified mail. The Association may, but is not required to, also send this notice by first class mail.

9. Referral of Delinquent Accounts to Attorneys. After an account has been referred to the Association's attorney, the account remains with the attorney until it is settled, has a zero balance or is otherwise resolved. Once accounts are turned over to the Association's attorney, Owners will make payments to the Association at the attorney's address. The Association's attorney is authorized to take whatever action is necessary, in consultation with the Board President or other person designated by the Board, believed to be in the Association's best interest.

After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner will be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board may discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact. Action by the Association's attorney may include the following:

A. Notice of Lien. If not already recorded, a notice of lien may be recorded against the delinquent Owner's property to provide record notice of the Association's claim against the property.

B. Filing Lawsuit. The Association may file a lawsuit against the delinquent Owner seeking a money judgment. If a personal judgment is entered against the delinquent Owner, the Association may pursue remedies such as garnishing the Owner's wages or bank account to collect judgment amounts.

C. Judicial Foreclosure. The Association may foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action. If the Association forecloses on its lien, the Owner will lose the Owner's Lot, having the same effect as if a first mortgagee institutes a foreclosure action against the property (though the procedure is different).

The Association will not commence a judicial foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late fees, fines and other

charges as well as other assessments) equals or exceeds six months of common expense assessments based on the Association's periodic budget. Prior to filing a foreclosure action, the Board will resolve by a recorded vote to authorize the filing of the foreclosure action against the particular Lot against which the foreclosure action will be filed.

D. Receivership. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property, and collects the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent waste deterioration of the property.

E. Bankruptcy Filings. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim.

10. Certificate of Status of Assessment/Estoppel Letter. The Association will furnish to an Owner or such Owner's designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Lot. The statement will be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested for a fee, and in accordance with the management company's or Association's fee schedule. If the Owner's account has been turned over to the Association's attorney, the statement will include any attorney fees incurred in providing the statement.

11. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any bankruptcy notice or a foreclosure notice by any holder of an encumbrance against any Lot within the Association, the Association may advise the Association's attorney of the same and turn the account over to the Association's attorney.

12. Waivers. The Association may modify these procedures as the Association determines appropriate under the particular circumstances. Any accommodation may be documented in the Association's files. Failure to require strict compliance with this policy is not deemed a waiver of the Association's right to require strict compliance and will not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this policy.

This Collection Policy and Procedure was adopted by the Board of Directors this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: Jayne Brooks
Its: President

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
CONDUCT OF MEETINGS POLICY AND PROCEDURE**

Effective Date: May 20, 2018

1. Board Meetings.

A. Members or their representatives may attend all Board meetings, except that Members may be excluded from an executive session. The Board may go into executive session for any purpose allowed by law. Prior to going into executive session, the chair of the meeting will announce the purpose for the executive session.

B. The meeting agenda will be made reasonably available for examination by Association Members or their designated representatives.

C. The rules for Member participation during the meetings are:

i. Each Member who wishes to address the Board will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. If more than one person desires to address an issue on which the Board is to vote and there are opposing views, the Board will provide for a reasonable number of Members to speak on each side of the issue. After other Members have had an opportunity to speak, then a Member who has already spoken will be given another opportunity, time permitting.

ii. Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member will state his/her name and address.

iii. All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.

iv. To facilitate free and open discussion, Members are prohibited from audio or video recording meetings.

v. The Board is not obligated to take immediate action on any item presented by a Member.

D. There will be a Members' forum at the beginning of each regular Board meeting. The Members' forum will be for up to 15 minutes, although the Board may extend this time in its discretion. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting.

E. Members who attend may not participate in deliberation or discussion during the business portion of the Board meeting until expressly authorized by the Board.

F. Items will be discussed based on the meeting agenda, provided that items may be taken out of order if deemed advisable. Items not on the agenda may be discussed once all other items have been concluded, time permitting.

G. Any director may make a motion. All motions and the outcome of the vote will be recorded in the minutes. If any director requests his vote in favor or against or his abstention be recorded in the minutes, the minutes will so reflect.

H. Board meetings are not required to be held in accordance with Robert's Rules of Order.

2. Annual Meetings/Special Member Meetings.

A. Notice of a membership meeting will be sent to each Member not less than 10 or more than 50 days prior to the meeting. There is no weather resistant central location to physically post member meeting notices; therefore notices of member meetings are not physically posted. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

B. Members will sign in prior to the meeting for themselves and for any proxies they hold. If an election or vote is to be held, the Member will be given the appropriate number of ballots. Voting rights of delinquent Members and Members in violation of the Governing Documents (as more particularly provided in the Covenant and Rule Enforcement Policy) are suspended and those Members will not be given a ballot.

C. Secret ballots are required for the following: contested elections and any other matters if so requested by at least 20% of the Members present in person or by proxy. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

D. Ballots will be counted by a neutral third party or by a committee of volunteers who are Members selected or appointed at an open meeting by the President or other person presiding during that portion of the meeting. The committee of volunteers will not be Board members and, in case of a contested election, will not be candidates. The results of a vote taken by secret ballot will be reported without identifying information.

E. The President, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting will proceed in the order set forth in the agenda.

F. Each Member who wishes to speak will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.

G. Members must maintain decorum and refrain from addressing the membership or Board until recognized by the chair. Upon being recognized, the Member must state his name and address.

H. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board members or other Association Members. All comments and questions are to be delivered in a businesslike manner and comments will be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language. To facilitate free and open discussion, Members are prohibited from audio or video recording meetings.

I. Members must obey all orders made by the meeting chair, including an order to step down.

J. Any Member who refuses to follow the above rules will be asked to leave the meeting.


K. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a

recommendation for proceeding. The determination may be made following consultation with legal counsel.

L. Meetings are not required to be held in accordance with Robert's Rules of Order.

This Conduct of Meetings Policy and Procedure was adopted by the Board of Directors on this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: 
Its: President Jaye Brooks

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY

Effective Date: May 20, 2018

1. Disclosure. The director is to disclose any conflicting interest in a proposed transaction in an open meeting prior to the discussion and vote. The disclosure will be reflected in the meeting minutes or other written form.
2. Participation. The director will not take part in the discussion and will leave the room during the discussion and the vote on the matter. However, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.
3. Quorum. The interested director will count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
4. Approval. The contract, Board decision or other Board action must be approved by a majority of all of the disinterested directors. No contract, Board decision or other Board action in which a director has a conflict of interest will be approved unless it is commercially reasonable to and/or in the Association's best interests.
5. Standard of Review. No conflicting interest transaction will be set aside solely because an interested director is present at, participates in or votes at a Board meeting that authorizes, approves or ratifies the conflicting interest transaction if:
 - A. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board, and the Board in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors may be less than a quorum; or
 - B. the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or
 - C. the conflicting interest transaction is fair to the Association.
6. Loans. The Association will not make loans to its directors or officers. Any director or officer who assents to or participates in making a loan to a director or officer will be liable to the Association for the amount of the loan until the loan is repaid.
7. Definitions:
 - A. "Conflicting interest transaction" means a contract, transaction or other financial relationship between the Association and: (i) a director, or (ii) a party related to a director, or (iii) an entity in which an Association director is also a director or officer or has a financial interest.
 - B. "Party related to a director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

C. "Officer," for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

8. Review. Directors will periodically review this policy.

This Conflict of Interest Policy was adopted by the Board of Directors on this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: _____
Its: President

Jayne Brooks

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
COVENANT AND RULE ENFORCEMENT POLICY AND PROCEDURE**

Effective Date: May 20, 2018

1. Enforcement Procedure. The Board will not impose fines or suspend an Owner's right to vote for violation of the Governing Documents until after the Association has followed the notice and hearing procedure set forth below. Compliance with the notice and hearing procedure set forth below is not required for the following: late charges on delinquent assessments; suspension of voting rights if an Owner is shown on the Association's records to be delinquent in payment of assessments, in which case suspension will be automatic; self-help remedies as provided in the Declaration and this policy; and legal action.

A. Complaint. Any Owner may send the Association a written complaint by email or first-class mail, with as much information as is known of a covenant or rule violation. Complaints may also be initiated by the manager or any member of the Board. Complaints that cannot be independently verified by a Board member or the Association's manager must be in writing. The Board has no obligation to consider oral or anonymous complaints. The Board may determine whether a written complaint is justified before continuing with the notice and hearing procedure.

B. Notice of Alleged Violation. The Board will send a written notice of alleged violation of any provisions of the governing documents to the Owner as soon as reasonably practicable. The notice will describe the nature of the violation and the fine that may be imposed, the right to request a hearing to contest the violation or possible fine, and may further state that the Board may seek to protect its rights specified in the governing documents. All notices will be delivered by messenger or sent by regular first class mail, postage-prepaid.

C. Request for Hearing. If an Owner desires a hearing to contest any alleged violation and possible fine or to discuss any mitigating circumstances, the Owner must request the hearing, in writing, within 10 days of the date of the notice of alleged violation. The request for hearing should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a timely request for a hearing is not made, the right to a hearing is deemed forever waived. If a hearing is not requested within the 10 day period, the Board will determine if there was a violation based upon the information available to it, and if so, assess a fine as set forth in the fine schedule, within a reasonable time. The Board will give written notice of any fine to the Owner.

D. Hearing Board to Conduct Hearing. The hearing board, which may be the Board of Directors, will hear and decide cases set for hearing pursuant to the procedures set forth in this policy. The hearing board may appoint an officer or other Owner to preside at any hearing.

E. Conflicts. Any Owner who desires a hearing will be afforded a fair and impartial fact finding process by "impartial decision makers" (persons with authority to make a decision on a claimed covenant, rule or architectural violation and without a direct personal or financial interest in the outcome of the hearing). Any decision-maker who is incapable of objective and disinterested consideration will disclose this to the presiding officer prior to the hearing, if possible. If advance notice is not possible, the disclosure will be made at the hearing, and the decision-maker will be disqualified from all proceedings related to the hearing. If disqualification of any decision-maker results in an even number of individuals eligible to hear a case, the presiding officer may appoint an Association Member, in good standing, to serve as a voting member of the hearing board.

F. Hearing. The Board will inform the Owner of the scheduled time, place and date of the requested hearing delivered by messenger or sent by regular first class mail, postage-prepaid. The presiding officer may grant continuances for good cause. At the beginning of each hearing, the presiding officer will explain the rules, procedures and guidelines by which the

hearing will be conducted. The complaining parties and the Owner will have the right, but not the obligation, to attend the hearing. Each party may present evidence, testimony, and witnesses. The decision will be based on the matters set forth in the notice of alleged violation, request for hearing, and evidence as may be presented at the hearing. Unless otherwise determined by the hearing board in accordance with the Colorado Common Interest Ownership Act, all hearings will be open to attendance by Association Members. If a complaining party is unable to attend the hearing, he may submit a letter to the hearing board explaining the basis of the complaint.

G. Decision. After all testimony and other evidence have been presented to the hearing board, it will render its written findings and decision, and impose a fine, if applicable, within a reasonable time. A decision, either a finding for or against the Owner, will be by a majority vote of the hearing board.

2. Fine Schedule.

A. Unless otherwise specified in the governing documents, the following fines are guidelines for violation of the provisions of the governing documents:

First violation:	Warning letter
Second violation:	\$ 50.00
Third violation:	\$100.00
Fourth violation:	\$200.00
Subsequent violations:	\$200.00
Continuing violations:	\$ 25.00 per day for each day the violation continues.

The Association reserves the right to fine for first violations that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the schedule, if the fines in this schedule are not likely to provide effective incentives to induce compliance. The Board has the discretion to determine whether a violation is a first or subsequent violation.

The Board may waive fines if, in its reasonable discretion, waiver is appropriate under the circumstances. Additionally, the Board may condition the waiver upon the violator coming into compliance with the governing documents.

B. All fines are due and payable upon notice of the fine and are late if not paid within 30 days of the date that the Owner is notified of the fine. Fines will be collected in the same manner as assessments as set forth in the Declaration and the Collection Policy. Fines are in addition to all other remedies available pursuant to the Declaration and Colorado law, including the Association's right to collect attorney fees.

3. Additional Enforcement Rights.

A. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the governing documents without first following the preceding notice and hearing procedures, if the Board determines that legal action is in the Association's best interests.

B. Recorded Notice of Violation. The Board may issue and record with the Clerk and Recorder a Notice of Violation.

C. Supplemental Assessments. The Board may levy a Supplemental Assessment against any Owner and Owner's Lot for those purposes set forth in the Declaration, including but not limited to, reimbursing the Association for costs incurred in bringing an Owner into

compliance; provided that Supplemental Assessments for fines require notice and an opportunity for hearing as set forth above.


D. Self-help Remedies. The Association or its duly authorized agent has self-help remedies as more particularly provided in the Declaration.

E. Suspension of Right to Vote. An Owner's right to vote will be automatically suspended if the Owner is delinquent in payment of any assessment, fee, or other charge.

4. Failure to Enforce. The Association's failure to enforce the governing documents is not a waiver of the right to enforce for any subsequent violations.

This Covenant and Rule Enforcement Policy and Procedure was adopted by Board of Directors on this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: 
Its: President Jayne Brooks

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
INVESTMENT OF RESERVES POLICY

Effective Date: May 20, 2018

1. With regard to investment of reserve funds, directors and officers are subject to the standard of care outlined in this policy. Officer, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

A. Directors and officers will perform their duties regarding investment of reserves 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 performing the duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more Association officers or employees whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, community association manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within the person's professional or expert competence; or (iii) an Association committee on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

B. A director or officer is not considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause reliance on others as provided above to be unwarranted. A director or officer is not 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 policy. A director or officer, regardless of title, is not deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

2. The Board establishes the amount, if any, to be transferred to reserve funds on an annual basis. The amount will be reflected in the budget to be ratified by the Owners.

3. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments pursuant to the Association's investment goals. No funds will be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.

4. The reserve funds will be invested to achieve the following goals, in descending order of importance:


- A. Promote the preservation of principal;
- B. Structure maturities to promote liquidity and accessibility of funds for projected or unexpected expenditures;
- C. Mitigate the effects of interest rate volatility upon reserve assets;
- D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;
- E. Minimize investment costs.

5. The Board may consider the following circumstances in investing reserve funds:
- A. General economic conditions;
 - B. Possible effect of inflation or deflation;
 - C. Expected tax consequences;
 - D. Role that each investment plays in the overall investment portfolio;
 - E. Other Association resources.
6. All accounts, instruments and other documentation of investments will be subject to the approval of, and may from time to time be amended by, the Board as appropriate, and will be reviewed periodically.
7. The President and Treasurer are authorized to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in paragraph 4; and to enter into agreements, contracts and arrangements with respect to security transactions and to execute, sign or endorse agreements on the Association's behalf. The managing agent has authority to transfer funds from the reserve account to the operating account. Other withdrawals of funds from the reserve account require Board approval.
8. The Association will carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds, as required by the governing documents.
9. The Association's manager or other person designated by the Board will maintain monthly statements, including detailed accounting of current values, income and all transactions.

This Investment of Reserves Policy was adopted by the Board of Directors on this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: _____
Its: President


Jaye Brooks

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
RECORDS INSPECTION POLICY AND PROCEDURE**

Effective Date: May 20, 2018

1. Availability and Inspection of Records. Any records required to be made available by law will be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours after written request of at least 10 days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request. The written request will describe the records sought with reasonable particularity. The Board may require that requests be submitted on the form attached to this policy.

A. Upon receipt of a request, the Association will make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records will be inspected at a mutually acceptable location. All appointments for inspection will be limited to two hours. If additional time is needed, another appointment will be made within two weeks, at a time convenient to both parties.

B. At the discretion of the Board or Association manager, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.

C. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means the Association provides. Copies will be made at a cost based on the standard schedule of fees charged by the Association's management agent, which charges will include reasonable retrieval costs for off-site files. The Owner will be responsible for paying the total copying cost prior to receiving the copies.

D. Records may not be removed from the office in which they are inspected without the Board's express written consent, which consent may be conditioned on receipt of a cash deposit that will be refunded upon return of the records.

2. Association Records. In addition to any records specifically required by law or the Association's declaration or bylaws, the Association will maintain the following records, which are the Association sole records:

A. detailed records of receipts and expenditures affecting the Association's operation and administration;

B. records of claims for construction defects and amounts received pursuant to settlement of those claims;

C. minutes of membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all actions taken by a committee of the Board;

D. written communications among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws or Colorado law;

E. Members' names in a form that permits preparation of a list of names and physical mailing addresses of all Members, showing each Member's number of votes ("Membership list");

F. the current articles of incorporation, declaration, covenants, bylaws, rules and regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board;

G. financial statements, to the extent available, showing, in reasonable detail, the Association's assets and liabilities and results of its operations for the past three years;

H. tax returns for the past seven years, to the extent available;

I. a list of the names, electronic mail addresses and physical mailing addresses of its current directors and officers;

J. its most recent annual report delivered to the Secretary of State;

K. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;

L. the Association's most recent reserve study, if any;

M. current written contracts to which the Association is a party;

N. written contracts for work performed for the Association within the immediately preceding two years;

O. records of Board or committee actions to approve or deny design or architectural approval from Members;

P. ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate (provided that any identifying information on ballots may be redacted prior to owner inspection);

Q. resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members; and

R. written communications within the past three years to Members generally as Members.

If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, those documents will not be considered Association records.

3. Additional Records/Information. The following additional information as required by C.R.S. § 38-33.3-209.4 will be kept and made available:

A. the name of the Association's designated agent or management company, together with the management company's license number;

B. a valid physical address and telephone number for both the Association and manager or management company;

C. the name of the common interest community;

D. the initial date of recording of the Declaration;

E. the reception number or book and page for the Declaration;

- F. the date on which the fiscal year commences;
- G. the operating budget for the current fiscal year;
- H. a list, by Lot type, of the Association's current assessments (regular and special);
- I. the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure;
- J. the results of the most recent available financial audit or review, if any; and
- K. a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates.

4. Restrictions on Use of Membership List.

- A. No Member may use Association records, or allow Association records to be used, for commercial purposes.
- B. In addition, a Membership list may not be:
 - i. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
 - ii. used for any commercial purpose;
 - iii. sold to or purchased by any person;
 - iv. used for any purposes unrelated to the Member's interest as a Member; or
 - v. used for any other purpose prohibited by law.

Members requesting a Membership list will be required to sign the agreement attached to this policy indicating that they will not use the list for the purposes stated above.

5. Records That May Be Withheld. Pursuant to Colorado law, the following records may be withheld from inspection and copying to the extent that such records are or concern:

- A. architectural drawings, plans, and designs, unless the legal owner of the drawings, plans, or designs provides written consent to the release;
- B. contracts, leases, bids or records related to transactions to purchase or provide goods or services that are still in or under negotiation;
- C. communication with legal counsel protected by the attorney-client privilege or the attorney work product doctrine;
- D. disclosure of information in violation of law;
- E. records of an executive session of the Board; and
- F. records related to an individual Lot other than the Member's.

If these records are made available for inspection, the procedure set forth in Paragraph 1 applies.

6. Records That Are Not Available. Pursuant to Colorado law, the following records are not subject to review, inspection and/or copying and will be withheld from any inspection:

- A. personnel, salary, or medical records related to specific individuals; and
- B. Members' personal identification and account information, including:
 - i. bank account information;
 - ii. telephone numbers;
 - iii. electronic mail addresses;
 - iv. driver's license numbers;
 - v. social security numbers; and
 - vi. vehicle identification information.

Notwithstanding the limitations above, an Owner or resident may provide the Association with prior written consent to the disclosure of, and the Association may publish to other Owners and residents, the person's telephone number, electronic mail address, or both.

7. Creation of Records. Nothing contained in these policies will be construed to require the Association to create records that do not exist or compile records in a particular format or order.

8. Remedies. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a commercial purpose.

This Records Inspection Policy and Procedure was adopted by the Board of Directors on this 7th day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: _____
Its: President

Jayne Brooks

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
REQUEST FOR ACCESS TO ASSOCIATION RECORDS**

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

1. Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Bear Mountain Townhouse Homeowners' Association, Inc. provide access to the records of the Association. I have requested to inspect and/or obtain copies of the following records:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

(Please be as specific as possible. Add additional pages, if necessary.)

I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

2. I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner or for any commercial purpose. I further understand and agree that the Association's membership list may not be:

- (i) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (ii) Used for any commercial purpose;
- (iii) Sold to, otherwise distributed to, or purchased by any person; or
- (iv) Any other purpose prohibited by law.

3. I acknowledge and accept the Association's records inspection policy. I acknowledge and accept that the Association's records will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me. I agree to pay any costs associated with copying these documents. In the event the records provided to me by the Association are used for any commercial purposes or other improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: _____ Date: _____

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
DISPUTE RESOLUTION POLICY AND PROCEDURE**

Effective Date: May 20, 2018

1. Assessment Collection and Covenant and Rule Enforcement Disputes. Disputes regarding assessment collection are addressed in the Association's Collection Policy. Disputes regarding covenant and rule enforcement are addressed in the Association's Covenant and Rule Enforcement Policy. Such disputes are deemed to be exempt claims under the provisions of Article 11, Section 11.2 of the Amended and Restated Declaration and not subject to the claim resolution procedures set forth in Article 11, Section 11.3 of the Amended and Restated Declaration.
2. Other Claims. All claims other than exempt claims defined in Article 11, Section 11.2 of the Amended and Restated Declaration will be resolved as set forth in Article 11, Section 11.3 of the Amended and Restated Declaration.

This Dispute Resolution Policy and Procedure was adopted by the Board of Directors on this 25 day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: 
Its: President

Jayne Brooks

**BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS' ASSOCIATION, INC.
RESERVE STUDY AND FUNDING POLICY**

Effective Date: May 20, 2018

1. Reserve Study. The Association is not required under the governing documents to have a reserve study. The Association has a professionally prepared reserve study prepared in 2008 that is based on a physical examination of the property and includes a financial analysis. The Association may have the reserve study updated or revised periodically by the Board with assistance from management.

2. Reserve Funding. Periodic updates on reserve funding are performed by the Board of Directors working with its management agent. Funding for replacement is planned and projected to be from the following sources: (A) cash then on hand, including the operation and the reserve accounts, (B) annual assessments of owners, (C) special assessments of owners, (D) a loan as may be obtained by the Association, and/or (E) any combination of the above.

7th This Reserve Study and Funding Policy was adopted by the Board of Directors on this day of May, 2018.

BEAR MOUNTAIN TOWNHOUSE HOMEOWNERS'
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: Jayne Brooks
Its: President

Jayne Brooks