

## **Back Country Cabins Homeowner's Association, Inc. Board Meeting –June 14, 2014**

---

### **Minutes of Meeting**

A meeting of the Back Country Cabins Homeowner's Association, Inc. ("the HOA") Board of Directors took place on Saturday, June 14, 2014 at the United Professional Management ("UPM") office located at 524 Galena Street, Suite A, in Frisco, Colorado

**Attendees:** Joel Pins – President, Back Country Cabins HOA  
Mara Kaiser – Vice President, Back Country Cabins HOA  
Sean Serell\* – Secretary/Treasurer, Back Country Cabins HOA  
Bonnie Cole – President, UPM  
Consuelo Redhorse – Bookkeeper, UPM  
*\*Teleconferenced into meeting*

Meeting called to order at 9:08am

### **Agenda:**

- A) Approval of March 2014 Board meeting minutes
- B) Update reports
  - 1. Misc. update
    - i. Grounds of each unit/weeds
    - ii. Solar panels
    - iii. Trees
    - iv. Spring yard
  - 2. Bonnie report
    - i. Lost water timers
    - ii. Insurance issues
    - iii. Vendor requirements
    - iv. Tax prep
    - v. Shoveling bids
- C) Planters
- D) Board positions
- E) Mandatory policies
- F) Maintenance/Reserve study
- G) HOA unit square footage

### **Topic A. Approval of March 2014 Board meeting minutes**

**Motion: Sean made the motion to approve the March 2014 Board meeting minutes. Joel seconded. Approved unanimously.**

## **Back Country Cabins Homeowner's Association, Inc.**

### **Board Meeting –June 14, 2014**

---

#### **Topic B. Update reports**

##### **(1) Misc. updates**

- i. Grounds of each unit/weeds
  - a. Bonnie performing daily inspections at least three times per week, dandelion growth noted. HOA does not have a landscaping company. Prior management, Wilderrest Property Management (WPM), did some landscaping.
  - b. East/West strip has traditionally been kept “wild”. Until further notice, East/West will not be tended. If this area becomes an issue, group will readdress.
  - c. Group determined that weeding and grass trimming will be outsourced by the HOA (not by individual unit owners). Group decided against spraying and weed whipping, and would like the weeds to be pulled.
  - d. Decision on vendor will be made via email – UPM to receive 2 to 3 bids to weed, pull dandelions and trim grass. UPM to forward to group next week.
  - e. Need to determine and implement solution for future landscaping needs
- ii. Solar panels
  - a. Joel has been working with Innovative Energy on a wifi solution (modem) for the data to be “dumped”. The “patch” has been fixed
  - b. By end of next week, will have a short-term solution, then will move towards long-term solution (info dump or patch) within 3 months
  - c. Currently the HOA is not getting as much money (Xcel credit) as it should be
  - d. Manager will monitor bills for high efficiency and base line – can’t gauge “normal” yet
  - e. Joel will continue to lead this project for the HOA
- iii. Trees – Joel is watering trees by hand since the water timers are missing
- iv. Spring yard
  - a. Group agrees that there is a need for a “Spring & Fall Checklist” noting such things as heat tape on/off, water timers on/off, planter maintenance, solar panel inspections
  - b. Bonnie noted that there are weeds growing on either side of the sidewalk in the flagstone, as well as weeds growing in the rock beds. Group agrees to leave these items alone for the time-being.

##### **(2) Bonnie report**

- i. Lost water timers
  - a. UPM has been in contact with WPM regarding the “lost” water timers and WPM may have them – Bonnie will follow-up
  - b. Other option to buy new and request WPM to reimburse the HOA for the replacement cost

## Back Country Cabins Homeowner's Association, Inc. Board Meeting –June 14, 2014

---

### Topic B. Update reports (continued)

- ii. Insurance issues
  - a. Joel and Bonnie met with Leslie Wiese (insurance agent)
  - b. HOA is in compliance with governing documents
  - c. Good coverage – \$300/sq ft for rebuild
  - d. Appropriate riders and endorsements (see attachment for the HOA's "Enhanced Endorsement Limit")
  - e. Code update reviewed and is satisfactory
  - f. HO6 coverage is "walls in" and Leslie will send a letter for owners to be properly insured. Speak with Leslie or your insurance agent regarding your coverage. If you have HO6 insurance with American Family Insurance, they will waive your personal deductible for a covered loss under the HOA policy.
  - g. Review Declarations "Section 7.2.1 Owners Obligation to Purchase General Liability Insurance and Give Notice to Association" (attached)
    - 1. Bonnie will email Declaration Section 7.2.1 to Sean
    - 2. Bonnie will request general liability from each owner
- iii. Vendor requirements – UPM strongly recommends receipt of a Form W-9 and proof of insurance for all HOA vendors/contractors especially with those performing high-risk jobs. Cheaper may equal high risk and/or not adequate coverage.
- iv. Tax prep
  - a. UPM does not do tax prep
  - b. Bonnie will get two bids (Lanelle Barnett and Novosad CPAs)
  - c. Mara will contact a potential third bid
- v. Shoveling bids – Bonnie to get 3 bids by the end of July. Joel is also working on this.

### Topic C. Planters

- (1) Per June 2012 Board Meeting minutes, owners (not HOA) are responsible for planter boxes. Owners can have professionally done or can do themselves.
- (2) Need uniformity and consistency – all owners to have flowers in their planters. Governing documents note that owners may only have flowers and plants in their individual planter boxes. No plants or flowers outside of the planters.
- (3) **Motion: Sean motioned the following change for 2014 only: Owners may have three planters per unit common area/deck so long as they are well maintained by the unit owner. Joel seconded and unanimous approval.**
- (4) Readdress the above motion next year
- (5) Plants to be cared for through October 1, 2014
- (6) Planter bids
  - i. Joel can do for \$150-\$200
  - ii. Jack Whitt can water daily and do flowers – green thumb but not professional – Joel will speak with Jack today
  - iii. Bonnie will get bids and contractor information to owners
  - iv. Owners will need to decide by June 30<sup>th</sup> whether to have contractor do planters or do themselves
- (7) Bonnie can water three times per week
- (8) Bonnie will email all owners re: planters ASAP

## **Back Country Cabins Homeowner's Association, Inc. Board Meeting –June 14, 2014**

---

### **Topic D. Board positions**

- (1) March 2012 – Mara and Joel joined the board
- (2) August 2013 (Annual meeting) – Sean elected to the board – Pete's term expired
- (3) Joel selected as president via email
- (4) 1/3 up for election each year – each term is 3 years
  - i. 2014 – Mara's term ends
  - ii. 2015 – Joel's term ends
  - iii. 2016 – Sean's term ends
- (5) See "Article VI – Officers" for officer duties (attached)

### **Topic E. Mandatory policies**

- (1) Reserve plan policy – specify percentages needed in reserve
- (2) Bring questions to Bonnie by Tues 6/17 at 5pm
- (3) Revisit in a separate meeting in August – adopt before the annual meeting – need to have Sean present to sign documents
- (4) See attached nine mandatory policies

### **Topic F. Maintenance/Reserve Study**

- (1) Joel and Pete working on general timeline – will need before annual meeting – issues affect the reserve study
- (2) Discuss reserve study/maintenance plan in August meeting – can be by phone – aim for third weekend of August
- (3) Bonnie will get three bids
- (4) Bring options to annual meeting

**Topic G. HOA unit square footage** – see options and related handouts presented to Board (attached) – need a separate meeting to address this issue

**Topic H. Other business** – Delivery method for owner statements – all Board members request emailed statements only

Meeting adjourned at 11:15am

# AMERICAN FAMILY'S CONDOMINIUM ENHANCEMENT ENDORSEMENT

Broaden your protection with our Condominium Enhancement Endorsement.

This optional endorsement is available when building coverage is written for condominium associations.

## PROPERTY COVERAGES

FEATURE	INCLUDED IN OUR POLICY	ENHANCED ENDORSEMENT LIMIT
ACCOUNTS RECEIVABLE	\$10,000 on premises/\$5,000 off premises	\$100,000 on premises/\$50,000 off premises
ARSON REWARD	N/A	\$5,000
AUXILIARY BUILDINGS/STRUCTURES AND AUXILIARY BUILDINGS BUSINESS PERSONAL PROPERTY – UNSCHEDULED	N/A	\$25,000
DEBRIS REMOVAL	\$10,000	\$20,000
DESCRIBED PREMISES	Coverage within 100 feet of described premises	Coverage within 1,000 feet of described premises
ELECTRONIC DATA	\$10,000	\$25,000
LOCK AND KEY REPLACEMENT	N/A	\$1,000. Limit \$100 per key and lock
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY – BUILDING	\$250,000	\$1,000,000
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY – BUSINESS PERSONAL PROPERTY	\$100,00	\$250,000
ORDINANCE OR LAW	\$10,000 for increased cost of construction only – Optional coverage available	\$300,000 – combined limit for demolition cost coverage, loss to the undamaged portion of the building, and increased cost of construction
OUTDOOR FENCES	\$2,500 – Optional higher limits available	\$15,000
POLLUTANT CLEAN UP AND REMOVAL	\$10,000	\$35,000
“REPLACEMENT COST PROTECTION”	Building valuation options are Replacement Cost or Actual Cash Value	Replacement Cost without regard to the Limit of Insurance. Subject to policy provisions.
RETAINING WALLS	Optional	\$15,000
SEWER BACK-UP AND SUMP OVERFLOW	Optional	\$300,000
VALUABLE PAPERS AND RECORDS – AT DESCRIBED PREMISES	\$10,000	\$100,000
VALUABLE PAPERS AND RECORDS – NOT AT DESCRIBED PREMISES	\$5,000	\$25,000

Section 7.2.1 Owners Obligation to Purchase General Liability Insurance and Give Notice to Association. On request of the Association or its Manager, Owners shall supply Association with the Declaration Page of any Insurance Policy issued to an Owner for its liability, contents and any sewer backup protection.

Section 7.3. General Insurance Provision. All such insurance coverage obtained by the Executive Board shall be governed by the following provisions:

A. As long as Declarant owns any Unit on which a certificate of occupancy has been issued; Declarant shall be protected by all such policies as an Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or waive any rights with respect to) claims.

B. The deductible amount, if any, on any insurance policy purchased by the Executive Board may be treated as a Common Expense payable from Annual Assessment or Special Assessments, or as an item to be paid from working capital reserves established by the Executive Board; or alternatively, the Executive Board may treat the expense as an assessment against an Owner whose Unit is specifically affected by the damage or whose negligence or willful act resulted in damage. The Association may enforce payment of any amount due from an individual Owner toward the deductible in accordance with that Article entitled Assessments, Sections entitled Special Assessments and Default Assessments below.

C. The insurance coverage described in this Article shall be considered minimum coverage and the Association shall be obligated to secure and maintain such other and/or additional coverage as may be required by law or C.R.S. §3 8-33 .3-313 of the Act, which Section 313 is also applicable to supplement the provisions of this Article.

D. Except as otherwise provided in this Declaration, insurance premiums for the insurance coverage provided by the Executive Board pursuant to this Article shall be a Common Expense to be paid by regular Assessments levied by the Association.

Section 7.4. Physical Damage Insurance on Improvements. The Association shall obtain and maintain in full force and effect physical damage insurance on all

Condominium Units and all insurable Common Elements improvements within the Project, in an amount equal to full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from coverage). Such insurance shall afford protection against at least the following:

A. Loss of damage caused by fire and other hazards covered by the standard extended endorsement, and caused by debris removal, demolition, vandalism, malicious mischief, windstorm, and water damage;

B. Such other risks as shall customarily be covered with respect to projects similar in construction, location, and use.

Section 7.5. Provisions Common to Physical Damage Insurance.

A. In contracting for the policy or policies of insurance obtained pursuant to that Section entitled Physical Damage Insurance on Improvements above, the Executive Board shall make reasonable efforts to secure coverage which provides the following:

A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.

The following endorsements (or equivalent):

"cost of demolition;"

"contingent liability from operation of building laws or codes;"

"increased cost of construction;" and

"agreed amount" or elimination of co-insurance clause.

Periodic appraisals to determine replacement cost, as more fully explained in Section 7.5.B below.

A provision that no policy may be canceled, invalidated, or suspended on account of the conduct of any Owner (including such Owner's tenants, servants, agents, invitees, and guests), any member of the Executive Board, officer, or employee of the Association or the Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be covered by the Association, the Manager, any Owner, or Mortgagee.

B. Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Executive Board may deem advisable, the Executive Board shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then replacement cost of the property (exclusive of the land, excavations, foundations and other items carried by the association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

C. A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, a Declaration Page, together with proof of payment of premiums and any notice issued under Section 7.5.A.(iv) above, shall be delivered by the Association or its Insurer to any Mortgagee requesting the same, at least thirty (30) days prior to expiration of the then current policy. The Mortgagee on any Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit. The Association and its Insurer shall not be responsible to monitor the names of any Mortgagee and shall only proceed based upon prior written notice from the Owner or the Mortgagee.

#### Section 7.6. Liability Insurance.

A. The Executive Board shall obtain and maintain in full force and effect comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Executive Board may from time to time determine insuring each member of the Executive Board, the Manager, each Owner, and the employees of the Association against any liability to the public or to the Owners (and their guests, invitees, tenants, agents and employees) arising out of or incident to the ownership or use of the Common Elements. Such comprehensive policy of public liability insurance shall also cover contractual liability if available, liability for non-owned and hired automobiles, and if applicable, bailee's liability, garage keeper's liability, host liquor liability employer's liability insurance, and such other risks as shall customarily be covered with respect to projects similar to this project in construction, location, and use.

B. The Executive Board shall review such limits once each year, but in no event shall such insurance be less than \$1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence. In the event the Manager of the Association acquires insurance for its managed facilities and



projects, the Executive Board may authorize insurance in such pool consistent with the insurance pool coverage. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

Section 7.7. Fidelity Insurance. To the extent obtainable at reasonable cost, fidelity bonds may be obtained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such coverage may be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Association as an obligee and shall be written in an amount equal to at least 50% of the estimated annual operating expenses of the Association, including reserves. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 7.8. Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article shall be subject to the following provisions and limitations:

A. In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees;

B. The policies shall provide that coverage shall not be prejudiced by: any act or neglect of any Owner (including an Owner's tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Association; or any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control;

C. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be canceled or substantially modified or reduced (including cancellation for non-payment of premium) without at least thirty (30) days' written notice to any First Mortgage of record against any Unit, and all insureds named in the policies:

## ARTICLE VI - OFFICERS

6.01 General. The officers of the Association (who shall be elected from among the members of the Board) shall be a President, one or more Vice-Presidents, a Secretary, and a Treasurer. The officers shall be elected by an affirmative vote of a majority of the Members of the Board. The Board may elect such other officers, assistant officers, committees and agents, including Assistant Secretaries and Assistant Treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. One (1) person may hold two (2) offices, except that no person may simultaneously hold the offices of President and Secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board, such officer, agent or employee shall follow the orders and instructions of the President.

6.02 Removal of Officers. Upon an affirmative vote of a majority of the Members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

6.03 Vacancies. A vacancy in any office, however occurring, may be filled by an affirmative vote of a majority of the members of the Board for the unexpired portion of the term.

6.04 President. The President shall be the chief executive officer of the Association. He or She shall preside at all meetings of the Association and of the Board. The President shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The President has the authority to prepare, execute, certify and record documents reflecting amendment to the Declaration, which are properly amended pursuant to the provisions of the Declaration.

6.05 Vice-President. The Vice Presidents shall assist the president and shall perform such duties as may be assigned to them by the President or by the Board. In the absence of the President, the Vice President elected by the Board shall have the powers and perform the duties of the President.

6.06 Secretary. The Secretary shall keep the minutes of the proceedings of the Members, Executive Committee and the Board. He shall see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law. He shall be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Board. He shall keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all Members, the designation of the Units owned by each Member, and, if such Unit is mortgaged, the name and address of each Mortgagee. He shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

6.07 Treasurer. The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the of the Board. He shall receive and give receipts and acquittances for monies paid in account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. He shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the President. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

## ARTICLE VII - INDEMNIFICATION

7.01 Definitions. For purposes of this Article VII, the following terms shall have the meanings set forth below:

(a) Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

(b) Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was an Executive Board Member or officer of the Association or, while an Executive Board Member or officer of the Association, is or was serving at the request of the Association as a Executive Board Member, officer, partner, trustee, employee or agent another corporation, partnership, joint venture, trust or other enterprise, including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

7.02 Indemnification. The Association shall indemnify, if indemnification is authorized by C.R.S. § 7-129-102, any Indemnified Party in any Proceeding. The Association will advance the expenses of the Indemnified Party as provided in C.R.S. §7-129-104.

7.03 Insurance. By action of the Board, notwithstanding any interest of the Executive Board Members in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of law.

Declarant control, but, in that event, the Declarant may require Declarant control, that specified actions of the Association in a recorded instrument by the Declarant, be approved by the effective. The Executive Board Members selected by Declarant Association.

BOARD  
POSITIONS

1 of  
ibed

5.04 Election of Executive Board Members During Members' Control. At the first meeting of the Members after the Declarant no longer appoints the Executive Board, they shall elect a new Executive Board, and any terms of Executive Board Members which have not expired shall immediately terminate. Executive Board Members shall be elected by the Members at each annual meeting of the Members. At the first general election of the Board of the Association, the Members of the Association may cast as many votes as they are entitled to exercise under the provision of Section 3.01. above. Voting for Executive Board Members shall be by secret written ballot.

5.05 Term of Office of Executive Board Members during Members' Control. The term of office for the initial Executive Board Members shall be fixed at the time of their election as they themselves shall determine in order to establish a system of three (3) year terms in which at least one-third (1/3) of the Board is elected each year, and the Board shall identify in which year the board members for each category of representation are subject to election. For example, if the number of Executive Board Members on the initial Board is set at three (3) pursuant to Section 5.02 above, one (1) Executive Board Member shall serve for a one (1) year term, one (1) Executive Board Member shall serve for a two (2) year term, and one (1) Executive Board Member shall serve for a three (3) year term. At the expiration of the initial term of office of each respective Executive Board Member, a successor shall be elected to serve three (3) years. Each Executive Board Members shall hold office until their successors are elected by the Association and qualified.

5.06 Removal of Executive Board Members: Vacancies. Executive Board Members may be removed and vacancies on the Board may be filled as follows:

(a) By the Members. Any Executive Board Member may be removed, with or without cause, at any regular or special meeting of the Members by a majority of votes of the Members entitled to vote for a successor. A successor to any Executive Board Member removed may be elected at such meeting to fill the vacancy created by removal of the Executive Board Member. An Executive Board Member whose removal is proposed by the Members shall be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and shall be given an opportunity to be heard at such meeting.

(b) By the Board. Any Executive Board Member who has three (3) consecutive unexcused absences from Board meetings or who is in default of his obligations under the Declaration or is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority vote of the Executive Board Members present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event

**BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
COLLECTION POLICY**

Adopted \_\_\_\_\_, 2014

The following procedures have been adopted by Back Country Cabins Homeowners Association, Inc., ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well being of the Association.

Collection Philosophy: All members are obligated by the Townhome Condominium Declaration of Back Country Cabins ("Declaration") to pay all dues and assessments in a timely manner. Failure to do so jeopardizes the Association's ability to pay its bills. Failure of members to pay assessments in a timely manner is also unfair to its other members who do. Accordingly, the Association, acting through the Board of Directors must take steps to ensure timely payment of assessments.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. Due Dates. The annual assessment, as determined by the Association, shall be due and payable quarterly in equal installments due on the first (1<sup>st</sup>) day of each calendar quarter. Special assessments or other charges may be assessed or made from time to time by the Association in accordance with the Declaration and are due and payable as specified by the resolution authorizing such assessment or charge. All assessments or other charges not paid to the Association when due shall be considered past due and delinquent.
2. Late Fees and Interest. The Association shall be entitled to impose a late fee of twenty-five dollars (\$25.00) on any assessment or other charge not paid within thirty (30) days of the due date. Additionally, any assessment or other charge not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (18%) per annum. All such fees and interest shall be due and payable immediately, without notice, in the manner provided for payment of assessments.
3. Acceleration. The Association shall be entitled to accelerate the balance of the assessments or the installments of the assessments for the then current calendar year.
4. Return Check Charges. A twenty dollar (\$20.00) fee shall be assessed against an owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the owner's future payments, for a period of one (1) year, be made by certified check or money order.
5. Attorneys' Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner, together with post-judgment and appellate attorneys' fees and costs incurred.
6. Application of Payments Made to the Association. The Association reserves the right to

apply all payments received on account of any owner first to payment of any and all legal fees and costs (including attorneys' fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such owner, and any remaining amounts shall be applied to the assessments or other charges due with respect to such owner. For purposes of collecting an outstanding judgment, the Association may, but shall not be required, to first apply payments received following entry of a judgment towards post-judgment attorneys' fees and costs and/or assessments and other charges coming due following the entry of the judgment.

7. Offer of Payment Plan. Subject to the following requirements and conditions, the Association shall offer a payment plan to any delinquent owner and make a good faith effort to coordinate a payment plan with the owner:

- a. The payment plan must allow the delinquent owner the right to pay off the delinquency in equal installments over a period of at least six (6) months;
- b. No payment plan need be offered if the owner does not occupy the unit and has acquired the unit as a result of:
  - i. a default of a security interest encumbering the unit; or
  - ii. foreclosure of the Association's lien;
- c. The Association is not required to offer a payment plan or negotiate such a plan with an owner who has previously entered into a payment plan with the Association;
- d. The owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the period of the payment plan, constitutes a failure to comply with the terms of the payment plan.
- e. The Association may pursue legal action against the owner if the owner fails to comply with the terms of the payment plan.

8. Notice of Delinquency. After an installment of an assessment or other charge owed to the Association becomes thirty (30) days past due, and before the Association turns the delinquent account over to a collection agency or refers it to the Association's attorneys for legal action, the Association shall cause a Notice of Delinquency to be sent to the owner who is delinquent in payment. The Notice of Delinquency shall specify the following:

- a. the total amount due, with an accounting of how the amount was determined;
- b. whether an opportunity to enter into a payment plan exists under the requirements and conditions set forth in Paragraph 7 above, and the instructions for contacting the Association or its manager to enter into such a payment plan;
- c. the name and contact information for the person the owner may contact to request a copy of the owner's ledger in order to verify the amount owed;
- d. that action is required to cure the delinquency and the specific action required to cure the default; and
- e. that failure to cure the delinquency within thirty (30) days may result in the delinquent account being turned over to a collection agency or the Association's attorney, acceleration of the balance of the assessment or the installments of the assessment for the then current fiscal year, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's unit, or other remedies available under Colorado law.

The Notice of Delinquency shall be mailed to the owner at the Back Country Cabins unit address unless the owner has given notice, in writing, of an alternate address. The Association may, but shall not be required to, send periodic follow-up notices to the owner for as long as amounts remain past due on the owner's account.

9. Liens. If payment in full of any assessment or other charge is not received by the deadline stated in the Notice of Delinquency, the Association may cause a notice of lien to be filed against the property of the delinquent owner. The lien shall include assessments, fees, charges, late charges, attorneys' fees, fines and interest owed by the delinquent owner.

10. Referral of Delinquent Accounts to Attorneys. After the deadline stated in the Notice of Delinquency has expired, the Association may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance, or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the Association's managing agent, the attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent owner's property.

11. Foreclosure of Lien. Notwithstanding any provision of this policy to the contrary, the Association may only foreclose the lien if:

- a. The balance of the assessments and charges secured by the lien equals or exceeds six (6) months' worth of regular assessments based on the periodic budget adopted by the Association; and
- b. The Board of Directors has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific owner's unit on an individual basis.

12. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection, subject, however, to the same terms and conditions as specified herein, including the payment plan and foreclosure authorization requirements.

13. Waivers. Nothing in this policy shall require the Association to take specific actions other than to notify owners of the adoption of this policy. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances except as may be prohibited by Colorado law.

14. Order of Remedies. Subject to the restrictions contained in paragraph 11 above concerning foreclosure, the Association may pursue any actions or remedies, including, but not limited to, actions for personal judgment, foreclosure or receivership, to collect amounts owed in any order or contemporaneously, and cumulatively, and in the case of a foreclosure by the holder of another security interest in the owner's property, may immediately proceed to file actions for personal judgment,

foreclosure or receivership (on an ex parte basis or otherwise) without the necessity of following the procedures set forth above.

15. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of assessments or other charges shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent owner consistent with the Association's Notice and Hearing and Enforcement Policy and Procedures.

16. Superseding Previous Policies. This policy shall replace and supersede any previous rules and regulations of the Association addressing the collection of past due assessments.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This Collection Policy was adopted by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.,.

\_\_\_\_\_  
Secretary



BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
POLICY REGARDING CONDUCT OF MEETINGS

Adopted \_\_\_\_\_, 2014

The following procedures have been adopted by Back Country Cabins Homeowners Association, Inc., ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and systematic protocol for conducting meetings of the Association, including Members' meetings and Board meetings; to ensure equitable participation by Members while permitting the Board to conduct the business of the Association; and to memorialize the circumstances under which the Board may convene into executive session.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the conduct of meetings of the Members and meetings of the Board:

1. Members' Meetings. All meetings of the Association are open to every Member, or to any person designated by a Member in writing as the Member's representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that at regular and special meetings of the Board, Members who are not Board members may not participate in any deliberation or discussion except as provided below.

2. Board Meetings. All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all Members or to any person designated by a Member in writing. At regular and special meetings of the Board, except as stated below, Members who are not members of the Board may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board.

3. Members' Right to Speak at Board Meetings. At Board meetings, the Board shall permit Members or their designated representatives to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak, and the Board shall provide for a reasonable number of persons to speak on each side of an issue. However, the Board may place reasonable time restrictions on those persons speaking during any meeting.

4. Agenda; Open Forum. The President of the Board of Directors, and in his absence, the Vice President, shall be chairman of all meetings. The agenda for all meetings shall follow the order of business specified by the Association's Bylaws, and if none, in accordance with the order of business determined by the Board. The agenda for Members' meetings shall include a Member Open Forum during which any Member or Member's designated representative who wishes to speak will have the opportunity to do so, subject to the remaining provisions of this policy. The agenda for Board meetings shall include a Member Open Forum, subject however, to the Board's right to dispense with or limit the Member Open Forum at the discretion of the Board, except that such limits on Member Open Forum shall always be subject to the provisions of paragraphs 2 and 3 of this policy.

5. Limits on Right to Speak. The Board shall have the right to determine the length of time of the Open Forum. The chairman of the meeting may place reasonable limitations upon the time given to each Member seeking to comment, to allow sufficient time for as many Members as possible to comment within the time permitted. Unless otherwise determined by the chairman, the time limit will be three minutes per Member. The chairman shall, to the best of his/her ability, allocate time to each Member for comment so as to allow as many Members as possible to speak within the time permitted. Each Member will only be allowed to speak more than once during Open Forum at the discretion of the Board. No Member may speak a second time until all Members wishing to speak have had an opportunity to speak once.

6. Sign-Up Sheets. A sign-up sheet will be made available to Members immediately prior to the meeting. Any Member wishing to comment at the ensuing meeting may add his/her name to the sign-up sheet. Subject to the remaining provisions of this policy, Members will be recognized for comment at the meeting in the same order as their names appear on the sign-up sheet. All Members wishing to comment who have not placed their names on the sign-up sheet will nonetheless be permitted to speak, time permitting.

7. Attorney/Client Privileged Communications. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

8. Recording of Meetings. Note taking is permitted, however, video or audio recording of all or any portion of any meeting by Members is prohibited.

9. Member Conduct. No Member is entitled to speak until recognized by the chairman. There shall be no interruption of anyone who has been recognized by the chairman except by the chairman. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chairman and not other individual participants. All comments are to be restricted to the agenda item being discussed. Courteous behavior is mandatory.

10. Curtailment of Member Conduct. Should the chairman determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the chairman shall have the authority to instruct that Member to yield the floor, and that Member will be obligated to comply with the chairman's instruction.

11. Disruptive or Unruly Behavior. If a Member refuses to stop talking after his/her allotted time has ended, or otherwise disrupts the meeting, or is otherwise in violation of the provisions of this policy, the following procedure will be followed:

- (a) The chairman will issue an oral warning that if the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions

of this policy, either the meeting will be adjourned or law enforcement/security will be called to remove the Member.

- (b) If the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the chairman will call a recess and speak directly to the Member, reiterating that either the meeting will be adjourned or law enforcement/security will be called to remove the Member.
- (c) If the Member still refuses to cooperate, the chairman may choose whether to adjourn the meeting to another time or to call law enforcement/security.

12. Executive Session. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

- (a) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (f) Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the members of the Board convene in executive session, the chairman shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above. No rule or regulation of the Board shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This Policy Regarding Conduct of Meetings was adopted by the Board of Directors at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.

\_\_\_\_\_  
Secretary

BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
POLICY REGARDING BOARD MEMBER CONFLICTS OF INTEREST

Adopted \_\_\_\_\_, 2014

The following Policy Regarding Board Member Conflicts of Interest has been adopted by Back Country Cabins Homeowners Association, Inc., (“Association”) pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To adopt a policy and procedure to be followed when a Board member has a conflict of interest to ensure proper disclosure of the conflict and voting procedures.

THEREFORE, IT IS RESOLVED that the Association hereby adopts the following policy regarding Board member conflicts of interest:

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of the Condominium Units in the community. All members of the Board shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to, the Association. All members of the Board shall avoid conflicts of interest and conflicting interest transactions in their dealings with and representation of the Association, and shall avoid the appearance of impropriety in those dealings.

2. Definitions.

a. “Conflict of interest” means circumstances under which a Board member may be unduly influenced in his or her decision making process in favor of or against any particular action.

b. “Conflicting interest transaction” means any contract, transaction, or other financial relationship between the Association and a Board member, or between the Association and a party related to a Board member, or between the Association and an entity in which a Board member of the Association is a director or officer or has a financial interest.

c. “Party related to a Board member” means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or a party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest.

Unless otherwise defined in this policy, capitalized terms herein shall have the same meaning as in the Declaration or the Association’s Articles of Incorporation or Bylaws.

3. No Loans to Board Members. No loans shall be made by the Association to Board members or officers. Any Board member or officer who assents to or participates in the making of such a loan shall be personally liable to the Association for the amount of the loan until repayment thereof.

4. Disclosure of Conflict of Interest or Conflicting Interest Transaction. At the commencement of any meeting of the Board, the Board shall afford an opportunity to all Board members to declare whether they have any conflicts of interest in any matter affecting the Association that has not previously been disclosed. In advance of entering into a conflicting interest transaction, the interested Board member shall declare at an open meeting of the Board, that a contract, transaction, or other financial relationship being contemplated or discussed by the Board may constitute a conflicting interest transaction with such Board member, and the interested Board member shall describe in detail all of the particular facts of the conflicting interest transaction and the conflict of interest giving rise thereto. If a Board member other than the interested Board member, in good faith, believes that the interested Board member has a conflict of interest, or that the contract, transaction or other financial relationship being contemplated or discussed might constitute a conflicting interest transaction, then such other Board member may disclose the facts upon which such belief is formed, and the remainder of the Board, not including the interested Board member, shall make a good faith determination as to whether a conflict of interest or conflicting interest transaction exists.

5. Action Upon Disclosure. After the interested Board member makes such a declaration, or the remainder of the Board determines that a conflict of interest or a conflicting interest transaction exists, the interested Board member may be counted as present for purposes of establishing a quorum of the Board, but the interested Board member shall not participate in a discussion of the matter giving rise to the conflict of interest or conflicting interest transaction, nor shall the interested Board member vote on the issue giving rise to the conflict of interest or the conflicting interest transaction.

6. Validity of Action. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because (a) the conflicting interest transaction involves a Board member or a party related to a Board member or an entity in which the Board member is a director or officer or has a financial interest, or (b) the Board member is present at or participates in the meeting of the Association's Board or of a committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction, or (c) the Board member's vote is counted for such purpose if:

- a. the material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board or committee 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 are less than a quorum; or
- b. the material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Board members entitled to vote thereon; or
- c. the conflicting interest transaction is fair as to the Association.

7. Supplement to Law. The provisions of this policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

8. Periodic Review. The Board shall review this policy annually and revise if deemed necessary in its discretion.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This Policy Regarding Board Member Conflicts of Interest was adopted by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.

\_\_\_\_\_  
Secretary

BACK COUNTRY CABIN HOMEOWNERS ASSOCIATION, INC.,  
POLICY REGARDING DISPUTE RESOLUTION

Adopted \_\_\_\_\_, 2014

The following procedures have been adopted by Back Country Cabin Homeowners Association, Inc., ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5 at a regular meeting of the Board of Directors.

Purpose: To provide a more efficient means of resolving disputes or claims involving the Association and/or the Association's governing documents and to reduce the costs and fees associated with dispute resolution.

WHEREAS, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-124, encourages common interest communities to adopt protocols that make use of mediation in resolving disputes between the Association and one or more unit owners.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the resolution of disputes:

1. Dispute Resolution Procedures. Except as otherwise provided in this policy, the following procedures will be followed in all disputes or claims involving the Association and/or the Association's governing documents.

A. Prior to proceeding with any claim, the party asserting the claim ("Claimant") shall give written notice of such claim to all opposing parties ("Respondent"), which notice shall state plainly and concisely:

- (i) the nature of the claim, including all persons involved and Respondent's role in the claim;
- (ii) the legal or contractual basis of the claim (i.e. the specific authority out of which the claim arises); and
- (iii) the specific relief and/or proposed remedy sought.

B. After the Respondent receives the notice of claim, the parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the claim by good faith negotiation. Such efforts may include inspections of the Claimant's or the Respondent's Unit for purposes of evaluating any alleged violation. Any party may be represented by attorneys and independent consultants to assist in the negotiations and to attend meetings.

C. If the parties do not resolve the claim through negotiations within sixty (60) days after submission of the claim to the Respondent, the Claimant shall have an additional sixty (60) days to submit the claim for mediation. In the event the parties are unable to agree on a mediator, a mediator shall be appointed upon application of either party to the



District Court of Summit County. In such event, the claim shall be deemed to be submitted upon filing the petition for appointment of the mediation.

D. If the Claimant fails to submit the claim to mediation within such time, or fails to appear at the mediation, the claimant shall be deemed to have waived the claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim. However, nothing in this policy shall release or discharge Respondent from any liability to any person other than Claimant.

E. Any settlement of the claim through mediation shall be documented in writing by the mediator and signed by the parties. If a termination of the mediation occurs, the mediator shall issue a written statement advising that the parties are at an impasse.

F. Unless otherwise agreed, each party shall bear its own costs of the mediation, including attorneys fees, and each party shall share equally all charges of the mediator.

G. Upon termination of mediation if no resolution is reached, if Claimant desires to pursue the claim, Claimant shall thereafter be entitled to file an action in any court having jurisdiction in Summit County for final resolution of the claim.

H. In any action, the court shall award the substantially prevailing party its reasonable costs and attorneys' fees.

2. Exclusions. Unless all parties to the actions outlined below otherwise agree, the following disputes or claims shall not be subject to the provisions of this policy:

A. An action by the Association relating to the collection or enforcement of the obligation to pay assessments or other charges set forth in the Association's governing documents; and

B. An action by the Association to obtain a temporary restraining order or preliminary or permanent injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to enjoin any immediate threat to persons or property; and

C. Any action between or among unit owners, which does not include the Association as a party, if such action asserts a claim which would constitute a claim for relief independent of the Association's governing documents; and

D. Any action in which any indispensable party is not the Association, its officers, directors, or committee members, or a person subject to the Association's governing documents, or their officers, directors, partners, members, employees and agents; and

E. Any action to enforce a settlement agreement made under the provisions of this policy.

3. Judicial Enforcement. If the parties agree to a resolution of any claim through negotiation or mediation in accordance with this policy, and any party thereafter fails to abide by the terms of such agreement, then any other party may file its action in court to enforce such agreement without the need to again comply with the procedures set forth in this policy. In such event, the party taking action to enforce the agreement shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties as the court may determine) all costs incurred in enforcing such agreement, including without limitation, reasonable attorneys fees and court costs.

4. Statute of Limitations. The Claimant need not follow the procedures set forth above, if the Claimant would be prejudiced by the running of or lapse of an applicable statute of limitation or statute of repose. In addition, no claim may be initiated after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitation or statute of repose.

5. Interaction with Enforcement Policy. It is not the intent of this policy to supersede any of the provisions of the Association's Enforcement Policy. Nor is the intent of this policy to require the Association to follow the procedures set forth herein before having the ability to bring enforcement action or impose fines or other sanctions under the Enforcement Policy.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This policy Regarding Dispute Resolution was adopted by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.

\_\_\_\_\_  
Secretary

BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
ENFORCEMENT POLICY

Adopted \_\_\_\_\_, 2014

The following procedures have been adopted by Back Country Cabins Homeowners Association, Inc., ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the enforcement of the Association's restrictive covenants and rules:

1.     Power. The Board of Directors shall have the power and duty to hear and make decisions regarding violations and written complaints filed with the Board and impose fines or other sanctions, pursuant to this policy. The Board may determine enforcement action on a case by case basis, and take other actions as it may deem necessary and appropriate to assure compliance with the Townhome Condominium Declaration of Back Country Cabins ("Declaration"), the Association's Articles of Incorporation, Bylaws, and rules and regulations (collectively the "Documents") promulgated thereunder, and to create a safe and harmonious living environment.

These enforcement provisions may be in addition to other specific provisions outlined in the Documents, and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

2.     Complaint. A proceeding to determine if the Documents have been violated and any enforcement measures and remedies that may apply shall be initiated by the filing of a written complaint with or by the Association's Board. The complaint shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location and persons involved.

3.     Notice of Complaint and Warning Letter. Upon receipt of a complaint, if the Board determines that the allegations in the complaint are sufficient to constitute a violation of the Documents and that action is warranted, the Board shall send a warning letter ("Warning Letter") to the person(s) (the "Respondent") alleged to have violated the Documents, by prepaid, first class United States mail addressed to the mailing address of the Respondent appearing on the records of the Association. The Warning Letter shall advise the Respondent of the following: (1) the details of the complaint, or include a copy of the complaint; (2) that the Board has reason to believe that the Respondent has violated the covenants or rules of the Association; and (3) directing that the Respondent cease the violating activity or that the Respondent will have fourteen (14) days from the date of the Warning Letter to come into compliance, or that further enforcement action will be taken for enforcement of the covenants and rules of the Association, including the imposition of fines.

4. Continued Violation After Warning Letter and Right to Hearing. If, following the Warning Letter having been sent to the Respondent, the Association receives further complaint of the same or similar violations by the same Respondent or that the Respondent has not corrected the violation within the time permitted, the Association shall send a second notice to the Respondent, by prepaid, first class United States mail addressed to the mailing address of the Respondent appearing on the records of the Association. The notice shall advise the Respondent of the following: (1) the details of the complaint, or include a copy of the complaint; (2) the action that may be taken; (3) his or her right to be heard, either orally or in writing, by a committee appointed by the Board at a meeting of the Board which is at least fifteen (15) days after the date of the notice; (4) the date on which the hearing will be scheduled; and (5) the Board's right to proceed with or without a hearing, at its discretion, to make its determination of the allegations contained in the Complaint based on all relevant facts and circumstances, if the Respondent fails to appear at the specified date and time or otherwise respond to the Complaint.

5. Hearing. Each hearing shall be held at the scheduled time, place and date, unless the Respondent has failed to respond or appear at the hearing. The Board may grant continuances for good cause. Each hearing shall be held by a Hearing Committee. The Hearing Committee shall consist of a person or persons appointed by the Board, which may be the Board itself, who do not have any direct personal or financial interest in the outcome of the hearing. A person is deemed not to have a direct personal or financial interest if he/she will not receive any greater benefit or detriment from the outcome than will the general membership of the Association. The Hearing Committee may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit it to reach a just decision. Neither the Complainant nor the Respondent must be in attendance at the hearing, but both are encouraged to attend. Any party may elect not to present evidence at the hearing. Any decision by the Hearing Committee shall be fair and reasonable taking into consideration all of the relevant facts and circumstances. Each hearing shall be open to attendance by all Members of the Association.

6. Decision. If the Respondent does not appear but a written response is filed, the Hearing Committee shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither an appearance nor a written response is made, the Hearing Committee need not conduct a hearing or make any further findings except that it may determine that the Respondent's failure to appear or respond constitutes a waiver of the right to a hearing, and a no contest plea to the Complaint, and impose the sanctions provided for herein. If an appearance is made, after all testimony and other evidence has been presented to the Hearing Committee at a hearing, the Hearing Committee shall render its decision(s), taking into consideration all of the relevant facts and circumstances. Except as provided herein, the Hearing Committee's decision shall have an effective date no sooner than five (5) days after the hearing. If the Hearing Committee does not inform the Respondent of its decision at the time of the hearing, or if no hearing is held, the Hearing Committee will provide a written notice of the decision to the Respondent's address of record via regular U.S. mail within five (5) days after the decision is made.

7. Enforcement. The provisions of this policy shall not limit, or be a condition precedent to, the Association's right to enforce the Documents by any means available to the

Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this policy. Without limiting the Association's remedies under the Documents, the Hearing Committee may assess fines, suspend membership privileges, and impose other sanctions in accordance with this policy. If the violation involves damage to Association property, the violator shall also pay the costs of repair or replacement. The Hearing Committee may revoke or suspend the violator's privileges for a period of time equal to the duration of the violation and for up to sixty (60) days thereafter, unless such violation is a continuing violation, in which case such suspension may continue for so long as such violation continues and for up to sixty (60) days thereafter.

8. Fines. Fines may be levied by the Hearing Committee for violations of the Documents as follows:

<u>Number of Violations in 12 Month Period</u>	<u>Fine Amount</u>
First violation	\$50
Second violation	\$75
Third violation	\$100

9. Habitual Offenders and Continuing Violations. A Member who accumulates more than three (3) violations within a twelve (12) month period will be deemed to be a habitual offender. For habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, the Hearing Committee may impose such additional fines as are deemed reasonable by the Hearing Committee without regard to the schedule set forth above.

10. Willful and Wanton Violations. In the event of a determination by the Hearing Committee of a willful, wanton or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Hearing Committee may impose such additional fines as are deemed reasonable by the Hearing Committee without regard to the schedule set forth above.

11. Responsibility for Actions of Tenant or Guest. Members shall at all times be responsible for the actions of their tenants and guests. In the event that a Member's tenant or guest violates the Documents and a fine is imposed, the fine shall be assessed against that Member.

12. Violations or Offenses that Constitute a Present Danger. If, in its sole discretion, the Board deems that any alleged violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, the Board may take the appropriate action necessary to abate the threat to health, safety or welfare of the community or individual.

13. Miscellaneous.

13.1 Failure by the Association to enforce any provision of this policy shall in

no event be deemed to be a waiver of the right to do so thereafter.

13.2 Fines imposed pursuant to this policy shall become an Assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration.

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

13.4 The provisions of this policy shall replace and supercede any other rules or regulations of the Association addressing the enforcement of the Association's Documents.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This Enforcement Policy was adopted by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.,

\_\_\_\_\_  
Secretary

BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
POLICY REGARDING THE ADOPTION AND AMENDMENT OF POLICIES AND RULES

Adopted \_\_\_\_\_, 2014

The following procedures have been adopted by Back Country Cabins Homeowners Association, Inc., ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To adopt a policy setting forth procedures for the adoption and amendment of policies, procedures, and rules.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing adoption and amendment of policies, procedures and rules:

1. Pursuant to the Association's governing documents and Colorado Revised Statutes 38-33.3-302, the authority to create, adopt, enforce, amend and repeal policies, procedures, rules and regulations (hereinafter collectively referred to as a "Rule") lies with the Board of Directors of the Association. The Board may adopt certain Rules as may be necessary to facilitate the efficient operation of the Association, including clarification of ambiguous provisions in other documents. The Board has the right, but not the obligation, prior to adopting any new Rule, to conduct an informational meeting of the owners and solicit their input regarding any new or existing Rule.

2. When the Board, in the exercise of its discretion, determines that a Rule should be adopted, amended or repealed, as appropriate, it shall do so at a meeting of the Board. At the meeting at which the Board intends to adopt the proposed Rule, at an appropriate time determined by the Board, but before the Board votes on the adoption of the Rule, members or their agents shall be permitted to speak regarding the Rule. If more than one person desires to address the Rule and there are opposing views, the Board shall provide for a reasonable number of persons to speak in favor of and against the Rule.

3. The Board shall then give notice of the adoption, amendment, or repeal of the Rule in writing by first class mail, postage prepaid, to each Member of the Association at the address for notices to Members as may be provided for in the Association's Declaration or Bylaws, and shall publish the Rule by any reasonable means available, including but not limited to posting the Rule in the community or on its website, if any, by e-mail, mail, newsletter, or personal delivery. The Rule, along with all other Rules of the Association, shall be available for inspection and copying in accordance with the Association's policy regarding inspection and copying of Association records.

4. Any owner's failure to receive the Rule shall not be a defense to any attempt by the Association to enforce the Rule or to levy fines, expenses, or attorneys' fees as a result of a violation of the Rule.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This Policy Regarding the Adoption and Amendment of Policies and Rules was adopted by the Board of Directors on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.

\_\_\_\_\_  
Secretary



BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
POLICY REGARDING INSPECTION AND COPYING OF ASSOCIATION RECORDS

Adopted \_\_\_\_\_, 2014

The following policy and procedures have been adopted by Back Country Cabins Homeowners Association, Inc., ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform policy and procedures for the inspection and copying of Association records by Association Owners; to establish the type of records kept by the Association or its agent; and to establish the cost of copying Association records.

WHEREAS, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-317, gives all Owners the right, during reasonable business hours, to examine and copy the financial and certain other records of the Association.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the inspection and copying of Association records:

1. Association Records. The following shall be the sole records of the Association for purposes of document retention and production to Owners:
  - (a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
  - (b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
  - (c) Minutes of all meetings of its Owners and Board, a record of all actions taken by the Owners or Board without a meeting, and a record of all actions taken by any committee of the Board;
  - (d) Written communications among, and the votes cast by, Board members that are:
    - (i) Directly related to an action taken by the Board without a meeting pursuant to section 7-128-202, C.R.S.; or
    - (ii) Directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws;
  - (e) The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
  - (f) Its current Declaration, Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, responsible governance policies adopted pursuant to section 38-33.3-209.5, and other policies adopted by the Board;
  - (g) Annual financial statements and most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations for the past three years and tax returns of the Association for the past seven years, to the extent available;

- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
- (i) Its most recent annual report delivered to the Secretary of State;
- (j) Financial records sufficiently detailed to enable the Association to comply with section 38-33.3-316(8) concerning statements of unpaid assessments;
- (k) The Association's most recent reserve study, if any;
- (l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- (m) Records of Board or Committee actions to approve or deny any requests for design or architectural approval from Owners;
- (n) Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate;
- (o) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (p) All written communications within the past three years to all Owners generally as Owners;
- (q) The Association's operating budget for the current fiscal year; and
- (r) A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies, which list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.

2. Request for Records. All records maintained by the Association shall be available for examination and copying (including electronic transmission if available) by an Owner or the Owner's authorized agent. Any Owner or authorized agent requesting records must submit a written request, describing with reasonable particularity the records sought, at least five (5) days prior to inspection or production of the documents. Records may be inspected and copied between 9 AM and 4 PM, Monday through Friday, except for holidays, at the Association's principal office. Notwithstanding the above, at the discretion of the Board, all records may also be inspected at the next regularly scheduled meeting if such meeting occurs within thirty (30) days after the request to inspect has been received. Any permitted inspection must not disrupt the ordinary business activities of the Association or its managing agent.

3. Charges for Records. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of Association records, which may include the cost or recovery and re-storage of off-site records. The charge may not exceed the estimated cost of production and reproduction of the records. Unless otherwise provided in a Board resolution or in the management agreement for the Association, the pertinent parts of which shall be attached to the policy, the Association will charge twenty-five cents (\$.25) per page for copies, including electronic scans, of records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the

deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

4. Purpose of Records Request. The Association may not condition the production of records upon the statement of a “proper purpose,” except that Association records and the information contained therein shall not be used for any commercial purpose.

5. Membership Lists. A membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an Owner’s interest as an Owner without the prior consent of the Board. Without limiting the foregoing sentence, without the consent of the Board, a membership list, or any part thereof, may not be (a) 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 to be held by the Association; (b) used for any commercial purpose; or (c) sold to or purchased by any person.

6. Records That May Be Withheld. Records maintained by the Association may be withheld from inspection and copying at the Board’s discretion to the extent that they are or concern:

- (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including but not limited to confidential litigation files and matters covering consultation with legal counsel concerning disputes that are subject of pending or imminent court proceedings or are privileged or confidential between attorney and client.;
- (d) Disclosure of information in violation of law;
- (e) Files dealing with investigative proceedings concerning possible or actual criminal misconduct;
- (f) Records of an executive session;
- (g) Individual Units other than those of the requesting Owner;
- (h) Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board of Directors; or
- (i) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

7. Records That Must Be Withheld. Records maintained by the Association are not subject to inspection and copying, and shall be withheld, to the extent that they are or concern:

- (a) Personnel, salary, or medical records relating to specific individuals; or

(b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers; except that, the Association may disclose electronic mail addresses with the written consent of the individual Member.

8. Board's Discretionary Rights. At the discretion of the Board, certain records may only be inspected in the presence of a Board member. No records may be removed from the Association's principal office without the express written consent of the Board. If an Owner requests to inspect records, the Association may photocopy and provide the requested records to the Owner in lieu of the Owner's inspection of the records, if consented to and paid for by the Owner.

9. Commercial Purpose. Association records and the information contained therein shall not be used for commercial purposes.

10. No Obligation to Create Documents. The Association is not obligated to compile or synthesize information in its records. If the Association agrees to compile or produce information or documents not identified in this policy as an Association record, the Association may charge additional fees to the requesting Owner to cover the actual expenses associated with such compilation or production.

11. Damages. The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorneys' fees, for abuse of these rights, including, but not limited to, use of any records for a prohibited purpose.

12. Deviations. The Board or its agent may deviate from the procedures set forth in this policy if in its sole discretion such deviation is reasonable under the circumstances.

13. Supersedes Prior Policy. This policy supersedes in its entirety any other policy previously adopted by the Board addressing the inspection and copying of Association records.

Back Country Cabins Homeowners Association,  
Inc.

By: \_\_\_\_\_  
President

This policy regarding inspection and copying of Association records was adopted by the Board of Directors at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.,.

\_\_\_\_\_  
Secretary

BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
RESERVE FUND INVESTMENT POLICY

Adopted \_\_\_\_\_, 2014

The following Reserve Fund Investment Policy has been adopted by Back Country Cabins Homeowners Association, Inc., (“Association”) pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To protect and ensure the safety of the assets and capital improvements of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association, including brokers/dealers, banks, consultants, savings institutions, and custodians.

The following investment policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal investment management of the Association’s reserve funds. This policy does not set forth: (1) the minimum reserve fund balance required of the Association; (2) any mandate for an annual reserve fund study; or (3) the tax consequences of the investment options contained herein.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the investment of the Association’s reserve funds:

1. Investment Objectives

All funds which are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association in accordance with Colorado Revised Statutes and resolutions enacted by the Association’s Board of Directors in a manner to accomplish the following objectives:

- A. Safety of Funds: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of mitigating credit risk and interest rate risk.
  - 1. Credit Risk: The Association will minimize credit risk, the risk of loss due to the failure of the financial institution, by:
    - a. Limiting investments to the safest types of investments as provided for herein;
    - b. Pre-qualifying the financial institutions, brokers/dealers, and advisors with which the Association does business; and
    - c. Subject to the limitations herein, diversifying the investment portfolio so that potential losses on individual investments will be minimized.

2. Interest Rate Risk: The Association will minimize the risk of the market value of investments in the portfolio due to changes in general interest rates by:
  - a. Structuring the investment portfolio so that investments mature sufficiently close to cash requirements for ongoing operations, thereby minimizing the potential need to sell investments prior to maturity; and
  - b. Investing all funds primarily in short- to intermediate-term investments.
- B. Liquidity of Funds: The investment portfolio shall remain sufficiently liquid to meet all planned reserve fund expenditures for the following fiscal year. To ensure that adequate reserve funds are available to pay the Association's reserve expenditures, annual reserve fund investments shall reasonably match the planned reserve fund expenditures for the following fiscal year.
- C. Types of Investments: The reserve fund portfolio shall consist largely of Money Market Accounts and/or Certificates of Deposit.
- D. Yield: Subject to the restrictions on the types of investments, the Association's portfolio shall earn a competitive market rate of return on available funds throughout budgetary and economic cycles. In meeting this objective, the Association, through the Board of Directors, will take into account the Association's investment risk, constraints, and cash flow needs.

## 2. Delegation of Authority

Responsibility for conducting investment transactions for the Association resides with the Treasurer. The President of the Board of Directors will be considered an authorized person to assist the Treasurer in performing investment management, cash management, or treasury functions. Persons authorized to transact investment business for the Association are limited to these two officers. The Treasurer will provide a copy of this investment policy to all of the Association's investment service providers. Association Members will receive a copy of this investment policy from the Treasurer upon request. The Treasurer may engage the support services of outside professionals, subject to the availability of budgeted funds and approval from the Board of Directors. The Board of Directors shall provide a copy of this policy to the newly elected Treasurer at the assumption of office.

## 3. Ineligible Investments and Transactions

The Association shall not invest in the following asset classes:

- A. Individual stocks;
- B. Equity mutual funds, domestic or foreign;

- C. Mutual funds consisting of bonds or mortgages or derivatives;
- D. Options on equity, debt or commodities;
- E. Floating rate securities; and
- F. Investment in a single institution in excess of FDIC insurance limits.

#### 4. Selection of Banks and Credit Unions as Depositories and Providers of General Banking Services

Banks, savings institutions and credit unions shall be approved by written resolution by the Board of Directors to provide depository and other banking services for the Association. To be eligible for authorization, a bank and savings institution must be domiciled in the United States and be a member of the FDIC. To be eligible for authorization, a credit union must be domiciled in the United States and accounts must be insured by the National Credit Union Share Insurance Fund (NCUSIF). Banks, saving institutions and credit unions failing to meet the minimum criteria outlined in this paragraph, or, in the judgment of the Treasurer or Board of Directors, no longer offering adequate safety to the Association funds, shall be unauthorized to provide depository and other banking services for the Association.

#### 5. Reporting

On an annual basis, an investment report shall be prepared and submitted by the Treasurer or an outside advisor, who will provide such report to the Board of Directors in a timely manner, listing the reserve fund investments held by the Association and the current market valuation of the investments. The report shall include a summary of investment earnings during the prior fiscal year. The Board shall make available to requesting Members a listing on an itemized basis as to amount, type and rate of return, of the instruments, funds and accounts in which Association funds are invested or deposited.

#### 6. Policy Revisions

The Board of Directors shall review this reserve fund investment policy periodically and may amend the policy as conditions warrant. The Treasurer may recommend amendments to this policy as necessary.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_  
President

This Reserve Fund Investment Policy was adopted by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.

\_\_\_\_\_  
Secretary

BACK COUNTRY CABINS HOMEOWNERS ASSOCIATION, INC.,  
POLICY REGARDING RESERVES

Adopted \_\_\_\_\_, 2014

The following policy has been adopted by Back Country Cabins Homeowners Association, Inc., ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To adopt a policy addressing the need for a reserve study, funding of any work recommended by the reserve study and projected sources of funding, and whether the reserve study is based on a physical analysis and financial analysis. It is the Board's desire to create and maintain adequate reserves to provide for the orderly maintenance, repair, replacement and improvement of the common areas so as to minimize the risk to the membership of special assessments, deferred maintenance, or unfunded losses.

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors does hereby adopt the following policy regarding reserves:

**Need for Reserve Study**

1. The Association is obligated to maintain, repair, replace or improve certain improvements within the community.

**Reserve Study**

2. The Association will conduct periodic reserve studies based on recommendations obtained from an independent, qualified reserve study professional or based on an internal examination of the common areas and improvements and a financial analysis of the requisite reserves as required by this policy.
3. Depending on available resources, the Association may either engage a third-party or may make in-house interim updates to a professional reserve study and may adjust the schedule for updating the reserve study. An update to a reserve study may result from an on-site review of the property or an off-site review of the reserve study and the Association's governing documents. The Board of Directors should consider the following factors when determining the schedule for interim updates to a reserve study:
  - (a) Significant additions or replacements to the common elements since the last reserve study;
  - (b) Wear and tear to common elements due to unseasonable weather or lack of maintenance;
  - (c) Technological or product development improvements that could result in cost savings;
  - (d) Substantial increases in cost of materials or labor;
  - (e) Any scheduled maintenance, repairs, or replacements that the Association deferred or accelerated;
  - (f) Whether reserve income was received as planned;



- (g) Whether reserve expenditures were incurred as planned;
- (h) The Association's selected method of funding reserves.

4. The full reserve study will consist of a physical analysis and a financial analysis. Interim updates may consist of a physical analysis, a financial analysis, or both. A physical analysis includes an inventory of all improvements that the Association is responsible for maintaining, repairing, replacing or improving and a visual inspection of those items to determine their existing condition. A financial analysis includes an evaluation of the estimated remaining life of an item, the adequacy of existing reserve funds, projected future reserve income, projected future reserve needs, and the ability to meet future reserve needs under the existing funding plan.

5. The Association does not have a current reserve study on file.

6. As of the date of this policy, the Association plans to update its reserve study every 5 years.

### **Funding Plan**

7. The Association does not allocate reserve funds for improvements costing less than \$500 to repair or replace.

8. The Board of Directors will endeavor to maintain the Association's reserve fund balance at or above 75% of the fully-funded amount by allocating a portion of regular annual assessments to the reserve fund. Should unforeseen circumstances result in the reserve fund balance falling below 50% of the fully-funded amount, the Board will endeavor to bring the fund balance back to 75% within three years by increasing the allocations from regular annual assessments, or by special assessments, or both.

9. The Association may elect to apply funds from its operating account to maintenance, repair or replacement costs otherwise covered by reserve funds.

10. The Association will invest all reserve funds in accordance with the Association's policy regarding investment of reserve funds.

Back Country Cabins Homeowners  
Association, Inc.

By: \_\_\_\_\_ Title

This Policy Regarding Reserves was adopted by the Board of Directors on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, effective the \_\_\_\_\_ day of \_\_\_\_\_, 2014, and is attested to by the Secretary of Back Country Cabins Homeowners Association, Inc.,.

\_\_\_\_\_  
Secretary

**Options:**

- (1) Continue to use current allocation
- (2) Update the dues allocation to Plat Map (conform to governing documents)
  - a. Make changes going forward using a determined date
  - b. Make retroactive changes

# Back Country Cabins Homeowners Association, Inc.

## Dues Comparisons

Unit	A - Plat	B - 1st, 2nd, No Garage	Current	A - Plat	B - 1st, 2nd, No Garage	Current Dues	A vs. Current	B vs. Current
A	17.64%	18.72%	17.92%	\$ 239	\$ 254	\$ 243	\$ (4)	\$ 11
B	16.15%	18.31%	17.64%	\$ 219	\$ 248	\$ 239	\$ (20)	\$ 9
C	10.33%	11.07%	11.22%	\$ 140	\$ 150	\$ 153	\$ (13)	\$ (3)
D	12.82%	13.74%	14.68%	\$ 174	\$ 186	\$ 199	\$ (25)	\$ (13)
E	21.93%	19.93%	20.30%	\$ 297	\$ 270	\$ 275	\$ 22	\$ (5)
F	21.13%	18.22%	18.25%	\$ 287	\$ 247	\$ 247	\$ 40	\$ 0
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 1,356</b>	<b>\$ 1,356</b>	<b>\$ 1,356</b>	<b>\$ -</b>	<b>\$ (0)</b>

Section 2.2. Association. The name of the Association is Back Country Cabins Homeowners Association, Inc., which Declarant has caused to be incorporated as a non-profit corporation under the laws of the State of Colorado for the purpose of exercising the functions as herein set forth.

Section 2.3. Number of Units. The number of Units in this project is six (6) including one restricted unit, Unit C, which is restricted to **Affordable Housing** as defined by this Declaration or the Town of Frisco.

Section 2.4. Identification of Units and Appurtenances. The identification number of each Unit is shown on the Condominium Plat and Map for The Town of Frisco, recorded concurrently herewith in that real property records of Summit County, Colorado (the "Map") and they are provided a Letter designation including the letters, A, B, C, D, E, and F. **The definition of a "Unit" shall include the land lying below the improvement and indicated on the Plat, any garage assigned to such Unit or dedicated to such Unit.** Units "E" and "F" have attached Garages. Assigned parking spaces not enclosed are not part of a Unit. Units "A", "B", have two assigned parking spaces. Unit "C" and "D" have one assigned Parking space. Units "E" and "F" have one assigned parking space outside of the Garage. All Units have "front porches." The Front porches and appurtenant "open space" as designated on the Plat are Limited Common Areas and are to be maintained by the Owner of the appurtenant Unit. Units "C" and "D" are inside units and do not have attached decks. All other Units have attached decks, which are considered Limited Common Elements. Storage areas are situated on the South Side of the Project and are assigned, one to each Unit, as a Limited Common element. Any Storage area, may in the discretion of the Association be Reassigned upon 60 days advance Notice provided a substitute storage area is provided the Owner of such assigned storage area.

### ARTICLE III DEFINITIONS

Section 3.1. DEFINITIONS. The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

"Act" means the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time.

the Unit, which sum shall be held, without interest, by the Association and deposited to the Reserve Fund. The Reserve Fund shall be collected and transferred to the Association at the time of closing of the sale of each Unit, as aforesaid, and shall be maintained for the use and benefit of the Association including any unbudgeted operational expense or capital cost. Such payment shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of a Unit, an Owner shall not be entitled to a credit from the transferee for any unused portion of the Reserve Fund.

Section 8.5. Periodic Assessments. Periodic Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Executive Board shall from time to time determine to be paid by all of the Owners, subject to that Section named Budget above. Periodic Assessments shall be payable on a prorated basis each calendar quarter in advance and shall be due on the first day of each quarter, or such other periods as the Executive Board may determine. The omission shall be payable on a prorated basis each calendar quarter in advance and "shall be due on the first day of each quarter, or such other periods as the Executive Board may determine. The omission or failure of the Association to fix the periodic Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Periodic Assessments in excess of the actual expenses incurred in any fiscal year.

Section 8.6. Apportionment of Periodic Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Owners based upon a pro-ratio of each Unit's area as depicted upon the Plat, which is Exhibit A. Any extraordinary maintenance, repair or restoration work on, or Common Expense benefiting fewer than all of the Units or Limited Common Elements shall be borne by the Owners of those affected Units only. Any extraordinary insurance cost incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants or invitees) shall be borne by that Owner. Any Common Expense caused by the misconduct of any Owner shall be assessed solely against such Owner's Unit.

Section 8.7. Supplementary Assessments. In the event the Executive Board shall determine at any time or from time to time that the amount of the annual assessments is not adequate to pay for the costs and expenses of fulfilling the