



Bent Tree Property Owners' Association, Inc.

P.O. Box 2631, Monument, Colorado 80132-2631, www.btpoa.net

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2011 Annual Meeting Agenda
Thursday, September 15, 2011, 6:30 p.m.

Since we have many items to cover, with the exception of those giving reports, all other speakers will be limited to two (2) minutes each. No one will be allowed to speak a second time on a topic until all who want to speak on the topic have had a chance to speak.

- 1) Determination of Quorum**
- 2) Call to Order, Introductions, Conduct of the Meeting – *John Heiser***
- 3) Motions to approve the agenda and accept the election officials – *John Heiser***
- 4) Review/Approve Minutes from the February 17, 2011 Budget Meeting – *John Heiser***
- 5) ACC Report – *Mark Wester***
- 6) ACC Election – *John Heiser***
 Fill one 3-year position currently occupied by ACC Chair Mark Wester. The new term ends at the 2014 Annual Meeting.
- 7) Board of Directors Election – *John Heiser***
 Fill one 3-year position currently occupied by Mike Mastrodonato. The new term ends at the 2014 Annual Meeting.
- 8) Discussion of Vehicle Parking Vote – *John Heiser***
- 9) Committee Reports**
 - a) Beautification and Trails – *Mike Mastrodonato and Leslie Velez***
 - b) Covenant Compliance – *John Heiser and Jane King***
 - c) Directory and Website – *Wayne Claybaugh***
 - d) Water Augmentation – *John Heiser for Bob Hostetler***
 - e) Forest Management – *John Anderson***
- 10) Financial Report – *John Heiser***
- 11) Discussion of Proposed Changes to the BTPOA Rules and Regulations – *John Heiser***
- 12) Meeting Schedule – *John Heiser***
 - a) Annual Budget Meeting Date: **Thur., Feb. 16, 2012, 6:30 p.m.** (“on or about Feb. 15th”)**
 - b) Board Meetings: Second Tuesday of each month, 6 pm, Monument Sanitation District board room, 130 Second Street, Monument.**
- 13) Any Other Business**
- 14) Adjourn**
- 15) A brief board meeting will held following the annual meeting**
- 16) Education about Bent Tree for those interested – *John Heiser***

Rules of Order for BTPOA Meetings

General

- Meetings will be conducted in accordance with *Robert's Rules of Order*. The chair rules on procedural questions. A majority vote is needed to override the chair's ruling.
- Please remain quiet and respectful while others are speaking. There must be no outbursts including applause, cheering, booing, heckling, etc. Avoid private conversations as they make it difficult for others to hear the proceedings.
- Display of signs and placards is distracting and is to be avoided.

Agenda

- Once the agenda is approved, a majority vote is needed to make changes.
- Motions not in keeping with the approved agenda will be ruled out of order.

Speaking

- Raise your hand and wait for the chair to call on you before speaking. This is called "obtaining the floor."
- State your first and last name and your home address slowly and clearly.
- Address your remarks to the chair, not to one another, or the group.
- During debate on a motion, it is best to start by saying something like "I support the motion because..." or "I oppose the motion because..."
- Be sure your remarks are germane to the current motion or topic. If the chair judges that your remarks are not germane, you will be ruled out of order.
- Each person will be limited to two minutes each time they are recognized.
- No person may speak a second time on a topic until all who want to speak on the topic have been heard. No person may speak more than twice on a topic.

Motions

- A member qualified to vote obtains the floor and states, "I move that ..." and then sits down. A second member qualified to vote seconds the motion.
- Once a motion has been moved and seconded, those wishing to speak on the motion or offer amendments may seek to obtain the floor.
- If an amendment to the motion is moved and seconded, debate and voting on the amendment must be completed before continuing debate and voting on the main motion.

Debate is closed:

- When it is evident to the chair that all who wish to speak have spoken, or
- When a motion to close debate is passed, or
- When the time allotted for debate on the topic expires and is not extended.

Voting

- To be allowed to vote, you must be a Bent Tree property owner of record and current in payment of the annual assessment.
- Voting in the ACC election is restricted to property owners who live in Bent Tree (“owner-occupants”).
- Voting will typically be handled in one of four ways:
 - **Unanimous consent:** The chair will ask if there are any objections. If none are voiced, the motion passes. If there is objection, the chair will typically then use one of the other methods of voting.
 - **Voice vote:** The chair will ask for all in favor and then all opposed and determine the outcome based on the responses. If the outcome is in question, the chair will typically then use a show of hands or balloting.
 - **Show of hands:** The chair will ask for all in favor and then all opposed and count hands raised in each instance. If the outcome is in question, the chair will typically ballot the issue.
 - **Balloting:** For each item voted on, each person will receive one ballot for each lot they own. One vote per lot. Ballot results will be read aloud.
- Most motions such as main motions and amendments require a majority vote, that is, “more than half of the votes cast” (i.e., a majority of 19 votes cast is 10, a majority of 20 or 21 votes is 11). Some motions such as to close debate or close nominations require a vote of at least two-thirds of the votes cast (i.e., two-thirds of 30 votes is 20, two-thirds of 31 votes is 21, two-thirds of 32 or 33 votes is 22). Abstentions, including the return of blank ballots, are not counted as votes cast.
- The chair votes only when balloting is being used or when the chair’s vote would change the outcome.

Elections

- At the chair’s discretion, elections may be conducted by unanimous consent or balloting.
- Each candidate must receive a majority of the votes cast in order to be elected.
- If not enough candidates to fill all the open positions receive a majority of votes, the results will be announced and another vote will be conducted for the remaining positions.

Recess and Adjournment

- A motion for recess is in order except when another person has the floor or a motion to adjourn is pending. A motion for recess must specify the time for resumption of the meeting.
- A motion to adjourn is in order except when another person has the floor.

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Bent Tree Property Owners' Association, Inc.

P.O. Box 2631
Monument, Colorado 80132-2631
www.btpoa.net

**Special Meeting/2011 Budget Meeting Minutes
Thursday, February 17, 2011
Woodmoor Barn, 1691 Woodmoor Drive**

- 1) **Determination of Quorum** – Duane Fitch verified that quorum was achieved with 78 lots represented in person or by proxy.
- 2) **Call to Order, Introductions** – John Heiser called the meeting to order at 6:40 p.m.
- 3) **Conduct of the Meeting** – John Heiser introduced the directors present and explained the conduct of the meeting using Robert's Rules of Order. Directors Mike Mastrodonato and Jane King were absent.
- 4) **Review/Approval of September 16, 2010 Annual Meeting Minutes** – David McIntosh made a motion to approve the minutes. Matt Dunston seconded the motion which was unanimously approved by voice vote.
- 5) **Financial Report, Budget Discussion and Approval** – John Heiser presented the financial report and 2011 budget. Bob Hostetler made a motion to accept the financial report and approve the budget. The motion was seconded by Mark Wester. Wayne Tully objected to budgeting \$7,000 for Covenant Enforcement. The role of administrator Emily Vannelli was discussed as was money spent on Covenant Compliance Committee (CCC) activities. Wayne Tully moved to amend the motion to zero out the \$7,000 budget for covenant enforcement. After discussion, the amendment was voted down by voice vote. Questions were raised about why the volunteers for the CCC were not contacted. John Heiser explained that the former chair of the CCC had resigned. Mark Wester offered to contact the CCC volunteers and call an organizational meeting. Matt Dunston moved to amend the motion to add a footnote to the budget that the CCC contractor is to serve at the will of the CCC, which serves at the will of the Board. This motion was seconded by Bill Dunston and, after discussion, passed by voice vote. Wayne Tully moved to amend the motion to include allegations of conflicts of interest with Board members being involved in CCC activities. John Heiser ruled that this, while an important topic, is out of order in the context of the budget discussion. The amended 2011 budget was approved by voice vote.
- 6) **ACC Report** – Mark Wester gave an update and indicated things were slow during the wintertime and encouraged homeowners to submit their spring plans submitted early. He noted that ACC forms are posted at www.btpoa.net.
- 7) **Water Committee Report** – Jerry Lopez reported that as a higher percentage of property owners provide details on their outside irrigation, the BTPOA is able to make a case for requiring less augmentation water and therefore reduce the cost of the augmentation program. He added that property owners should anticipate receiving their annual water augmentation packet in April and should return the requested information by May 1. He noted that the State Engineer's office is requiring all property owners to confirm that their

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well permit is registered in their name. Information on how to do that will be included in the annual water augmentation packet.

- 8) Forestry Committee Report** – John Anderson reported that the Forestry Committee is scheduling a tree inspection to be done by the Colorado State Forest Service. He encouraged property owners to return the post cards giving permission to inspect their trees and to use common sense and be on the lookout for signs of beetle damage.
- 9) Covenant Compliance Administration** – This was covered as part of item #5 above.
- 10) Proposed Vehicle Parking Covenant Change Balloting** – John Heiser explained that the intent of this meeting is to make sure the ballot is correct and worded the way property owners want it worded. The decision on the change to the covenants will be made by mail-in ballot. Duane Fitch made a motion to direct the BTPOA’s attorney to mail to the property owners ballots and related materials matching the copies distributed in the packets for this meeting except for removal of the term “Draft” and the phrase “Not for voting” and further direct the attorney is ignore all premature ballots cast on other than the official ballot form and any ballots received by the attorney’s office after April 1. Matt Dunston seconded the motion. BTPOA attorney Steve Lebel explained the conduct of the secret mail ballot. He noted that any ballots not returned are equivalent to a no vote on the covenant changes. Steve Bassett moved to amend the motion to change “¾-ton” truck to “1-ton” truck and this amendment was seconded by Bob Gebhart and after discussion passed 42-23 by a show of hands vote. Jim Rios moved to amend the motion to change the wording to allow parking only in the resident’s driveway. The amendment was seconded by Debbie Radke and after discussion passed by voice vote. Herb Wetzell moved to amend the motion to place a note on the outside of the envelope sent by the attorney that a ballot is enclosed and that the deadline for return of the ballot is April 1. The amendment was seconded by Ed Valez and after discussion was unanimously approved by voice vote. Jim Rios moved to amend the motion to change references to parking “outside” to reference parking “on the driveway” and this amendment was seconded by Bill Dunston and unanimously approved by voice vote. A motion was made to change the statements in the “Explanation of ballot” regarding the opinions of the board members, Steve Lebel indicated this proposed amendment was invalid since the statements represent the opinions of the board members. The proposed amendment was voted down by voice vote. Jim Rios made a motion to amend the motion to remove the phrase “or stored” from draft ballot, this was seconded by Matt Dunston and unanimously approved by voice vote. Duane Fitch called for a vote on the amended motion. The amended motion passed unanimously by voice vote.
- 11) Meeting Schedule**
- a) Annual Meeting Date: **Thursday, Sept. 15, 6:30 p.m.** (“on or about Sept. 15th”)
 - b) Board Meetings: Second Tuesday of each month, 6 pm, Monument Sanitation District boardroom, 130 2nd Street, Monument.
- 12) Any Other Business** – None
- 13) Adjourn** – Matt Dunston made a motion to adjourn, seconded by Bill Dunston. The motion was unanimously approved by voice vote. The meeting adjourned at 9:03 p.m.

Draft submitted August 23, 2011 by Jane King, BTPOA Secretary, based on notes taken by Steve Fuhrmann. Draft revised August, 24, 2011 by John Heiser, BTPOA President. Approved by the board September 13, 2011.

BTPOA WATER AUGMENTATION COMMITTEE Brief Update for the BTPOA 2011 Annual Meeting

Here are a couple of brief points on the status of the committee:

1. Renae Pollick is doing a great job managing the very big and complicated database for the committee...but the committee is just the two of us. If anyone else is willing to help, please let me know (Bob Hostetler at 488-8867 bobhostetler@yahoo.com).
2. We have the reports we need so far this year from almost everyone. PLEASE HELP US BY GETTING REPORTS AND DOCUMENTS IN ON TIME. Please call with any questions you might have on those reports.
3. For all residents with water meters, final water-year-end readings are due as of October 15-November 1. A mailing will go out in late September reminding residents with water meters of this requirement. Timeliness on this matter is very important since our water-year-end reports are due in the first few days of November.
4. Water augmentation is a very important component in the BTPOA budget. (To be succinct, “water augmentation” means pumping water from two very deep wells from water we “own” (indirectly) to replace the net amount of water we “borrow” from an aquifer at the depth of our wells.) The majority of the budgeted amount is for a sinking fund to replace the very expensive deep water wells...they are approaching the end of their usable life. We share the use of the wells with a number of other subdivisions. We’ve done a recent analysis and it is clear that we are paying no more than our share of the costs...thus, the budgeted amount is necessary.
5. As we noted in our annual mailing early this year, it remains a water regulator requirement that all residents have their well permit in their name, not the well driller or homebuilder. There are no current penalties for not doing so at this time, but it could become a problem for residents in the future...and could eventually substantially delay a closing on a home. If you want help on this matter, please contact me.

All the requirements of water use and reporting may seem esoteric, burdensome, and even silly to some, but they are serious. We are operating under very tight restrictions from the Water Board and water regulators of the State of Colorado. And by “operating”, I mean that meeting all of their requirements is a condition of pumping water from our individual wells. So, please help us meet those requirements.

If you have any questions at all, please contact me at 488-8867 or bobhostetler@yahoo.com. Bob Hostetler, Chairman

BTPOA 2011 BALANCE SHEET

Assets: Account balances as of 9/15/2011

CD	\$ 81,329	1.07% Matures 11/28/2011, interest of \$219.35 to be credited 9/30/2011
Working	\$ 3,151	
Total	\$ 84,480	

Liabilities and Owner Equity

Plan Review Fees	\$ 2,700
Owner Equity	\$ 81,780
Total	\$ 84,480

Historical Perspective

Account Balances	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008	CDs closed	12/31/2009	12/31/2010	9/15/2011
CD #1	\$ 3,702	\$ 3,957	\$ 6,175	\$ 6,452	\$ 6,574	\$ 6,610	\$ -	\$ 80,899	\$ 81,329
CD #2	\$ 20,475	\$ 20,794	\$ 21,529	\$ 22,428	\$ 22,902	\$ 23,041	\$ -	\$ -	\$ -
CD #3	\$ 30,735	\$ 31,228	\$ 37,516	\$ 39,397	\$ 40,242	\$ 40,486	\$ -	\$ -	\$ -
CD #4	\$ -	\$ -	\$ 12,000	\$ 12,548	\$ 12,818	\$ 12,896	\$ -	\$ -	\$ -
Working	\$ 24,115	\$ 26,144	\$ 9,654	\$ 4,266	\$ 749		\$ 90,708	\$ 10,523	\$ 3,151
Total	\$ 79,027	\$ 82,123	\$ 86,874	\$ 85,091	\$ 83,285		\$ 90,708	\$ 91,422	\$ 84,480
Increase (Decrease)		\$ 3,096	\$ 4,751	\$ (1,783)	\$ (1,806)		\$ 7,423	\$ 714	\$ (6,942)
CD interest earned				\$ 3,605	\$ 1,711		\$ 498	\$ 899	\$ 430
CD interest rate				4.67%	2.12%		0.60%	1.21%	1.07%

BTPOA 2011 BUDGET VS. REVENUE AND EXPENSES

2011 budget approved December 14, 2010 by the BTPOA Board of Directors

Approved by property owners at the budget meeting February 17, 2010.

Expense Category	2010			2011			Description	% Budget
	Budget	12/31/2010	Diff	Budget	9/15/2011	Diff		
Architectural Control	\$ 300	\$ -	\$ (300)	\$ 300	\$ -	\$ (300)	Review of plans	0%
Bank Charges	\$ -	\$ 26	\$ 26	\$ -	\$ 24	\$ 24	Service fees, return check charges, etc.	-
Beautification & Trails	\$ 1,000	\$ 445	\$ (555)	\$ 1,000	\$ 250	\$ (750)	Maintenance of entrances, trails, roadside	25%
Covenant Compliance	\$ 7,000	\$ 6,131	\$ (869)	\$ 7,000	\$ 5,415	\$ (1,585)	Administrative assistance*	77%
Dues & Subscriptions	\$ 100	\$ 45	\$ (55)	\$ 100	\$ 9	\$ (91)	Membership in NEPCO, PO box, HOA Registration	9%
Flood Control	\$ 200	\$ -	\$ (200)	\$ 200	\$ -	\$ (200)	Engineer's review plus maintenance work	0%
Forestry Committee	\$ 1,000	\$ -	\$ (1,000)	\$ 1,000	\$ 1,442	\$ 442	Beetle and mistletoe survey	144%
Insurance	\$ 2,500	\$ 2,389	\$ (111)	\$ 2,500	\$ 2,489	\$ (11)	Gen. liability, officers and directors liability	100%
Legal and Professional	\$ 2,000	\$ 3,494	\$ 1,494	\$ 6,000	\$ 10,711	\$ 4,711	Attorney time, tax return preparation**	179%
Meetings	\$ 1,000	\$ 576	\$ (424)	\$ 1,000	\$ 507	\$ (493)	Meeting room, refreshments, door prizes	51%
Plan review refunds	\$ -	\$ 450	\$ 450	\$ -	\$ 450	\$ 450	Refund of plan review fees	-
Printing, Mailing & Supplies	\$ 1,000	\$ 536	\$ (464)	\$ 1,000	\$ 826	\$ (174)	BT Log, directory, notices, office supplies	83%
Taxes	\$ 500	\$ (53)	\$ (553)	\$ 500	\$ 171	\$ (329)	Income taxes, corporate report	34%
Utilities	\$ 350	\$ 356	\$ 6	\$ 350	\$ 208	\$ (142)	Lights at Scottswood and Highway 105	59%
Water Augmentation	\$ 18,000	\$ 17,213	\$ (787)	\$ 18,000	\$ 17,393	\$ (607)	BT share in Great Divide Water Company	97%
Web Site	\$ 500	\$ 309	\$ (191)	\$ 500	\$ 444	\$ (56)	Web site hosting, software tools, etc.	89%
Welcoming Committee	\$ 500	\$ -	\$ (500)	\$ 500	\$ 56	\$ (444)	Printing or purchasing materials, birdhouses	11%
Total Expenses	\$ 35,950	\$ 31,917	\$ (4,033)	\$ 39,950	\$ 40,396	\$ 446	* At the discretion of the CCC	101%
Revenue Category	Budget	12/31/2010	Diff	Budget	9/15/2011	Diff	Description	% Budget
Dues (incl late fees)	\$ 30,840	\$ 30,580	\$ (260)	\$ 30,840	\$ 31,610	\$ 770	257 lots x \$120 per lot	102%
HOA Statements	\$ 200	\$ 500	\$ 300	\$ 200	\$ 600	\$ 400	4 x \$50 statement fee for sale/refinance	300%
Plan Review Fees	\$ -	\$ -	\$ -	\$ -	\$ 550	\$ 550	Assumes no house plans reviewed	-
Interest	\$ 240	\$ 913	\$ 673	\$ 800	\$ 434	\$ (366)	Interest on CDs (1% on \$80,000)	54%
Fines	\$ -	\$ 628	\$ 628	\$ -	\$ 260	\$ 260	Fines for Covenant Violations	-
Ads	\$ -	\$ 10	\$ 10	\$ -	\$ -	\$ -	Ads in the directory	-
From Reserves	\$ 4,670	\$ -	\$ (4,670)	\$ 8,110	\$ -	\$ (8,110)	To cover deficit	0%
Total Revenue	\$ 35,950	\$ 32,631	\$ (3,319)	\$ 39,950	\$ 33,454	\$ (6,496)		84%
Expectation at this point in the year								79%
Surplus (deficit) through 12/31/10				\$ 714	9/15/2011 Surplus (deficit)		\$ (6,942)	
				\$ 0 Difference from balance sheet				
**Covenant vote legal fees	\$ 1,833				\$ 4,413	\$ 6,246	Total covenant vote legal fees	
Surplus (deficit) w/o covenant vote legal fees	\$ 2,547				\$ (2,530)			



Bent Tree Property Owners' Association, Inc.
Rules and Regulations of Bent Tree
Version **89**—Approved by the Board **April 12, 2011**(date)

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Bent Tree Property Owner's Association, Inc.

Rules and Regulations

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REVISED DRAFT**Bent Tree Property Owner's Association, Inc.****Rules and Regulations****TERMS**

ACC	Architectural Control Committee
BTPOA	Bent Tree Property Association, Inc.
Board	Board of Directors of BTPOA
CCC	Covenant Compliance Committee
Conflicting interest transaction	A contract, transaction, or other financial relationship between the BTPOA and a Director, or between the association and an entity in which a Director of the Association is a director or officer or has a financial interest.
Covenants	Collectively the three editions of Declaration of Protective Covenants
Director	Member of the Board
Dues	Regular annual assessments as distinguished from special assessments
<u>FMC</u>	<u>Forest Management Committee</u>
IMP	Impartial decision maker, such as a member of the CCC or the Board who will not receive a greater benefit or detriment from the outcome of the investigation than the general BTPOA membership
Officer	BTPOA officer elected by the Board
Owner	The legal owner of the property
Party related to a director	A spouse, a descendent, an ancestor, a sibling, the spouse of a descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.
Resident	Whoever resides on the property
<u>WAC</u>	<u>Water Augmentation Committee</u>

SECTION 1. INTRODUCTION

Bent Tree is a community comprised of 257 residential lots in northern El Paso County, Colorado. It is defined by those properties that collectively make up the five subdivision filings, Bent Tree I, II, III, IV, and V. Approximate boundaries are Colorado Highway 105 on the north, Roller Coaster Road on the east, Higy Road on the south and Arrowwood III subdivision on the west.

The Colorado Common Interest Ownership Act grants to homeowner associations, such as the BTPOA, the authority to adopt and amend "Rules and Regulations." Bent Tree's Board of Directors will adopt and amend Bent Tree's Rules and Regulations within the authority given it by the Covenants and the BTPOA's Bylaws. These Rules and Regulations apply to all members of the BTPOA (each lot owner is automatically a member of the association).

Bent Tree has three versions of Declaration of Protective Covenants, one for Bent Tree I and II, one for Bent Tree III, and one for Bent Tree IV and V (collectively referred to as the "Covenants" throughout this document). Principal differences pertain to architectural standards and water management. The versions are similar in matters of property appearance, nuisance behavior, and covenant enforcement. Owners entered into a legally binding agreement to comply with the Covenants when they purchased their property. Copies of the Covenants and the Rules and Regulations are available from the BTPOA through its mailing address and web site.

With the near completion of the build-out of Bent Tree, a principal work of the BTPOA has now turned to the maintenance of Bent Tree's quality and appearance. This document is intended to be helpful to Bent Tree owners and residents in understanding what is expected, to promote consistent interpretation and enforcement of the Covenants, and to define the BTPOA's policies and procedures consistent with Colorado law.

SECTION 2. CONTACTING THE BTPOA

General business matters, including notice of change in owner, renter or property manager:

Bent Tree Property Owners' Association
Board of Directors
P.O. Box 2631
Monument, CO 80132

Addition or alteration of any fixed property (for example, building, accessory building, fence, mailbox, monument, sign, lighting, driveway, sidewalk, roof, color, siding, chimney, solar collectors, antennas, landscaping):

Bent Tree Property Owners' Association
Architectural Control Committee
P.O. Box 2631
Monument, CO 80132

Covenant compliance matters not reserved for the Architectural Control Committee:

Bent Tree Property Owners' Association
Covenant Compliance Committee
P.O. Box 2631
Monument, CO 80132

See the *Bent Tree Family Directory* or Bent Tree's web site at www.btpoa.net for phone numbers and email addresses of current officers and volunteers working BTPOA matters.

SECTION 3. NON-RESIDENT BENT TREE PROPERTY OWNERS

Property owners who do not live at their Bent Tree property address are required to provide their current mailing address to the BTPOA; phone number and e-mail are encouraged. If a Bent Tree property is rented, the owner must advise the BTPOA of the responsible tenant(s) name(s). The

REVISED DRAFT**Bent Tree Property Owner's Association, Inc.****Rules and Regulations**

BTPOA must also be provided current contact information for any third-party property manager. Owners are responsible for any costs, fees or assessments that the BTPOA may incur in locating the owner or enforcing Covenants on their property. The BTPOA recommends that rental/lease contracts bind the renter(s) to covenant compliance and the owner(s) provide copies of the Covenants and these Rules and Regulations to the renter(s). Renters may enjoy the benefits of community newsletter and directory by contacting the BTPOA.

SECTION 4. COVENANT CLARIFICATION**4.1 MULTI-FAMILIES AND BOARDERS****4.1.1 COVENANTS.**

- **"2. BUILDING TYPE AND USE:** All tracts shall be known and described as residential tracts and shall be used only for custom-built residential homes and country estates. No structure shall be erected, altered, converted, placed or permitted to remain on any tract other than one single-family dwelling not to exceed two and one-half (2 ½) stories in height, a private garage, and guest house or servants quarters, all in keeping with the architecture of the principal residence, provided that such are not used for any commercial purpose, and subject to approval by the Architectural Control Committee, hereinafter referred to as ACC, and the appropriate governmental building department. No structure may be erected prior to construction of the main dwelling. Bent Tree is intended only for custom-built homes of harmonious design to complement the natural terrain and other homes constructed in the subdivision. No mobile homes, premanufactured homes with appearance of mobile homes or "doublewides", or domes shall be approved."

4.1.2 PERMITTED. People may share housing so long as the residents comply with the Covenants and the property remains in all appearances as a single-family dwelling. For example, vehicles are garaged or screened from view, the volume of vehicles coming and going are on par with other active families, and pets and noise do not become a nuisance.

4.1.3 PROHIBITED. Covenant violations are prohibited.

4.2 BUSINESS OPERATION**4.2.1 COVENANTS**

- **"2. BUILDING TYPE AND USE:** All tracts shall be known and described as residential tracts and shall be used only for custom-built residential homes and country estates. No structure shall be erected, altered, converted, placed or permitted to remain on any tract other than one single-family dwelling not to exceed two and one-half (2 ½) stories in height, a private garage, and guest house or servants quarters, all in keeping with the architecture of the principal residence, provided that such are not used for any commercial purpose, and subject to approval by the Architectural Control Committee, hereinafter referred to as ACC, and the appropriate governmental building department. No structure may be erected prior to construction of the main dwelling. Bent Tree is intended only for custom-built homes of harmonious design to complement the natural terrain and other homes constructed in the subdivision. No mobile homes, premanufactured homes with appearance of mobile homes or "doublewides", or domes shall be approved."
- **"14 [15 in the Bent Tree IV and V Covenants] NUISANCE:** Nothing shall be done or permitted on any lot which may be or become an annoyance or nuisance to the

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neighborhood. No noxious, noise polluting or otherwise offensive activities or commercial businesses or trades shall be carried on upon any tract. Any exterior lighting on any lot shall either be indirect or of such controlled focus and intensity as not to unduly disturb residents of adjacent or nearby property. No trailbikes, minibikes, motorcycles, all-terrain vehicles, snowmobiles, or other such noise causing vehicles shall be operated within Bent Tree other than on County roads and going to and from residences. No activity shall be permitted which will generate a noise level sufficient to interfere with the reasonable quiet enjoyment of the persons on any adjoining or nearby lots."

4.2.2 PERMITTED. Bent Tree residents can and do operate businesses from their houses. A business operation that has no more evidence than a client or associate's vehicle parked in the driveway during the day is permitted. Examples: one-on-one meetings, financial planning, tax preparation, private music lessons, personal secretary, computer consulting.

4.2.3 PROHIBITED. Multiple vehicles parked out regularly, delivery vehicles besides the FedEx or UPS vans commonly used for residential deliveries, visible inventory, clutter, more than three garage sales per year, and exterior lighting or parking pads not approved by the ACC are not permitted. Examples: employees who report to the Bent Tree house daily as their duty station, dance studio, classroom training, large product distribution centers, construction equipment parking.

4.3 ROOFING MATERIAL**4.3.1 COVENANTS.**

- Bent Tree I, II, and III: "9. E. (5) //(6) **Roofing:** Roof materials and color shall be consistent with the architecture, color, and exterior wall material of any structure. Cedar shake shingles, tile or slate will normally be required; however, the ACC may allow variations from this requirement in those cases where such variation would be harmonious with the surrounding area and where such roofing materials would not be practical for a particular design or structure. New and modern materials with shake appearance will be considered. No asphalt or asbestos shingles will be permitted."
- Bent Tree IV and V: "10. E. (3) **Roofing:** Roof materials that are non-combustible or fire retardant are the only ones permitted. This includes concrete tile, slate, certain type metal, and synthetic cement shingles with a shake appearance. On roofs with pitches of eight or twelve or greater, class "A" fire rated super heavyweight, triple laminated premium asphalt shingles exceeding ASTM spec D 3462 such as O.C. Grand Manor, Celotex Presidential, Elk Premium Choice, etc. will be considered. Not permitted are lightweight or middleweight asphalt shingles on any roof pitch, cedar shakes, pine shakes, or Masonite type wood shakes."

4.3.2 PERMITTED. County building codes and consumer awareness about fire danger and safety have evolved since the earlier Covenants were written. For new construction and for structures having the roof replaced, roofing materials in Bent Tree I, II, and III must meet the requirements of Bent Tree IV and V. The sentence about roofs with pitches of eight or twelve or higher now also applies to roofs of pitch six and higher.

4.4 MAIL AND NEWSPAPER BOXES**4.4.1 COVENANTS.**

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- Bent Tree Filings I and II: "9. E. (5) Mailboxes and their support structures must be approved by the ACC. Colored plastic or metal newspaper boxes are not permitted; therefore, mailbox designs should incorporate a separate space for newspapers, as the U.S. Postal Service rules prohibit placing newspapers or anything other than U.S. mail in a mailbox."
- Bent Tree Filing III: "9. E. (6) Mailboxes and their support structures should be of a quality to enhance the home and must be approved by the ACC. Normally support structures for mailboxes will be of masonry construction (for example, stone, brick, concrete, stucco, cultured stone, etc.) though a combination of masonry and wood compatible with the colors and materials used on the home will be considered. The box itself, if made of metal shall be painted to cover raw or galvanized metal which is deemed unattractive. The masonry materials used in the support structure shall be the same or similar to the masonry portion of the home in texture and color. The street address numbers on the mailbox structure shall be made of brass, other metal, or ceramic. Wooden numbers will not be approved. Colored plastic or metal newspaper boxes are not permitted; therefore, mailbox designs should incorporate a separate space for newspapers, as the U.S. Postal Service rules prohibit placing newspapers or anything other than U.S. mail in a mailbox. [new paragraph] Maintenance of the mailbox and post system in good, attractive painted (if appropriate) condition shall be the responsibility of the individual homeowners and the BTPOA shall pay half the reasonable cost of said maintenance, providing a cost projection to include materials, labor, etc. is approved by the Architectural Control Committee prior to commencing work."
- Bent Tree Filings IV and V: "10. E. (11) Mailboxes and their support structures: Standardized mailboxes and support structures meeting Postal requirements will be established by Declarant, to be installed by property owners in locations designated by Declarant and the U.S. Postal Department. [new paragraph] Homeowners and or builders will provide support structures for homeowner's markings, newspaper delivery, lighting, and property entrances with design and materials compatible with the dwelling design. These structures shall be located on either side of the driveway entrances and in from the street on the homeowners property and not within the street easements. [new paragraph] Maintenance of the mailbox and post system in good, attractive painted (if appropriate) condition shall be the responsibility of the individual homeowners and the BTPOA shall pay half the reasonable cost of said maintenance, providing a cost projection to include materials, labor, etc. is approved by the Architectural Control Committee prior to commencing work."

4.4.2 PERMITTED. Only ACC approved mailboxes and their support structures are permitted.

4.4.3 PROHIBITED. Predominantly exposed metal or plastic boxes are prohibited.

4.5 GARAGE DOORS

4.5.1 COVENANTS.

- Extracted from Paragraph 3, **Dwelling Size.** "... Garages are required for all houses ... and doors shall be kept closed...."

4.5.2 PERMITTED. Garage doors may be open during active use of the garage. Examples: yard work, home projects in garage, servicing and washing vehicles, children's play.

4.5.3 PROHIBITED. Garage doors left open unattended for long periods are prohibited.

4.6 VEHICLE PARKING

4.6.1 COVENANTS.

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- "3. **DWELLING SIZE:** ...Automobiles and small boats will not habitually be parked overnight outside of garages."
- "19 [20 in the Bent Tree IV and V Covenants].. **VEHICLE PARKING AND EQUIPMENT:** No vehicles shall be stored or parked within the subdivision except in a closed garage; however, recreation vehicles to include travel trailers, horse trailers, campers, boats or a motor home and various equipment may be kept in an organized manner to the rear of a house if not readily visible from public streets nor reasonably from other lots within the subdivision. Screening such vehicles from public view with proper garaging or fencing, approved by the ACC, is recommended. The intent of this covenant is to prevent clutter and enhance natural appearance."

4.6.2 PERMITTED. A literal interpretation of the Covenants precludes many daily activities. The parking situations listed below allow us to use our properties for customary activities.

4.6.2.1 Emergency Vehicles: In accordance with Colorado State Statutes, outdoor parking of emergency is permitted provided the vehicle bears an official emblem or other visible designation of an emergency service provider, weighs less than 10,000 lbs, and is required by the owner's or resident's employer to be parked at the owner's or resident's residence as a condition of the owner's or resident's employment or volunteer status with a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services.

4.6.2.2 Recreation Vehicle Prep and Clean-up: Outdoor parking three days before and three days after RV use is permitted. Longer periods of outdoor RV parking may be permitted if approved by the CCC. The intent of this guideline is to maintain a generally vehicle-free appearance; not to link three-day cleanup and prep parking under a rule technicality to create substantially continuous parking.

4.6.2.3 Vehicles not Visible from Street but Visible to Neighbors: The BTPOA will not proactively enforce vehicles and equipment "kept in an organized manner to the rear of a house if not readily visible from public streets nor reasonably from other lots within the subdivision" where the property is not readily visible from the streets. If a neighbor objects to the parking, then the owner is obligated under the Covenants to make other arrangements. In other words, as long as the property complies with Covenants from the perspective of public streets (including Highway 105, Roller Coaster Road and Higby Road), then covenant enforcement shifts to complaint basis.

4.6.2.4 Vehicle Type and Condition: Vehicles parked visibly under the situations described below are to be fully functional and properly licensed passenger vehicles or small trucks rated at no more than ¾ ton capacity.

4.6.2.5 Day Visitors: Guests and visitors may park on driveways (and on the streets if necessary).

4.6.2.6 Overnight Visitors: Extra vehicles for your guests up to two weeks are permitted. ~~Longer periods with a definite end date will be permitted if approved by the Board.~~

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4.6.2.7 Vehicles Parked Out during the Day: It is permitted to leave vehicles out of the garage as needed for active uses of the garage during that day, as long as the vehicles are garaged by the end of the day.

4.6.2.8 Vehicles Blocked from Garage for Longer Periods: Using the garage to stage or unpack your own household goods upon moving in is permitted up to one month. Other uses of the garage that require vehicles to be parked out continuously must be approved in advance by the CCC.

4.6.2.9 House and Garage Construction: The rules above apply after the main dwelling is completed. It is understood that vehicles will be around during construction. Where the owner is making reasonable progress to build an ACC-approved detached garage, the BTPOA has permitted the vehicles to remain in view. Detached garages should typically be completed within three months; fences within one month.

4.6.3 PROHIBITED. Outdoor parking situations other than those described above are prohibited. For example, outdoor parking by multi-month visitors, including college students home for the summer, are prohibited.

4.7 TRASH CANS**4.7.1 COVENANTS.**

- "15 [16 in the Bent Tree IV and V Covenants].. **REFUSE AND RUBBISH:** Rubbish, garbage and other waste shall be kept and disposed of in a sanitary manner. Containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a clean, sanitary condition. All garbage or trash containers shall be kept at all times in a closed garage or placed in walled-in areas designed to blend in with the house, so that they shall not be visible from other tracts or from public streets. Bottled gas tanks, if any, must be underground, or concealed behind walled-in areas designed to blend in with the house, and may be subject to the approval of the Fire Department. No trash, litter, junk, equipment, boxes or other such items shall be permitted to remain exposed upon the premises and visible from public streets or from other tracts within the subdivision."

4.7.2 PERMITTED. Trash cans may be left at the street no more than one day, beginning the evening before trash pick-up day and ending the evening of trash pick-up.

4.7.3 PROHIBITED. Trash and trash containers shall not be visible the remaining six days of the week.

4.8 SIGNS**4.8.1 COVENANTS.**

- Bent Tree I, II and III: 9. E. 16. and Bent Tree IV and V: 9. #: 17: "**SIGNS:** All signs displayed must be first approved in writing by Declarant or the ACC. This covenant does not preclude the display of reasonably sized builder or real estate signs not to exceed six (6) square feet in size. Declarant or ACC reserves the right to make exceptions to size requirements, or to require modification or removal of any signs deemed not in keeping with the area and subdivision decor; however, neither Declarant nor ACC shall require real estate signs to be smaller than provided herein, and this restriction shall run with the land and may

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only be changed by Declarant. Declarant, its successors or assigns, reserves the right to erect and maintain an entrance sign on tracts at either side of the street at each entry point into Bent Tree, along with gateways, posts, walls, signs and other structures both to permanently identify Bent Tree and to market it. In addition, declarant reserves the right to place signs on any lot in the subdivision as Declarant deems necessary for safety or traffic guidance, and purchasers of tracts in Bent Tree agree thereto."

4.8.2 PERMITTED. Colorado law subsequent to the writing of the Covenants permits political signs as specified in paragraph 4.8.2.1.

4.8.2.1 Political Signs. An owner may display one political sign per political office or ballot issue that is contested in an election. Political signs may be no larger than 36" x 48" or the maximum allowed by any applicable county ordinance that regulates the size of political signs on residential property, whichever is smaller.

4.8.2.2 Garage Sale Signs. Signs directing traffic to garage sales are permitted two days before through the last day of the sale and must be removed promptly.

4.8.2.3 BTPOA Signs. As described in Section 5.10 below, the BTPOA will post temporary signs announcing membership meetings. From time to time, the BTPOA may post other announcements. These will typically be at Bent Tree entrances and key intersections.

4.8.3 PROHIBITED.

4.8.3.1 Business Signs. Business, commercial, and non-profit signs are not permitted.

4.8.3.2 Builder Signs after work is finished. Builder signs approved by the Covenants apply also to remodelers, roofers, etc. All such signs must be removed when the work is finished.

4.9 DEAD AND DISEASED TREES

4.9.1 COVENANTS.

- Bent Tree I, II and III: 10. and Bent Tree IV and V: 11. **CLEARING OF TREES:** Approval shall be obtained from Declarant or subsequently, the ACC, to cut down or clear any trees on any tract, except dead trees, reasonable thinning of trees of four (4) inches diameter or less, or for infestation control. Owners of lots shall dispose of such cleared trees in a way to prevent accumulations of brush, stumps, trash, or other materials which may constitute a fire hazard or render a tract unsightly, provided, however, that this shall not operate to restrict purchasers from storing fireplace wood in neat stacks on their tracts. Owners are responsible for prompt treatment or removal of trees infected by pine beetle or other insects which can kill trees within a year and might spread to adjacent trees and lots, and to reasonably contain any trees with slow parasitic growth such as mistletoe.
- Bent Tree I, II and III: 14. and Bent Tree IV and V: 15. **NUISANCE:** Nothing shall be done or permitted on any lot which may be or become an annoyance or nuisance to the neighborhood.

4.9.2 PERMITTED. Diseased, dead, or downed trees in remote areas of the property may remain unless deemed by the CCC or the Forest Management Committee (FMC) to be a hazard, a nuisance, or unsightly. Such trees are part of the natural forest environment. Removal of trees, shrubs, and vegetation to comply with a written defensible space plan created for the property by a forestry professional is permitted.

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4.9.3 PROHIBITED. Owners are responsible for the prompt removal of diseased, dead, or downed trees that are deemed by the CCC or the FMC to be a hazard, a nuisance, or unsightly. Beetle-infested trees must be removed no later than June 15 to reduce the spread of beetle infestation.

4.10 ANIMALS**4.10.1 COVENANTS.**

- "14 [15 in the Bent Tree IV and V Covenants] **NUISANCE:** Nothing shall be done or permitted on any lot which may be or become an annoyance or nuisance to the neighborhood. ... No activity shall be permitted which will generate a noise level sufficient to interfere with the reasonable quiet enjoyment of the persons on any adjoining or nearby lots."
- Bent Tree, I, II, III, IV, V: "21. **ANIMALS:** A. No animals or livestock of any kind shall be housed, raised or kept on any tract or property either temporarily or permanently, except that commonly accepted domestic household pets may be kept provided that they are not kept or maintained for any commercial purposes. B. Dogs shall not be permitted to run loose and shall be kept under control of owners at all times. Kennels for the commercial raising, breeding and boarding of animals are prohibited."
- Bent Tree III: "21. **ANIMALS:** C. and Bent Tree IV, V: 22. **ANIMALS:** C. Fences for animals will be at least five (5) feet high of solid wood or masonry. Colors will be compatible with the main dwelling. Proper maintenance is required. Such fences must be preapproved in writing by the ACC which will be highly sensitive to the ambiance of the neighborhood to include appearance from the streets and adjacent lots. Under no circumstances will dogs be allowed to run loose in the neighborhood. The use of electronic pet containment (invisible) fences in lieu of conventional fencing is strongly recommended."
- Bent Tree IV, V: "22. **ANIMALS:** A. Barking dogs are considered a nuisance and owners will act to restrain them."

4.10.2 PROHIBITED: Any dog not under control. Barking dogs are considered a nuisance and owners must act to restrain them. Property owners are responsible for cleaning up after their animals.

SECTION 5. POLICIES AND PROCEDURES**5.1 AMENDING THESE RULES AND REGULATIONS**

To amend these Rules and Regulations requires an affirmative vote of a majority of the then current members of the Board of Directors. Note that this may require more affirmative votes than a simple majority vote at a Board meeting. For example, if only three members of the five-member Board are present at a Board meeting, all three must vote affirmatively for an amendment to be approved.

In any case where the Board is adopting a major policy or a rule that will carry a fine, notice shall be sent to the BTPOA members prior to adopting the final policy or rule. This announcement can be made by mail, in a newsletter, or by e-mail, and the owners should be told how they can obtain a copy of the proposed rule or policy (such as a posting to a web site). The Board may invite comments from the owners and those comments should be included in the Board meeting minutes, which should name those owners, describing their comments and the actions taken as a result of those comments.

Notwithstanding the above, there is a difference between “*Rules*” and “*Policies*,” even though both are combined in this document. Generally “*Rules*” are sent to owners after adoption, because the owners are expected to comply (and can be fined if they fail to comply); by comparison, “*policies*” need not be sent to owners after adoption because policies do not require any action by the owners, and there are usually no fines for failure to comply.

Rulemaking shall be conducted in public session at a Board meeting. The board will review written comments from members who could not attend the meeting, and take comments from the members in public session; the Board may then go into executive session as part of its deliberations, but the Board must come back into open meeting for the final vote to adopt a Rule or policy.

The Board shall consider the following criteria for adopting or amending a policy, procedure, or rule:

- Reasonableness and necessity;
- Equal treatment of BTPOA members;
- Clear and unambiguous;
- Preservation, protection, and enhancement of property values
- Consistent with the governing documents and applicable law.

Policies and procedures shall be effective upon adoption by the Board, and rules shall be effective fifteen (15) days after sending notice of the adoption, amendment, or repeal of any rule, in writing, to each owner. This can ordinarily be accomplished by giving notice in a newsletter, and publication of the rules by posting to the website.

5.2. COVENANT ENFORCEMENT

5.2.1 POLICY

5.2.1.1 Authority: Colorado Law (C.R.S 38-33.3-209.5(IV)) requires the BTPOA to establish covenant enforcement policies and procedures, including fine schedule, notice and hearing procedures, and process for complaint submission and investigation. To comply with statutory and other legal requirements, this section defines the Bent Tree mandatory compliance policies and procedures to ensure enforcement of the Covenants, Bylaws, and Rules and Regulations.

5.2.1.2 Education. The Board shall provide education to the property owners as it determines to be helpful through various media, such as newsletters, handouts, meetings, e-mail, and the BTPOA web site. The goal of these educational efforts is to ensure property owners understand the Covenants, Bylaws, and Rules and Regulations to be able to make prompt, cooperative corrections in response to notices of violations.

5.2.1.3 Roles of the ACC and CCC. The Board established the CCC in 1994 to relieve the ACC from dealing with some matters related to covenant compliance.

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- The ACC deals with matters of real estate (the design and construction of anything on the property from house to mailbox). The ACC is an independent entity created by the Covenants. Its members are elected separately from the members of the Board.
- The CCC deals with matters of appearance and nuisance behavior, which largely consists of enforcing quality standards of property use and maintenance. The CCC is a committee created by the Board and operates at the discretion of and under the supervision of the Board. The CCC works in cooperation with the Board, ACC, and property owners to maintain the quality levels of the Bent Tree properties as originally intended and as stated in the Covenants and clarified in these Rules and Regulations. The CCC reports its activities to the Board and maintains records on behalf of the Board. The CCC is composed of BTPOA members who value the preservation of Bent Tree as a covenant-protected community, volunteer for the service, and are appointed by the Board. CCC members are covered by the BTPOA's liability insurance in carrying out their CCC duties.

5.2.1.4 Qualifications for CCC Members. To be eligible for CCC participation, candidates must:

- Be members of the BTPOA or members of the immediate family (spouse and dependents living with a member) of a member of the BTPOA.
- Be familiar with the BTPOA governing documents.
- See value in enforcing the covenants for the benefit of all property owners.
- Be current on payment of dues, assessments, and fines.
- Be current on filing of all data needed for the BTPOA water augmentation program.
- Not have significant currently unresolved covenant violation issues.
- Not be involved in any action with respect to the BTPOA or its board that has required a response by the BTPOA's attorney within the past two (2) years.

In accordance with the BTPOA Bylaws, the Board must annually appoint CCC members and chairs. The Board may, in its sole discretion, use interviews or other means to determine which candidates to select to be CCC members. Selection of committee members and chairs will be by majority vote at a Board meeting. Committee chairs must meet the same qualifications required for election or appointment to the Board.

5.2.2 PROCEDURES

These procedures supplement covenant enforcement provisions in the Covenants. See Paragraph 25 in the Covenants for any Bent Tree filing. The Board may assign some or all of the CCC responsibilities to a management company or independent agent.

5.2.2.1 Notification and Consultation. Bent Tree property owners are encouraged to notify the CCC about a situation that brings their property or other properties out of compliance (hopefully only for a brief period), ask for clarification or guidance, or to discuss a concern about their or another property.

5.2.2.2 Complaints. The CCC periodically checks Bent Tree properties for covenant compliance. The checks are performed intentionally, objectively, and equally throughout Bent

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Tree. Additionally, CCC members may initiate action on covenant violations that they notice in their normal coming and going.

Complaints of any violation shall be communicated to the CCC members in writing, in person, by email, or by telephone. An impartial decision maker (IMP), such as a member of the CCC or the Board, who will not receive a greater benefit or detriment from the outcome of the investigation than the general BTPOA membership shall investigate all complaints and will be responsible for keeping written documentation and records of all complaints. The information should include the name, address, and phone number of the person filing the complaint.

The Board and CCC will endeavor to protect the confidentiality of persons alerting the CCC to covenant violations: The CCC will be identified as the complaining party for all covenant violations that can be independently verified to prevent potential conflict between BTPOA members. Anonymous complaints with regard to matters that cannot be independently verified by the CCC will not be investigated further. The CCC is authorized by the Board to contact the property owner who is the subject of the complaint and other property owners as needed to clarify and resolve the complaint.

5.2.2.3 Notices.

5.2.2.3.1 Initial Notice. When the CCC becomes aware of a violation through observation or complaint, it will assign an IMP.

The IMP shall, in its sole discretion, conduct a fair and impartial investigation and determine whether or not the complaint shows cause for further proceedings.

The IMP may contact the property owner and follow up in writing using the U.S. Postal Service. The initial notice shall be assumed to have been delivered on the day following mailing.

In cases where a violation falls into a category handled by the ACC, the IMP will refer the matter to the ACC for resolution. In such case, the ACC follows the general enforcement guidelines described below. The CCC may assist the ACC in its enforcement actions.

The property owner is typically allowed seven (7) days to correct the situation or reply. The CCC may specify a shorter time for serious violations that require prompt resolution. A reply would be appropriate where the situation can be corrected but a longer period is needed or where the property owner disagrees that the situation is a violation. The owner is invited to contact the CCC to discuss options for correction. At times, there may be a series of communications as a solution is developed.

When a violation creates an immediate threat, danger, or risk to residents or property, property owners and residents are encouraged to call 911 and report the violation immediately. Examples include fireworks, open fires, and menacing or attacks by dogs. Such violations should also be reported to the CCC and will generally result in a hearing before the Board in which case, a hearing notice will be sent in lieu of an initial notice.

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5.2.2.3.2 Hearing Notice. If the owner's proposed correction is not acceptable, the owner rebuts the initial notice, or the initial notice has been ignored, the IMP, the CCC, or the Board will follow-up by sending a hearing notice using regular mail and certified mail without a return receipt to the address of record with the BTPOA. The hearing notice will state the date, time, and location of the next Board meeting and will state that a hearing before the Board on the complaint will be held. The hearing notice shall be assumed to have been delivered on the day following mailing.

5.2.2.3.3 Repeat Violations. If a violation recurs after a fine or other enforcement remedy has been imposed, it may be treated as a new violation except that no initial notice is required and instead a hearing notice may be sent.

5.2.2.4 Hearings. The request for a hearing will be presented to the Board by the CCC. Once the date, time, and location for the hearing has been set, the CCC shall send a hearing notice to the property owner. The date, time, and location should be chosen to insure that an odd number of directors can attend.

Any director who has a conflict of interest with regard to the matter being heard, for example, is the alleged violator or filed the complaint, shall not participate as a hearing officer. Board members who would receive a greater benefit or detriment from the outcome of a hearing than the general BTPOA membership should recuse themselves from acting as members of the board for that hearing. Hearing board members who have previously served as an IMP with respect to the subjects of the hearing need not recuse themselves.

Owners and alleged violators may be given the opportunity in advance of the hearing to object if they feel that any member of the hearing board cannot render an impartial decision.

To ensure that the hearing board consists of at least three (3) members and that there is an odd number of hearing board members, the Board may appoint BTPOA members to serve as voting members of the hearing board for that hearing.

To protect the privacy of those involved and because hearings may involve possible litigation issues, hearings shall be held in executive session. The Board may exclude any person other than the owner or alleged violator and witnesses who are providing testimony.

The primary purpose of hearings before the Board is to resolve covenant enforcement matters as early as possible, without the expense of litigation. As a result, any owner or alleged violator who appears at a hearing is encouraged to discuss resolution in lieu of or in addition to the hearing. If the Board believes that the owner/violator is acting in good faith and that there is a realistic chance of resolution, the Board may postpone the hearing and attempt to use the remainder of the time that was originally scheduled for a hearing for the alternative dispute resolution described in Section 5.4. However, if at any time the Board, in its sole judgment, believes that delay will harm the interests of the BTPOA, it may proceed with the hearing.

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No legal or statutory rules of evidence or procedure apply to Board hearings and the Board may limit discussion or proceed in any manner or order that it deems appropriate at its discretion. The Board may tape-record or otherwise transcribe the meeting.

At the hearing, the Board may consider any written or oral information produced by the owner, the alleged violator, or other interested party. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a finding.

The Board may proceed with the hearing even if the owner or alleged violator fails to appear or refuses to participate or to submit information.

Legal counsel may represent the owner so long as the owner gives the Board at least ten (10) days prior written notice, in which case the Board's attorney may be present as well. Any participant may question any witnesses and examine any documents presented at the hearing.

After hearing any information, witnesses, or documents presented at the hearing, the Board's decision shall be made by a majority vote of the hearing board members present and a brief summary of the decision and sanction, if any, shall be sent by regular mail and certified mail without return receipt to the alleged violator. The summary of the decision shall be assumed to have been delivered on the day following mailing.

The Board may also issue and record a Notice of Finding of Violation with the County Clerk and Recorder, and release same upon satisfactory compliance with the governing documents.

The Board's decision shall be final and conclusive on all parties and matters, except for instances of fraud or gross negligence.

5.2.2.5 Fines and Sanctions. Colorado Law (C.R.S 38-33.3-302 (1)k) grants the BTPOA, and in turn the Board, the authority to impose reasonable fines and/or require restitution and/or other enforcement remedies for any violation of the Covenants, Bylaws, or Rules and Regulations. Each incident or each day of a continuing violation may be considered a separate violation for which a reasonable fine may be imposed. The Board may in its discretion impose increased fines for repeated or intentional violations.

Any fine shall be a personal obligation of the property owner and may be recorded against the property creating a lien against the property. The Board may notify any lender or credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine.

Fines will be due and payable within thirty (30) days of the date of the imposed fine, and shall be considered delinquent after the due date. A delinquent fine will result in a lien being filed on the property for nonpayment and will bear interest at one-and-one-half (1.5) percent per month, calculated from the date of the fine, as well as any late fees and legal fees or other sums expended

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by the BTPOA. The Board may suspend the voting rights of the owners/violators for so long as a violation continues or the fines remain unpaid.

Payment of an assessed fine does not relieve the violator from the responsibility of correcting the violation.

Owners shall be jointly and severally liable for violations committed by their family members, contractors, agents, guests, or tenants. The Board may proceed against the owner and the family members, contractor, agent, guest, or tenant, simultaneously or separately, and actions against one shall not bar action against the others. The Board may contact law enforcement authorities, any regulatory or licensing authorities, or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board from proceeding with covenant enforcement action. Additionally, non-compliance could ultimately result in a lien being placed on the offending property or litigation by the Board or BTPOA members.

The BTPOA Schedule of Fines for commonly occurring covenant violations is in Appendix A. The schedule is not intended to cover all possible violations and there are instances where the amount of fines may vary depending on the circumstances. The amount of the fines are intended to bear a reasonable relationship to the actual harm that is being caused; the potential risk of loss to the BTPOA if compliance does not take place; the costs of investigative demand letters and hearings to ensure compliance; and the cost of remedial measures, if needed.

Any violation shall entitle the Board to recover from the owner or violator or both, its reasonable attorneys fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the owner's account with the BTPOA.

The Board, in its discretion, may waive fines, attorney fees, court costs, interest and other collection expenses, if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the governing documents.

The Board reserves the right to fine for first violations of rules that involve health or safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice to the owner/alleged violator, the Board reserves the right to levy fines in excess of the schedule in Appendix A, if the Board determines that the fines set forth in the schedule are not likely to provide effective incentives to induce compliance.

All rights and remedies set forth hereinabove shall be in addition to, and not in lieu of, any other rights and remedies which any owner may have to personally enforce the Covenants. All such rights and remedies shall be cumulative, and the exercise of any one or more of such rights and remedies shall not be deemed an election precluding the exercise of any of the others.

REVISED DRAFT**Bent Tree Property Owner's Association, Inc.****Rules and Regulations**

5.2.2.6 Board Notification. When requested by the Board, the CCC shall present a status of outstanding covenant violations.

5.2.2.7 Enforcement by Court Action. At the Board's discretion, correction of a violation may be enforced through courts of law or equity; such enforcement may be independent, concurrent, or subsequent to the imposition of fines. The Board may authorize the CCC to contact the Association's attorney for further action and court proceedings related to violations of the Covenants, Bylaws, or Rules and Regulations.

5.2.2.8 Recovery of Expenses and Attorney Fees. In any court action or other proceedings to enforce or defend the Covenants, Bylaws, and Rules and Regulations or otherwise to address a violation by an alleged violator, the BTPOA shall be entitled to assess and recover its expenses, including that of reimbursement for staff, consultant, or subcontractor time and expenses as well as attorney fees and costs against the property owner, alleged violator and/or other party in addition to all other rights and remedies.

5.2.2.9 Substantial Compliance. Technical irregularities or defects in the complaint, notices, or other compliance with these Rules and Regulations shall not invalidate the proceedings or any fine or sanction imposed. This rule shall be liberally construed to ensure prompt, effective, complete enforcement of the Covenants, Bylaws, and Rules and Regulations.

5.2.2.10 Time Limits. Enforcement of the Covenants, Bylaws, or Rules and Regulations is not waived by any prior non-enforcement. The BTPOA may enforce its rights and remedies, including its lien, for a period of up to six years from the date it discovers the violation.

5.3 COLLECTIONS

5.3.1 ASSESSMENTS. The Treasurer shall maintain the financial accounts of the BTPOA and issue invoices for payment of assessments. All annual assessment payments shall become due and payable on January 1st of each year. The BTPOA shall mail an annual notice of dues to each property owner no later than December 10th of each year. A second notice shall be mailed by January 10th to those owners whose dues have not been received by that date. Owners who do not pay the annual dues by February 1st shall be notified by certified mail that they will be assessed a late fee of ten dollars per month for February and for each month thereafter that dues are unpaid, and a lien may be filed against their lot or other legal action may be taken. Assessments that are more than three (3) months past due, may be referred to the BTPOA's attorney for collection including filing a lien against the lot and other legal action.

5.3.2 FINES. The CCC or the Board shall issue invoices for fines and deliver copies of those invoices and any fines received to the Treasurer for recording. Covenant enforcement procedures are defined in Section 5.2 above. If a fine remains unpaid thirty days after the first invoice is sent, interest on the unpaid balance shall be added at the rate one-and-one-half (1.5) percent per month. Fines that are more than three (3) months past due, may be referred to the BTPOA's attorney for collection including filing a lien against the lot and other legal action.

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5.3.3 ORDER OF APPLICATION OF PARTIAL PAYMENTS. Partial payments will be applied first to the oldest amounts due.

5.4 DISPUTE RESOLUTION

In the event of any dispute involving the BTPOA and an owner, the owner is invited and encouraged to meet with the Board to resolve the dispute informally and without the need for litigation. If the owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the owner's request. Nothing in this policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the BTPOA nor the owner waives any right to pursue whatever legal or other remedial actions available to either party.

5.5 INVESTMENT OF RESERVE FUNDS

The officers and directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the directors and officers reasonably believe to be in the best interests of the BTPOA in accordance with the Colorado Revised Nonprofit Corporation Act.

Reserve studies shall be conducted when requested by the Board or the owners of at least one-third of the BTPOA properties. Internally-conducted reserve studies shall be sufficient.

5.6 FINANCIAL RECORDS, REVIEWS, AND AUDITS

5.6.1 BOOKS, FINANCIAL RECORDS, AND FINANCIAL REPORTS. The BTPOA's books, financial records, and financial reports shall be prepared using a cash or modified accrual basis and shall be accurate and complete. At least monthly, a financial report (usually the balance sheet and profit and loss statement) shall be given at a Board meeting along with a print-out of the check register, or line items identified as coming from the check register and the latest bank statements.

5.6.2 REVIEWS. At least once every three (3) years, BTPOA's books and financial records shall be reviewed by an independent and qualified person or persons selected by the Board. The person or persons conducting the review shall be selected by the Board. A review must also be performed if requested by the owners of at least one-third of the BTPOA properties.

5.6.3 AUDITS. Audits of the BTPOA books and financial records must be performed using generally accepted auditing standards by a CPA selected by the Board. An audit must be performed when requested by the Board or the owners of at least one-third of the BTPOA properties.

5.6.4 REPORTS OF REVIEWS AND AUDITS. The written report of any audit or review must be posted on the BTPOA web site no later than thirty days after the audit or review is presented to the Board. A copy will be made available to any owner who requests it. The report shall cover the BTPOA's financial health, accounting practices used, recommendations for improvements in those practices, and balance sheet, income statement and expense distribution statements.

5.7 EXAMINATION AND COPYING OF RECORDS

BTPOA records may be maintained in written form or in another form that can be converted into written form. A written backup procedure and offsite storage plan approved by the Board will be implemented for all records.

5.7.1 RECORDS POSTED ON THE BTPOA WEB SITE. Current copies of the following information shall be posted on the BTPOA web site:

- The association's name, physical address, if any, and mailing address
- The name of the designated agent or management company, if any
- Declaration of Protective Covenants (including the initial date of recording and the declaration's reception number or book and page where the declaration is located)
- Articles of Incorporation
- Bylaws
- Rules and Regulations
- The BTPOA's regular and special assessments, if any
- Most recent annual report, if any
- Approved minutes of membership meetings, Board meetings, ACC meetings, and membership, Board, or ACC actions by unanimous written consent for the past three years
- Resolutions adopted by the Board or ACC that affect owners
- A list of the names, phone numbers, and e-mail addresses of current Board and ACC members
- The most recently adopted BTPOA budget and identification of the BTPOA fiscal year
- The most recent written financial report presented to the membership
- The written results of financial audits or reviews conducted within the past three years
- A list of the BTPOA's insurance policies including company names, policy limits, policy deductibles, and policy expiration dates

Changes in any of this information must be posted on the web site within ninety (90) days after the change occurs.

5.7.2 ADDITIONAL RECORDS. In addition to the records noted above, the BTPOA shall keep as permanent records:

- Minutes of all unit owner, Board, and ACC meetings
- Records of all actions taken by owners, the Board, or the ACC by unanimous written consent in lieu of holding a meeting
- Records of all actions taken by committees of the Board and ACC
- Record of all waivers of meeting notices of owners, Board members, or any committee members
- Membership list. The BTPOA shall maintain a record of owners that allows preparation of a list of the names and mailing addresses of all owners and showing the number of votes each owner is entitled to cast.

REVISED DRAFT**Bent Tree Property Owner's Association, Inc.****Rules and Regulations****5.7.3 PROCEDURE FOR EXAMINATION AND OBTAINING COPIES OF RECORDS.**

These and other records shall be available for examination or copying during normal business hours on notice of five (5) days or at the next regularly scheduled Board meeting or membership meeting if it occurs within thirty (30) days after the request provided the request is made in good faith for a proper purpose, the request describes with reasonable detail the records sought and why, and the records are relevant to the purpose of the request. The form that must be used in making record requests is attached as Appendix B.

Information may be redacted regarding owners that have requested that their contact information not be provided to other owners.

When requested by an owner, the BTPOA shall provide paper or electronic copies of documents that are within the BTPOA's control and not associated with Board executive session topics. In response to a written request by an owner or an owner's representative, the BTPOA shall provide copies of documents to a designated third party such as a buyer for the property.

The request for copies must be in writing or by e-mail using the form in Appendix B and must specify the documents to be copied and the name, e-mail address, if any, and mailing address of the person to receive the documents.

The BTPOA may charge owners in advance the actual cost for copying records. The actual cost includes personnel and equipment used in the search, retrieval, and copying of the records.

The fee for preparing a statement to assist title companies in a real estate closing is \$50.

5.8 USE OF MEMBERSHIP LISTS AND OTHER RECORDS

Association records, including membership lists, shall not be used by any owner for:

- Any purpose unrelated to an owner's interest as an owner;
- The purpose of soliciting 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 BTPOA;
- Any commercial purpose;
- For the purpose of giving, selling, or distributing such BTPOA records to any person; or
- Any improper purpose as determined in the sole discretion of the Board.

5.9 INSURANCE

The Board shall maintain liability and directors and officers insurance coverage to protect the BTPOA and indemnify and hold harmless its officers, directors, and any persons acting therefor (other than independent contractors) while serving the BTPOA in those capacities, unless such acts are done in bad faith and with malice.

If an occurrence is made known to an owner that results in damages or injury to an owner or an owner's property which may come within the BTPOA's coverage as required in the Declaration or under Colorado law, the following procedures should be followed by the owner:

- The owner shall first promptly notify their personal insurance carrier of the damage.

REVISED DRAFT**Bent Tree Property Owner's Association, Inc.****Rules and Regulations**

- In the event the owner determines it is in the owner's best interests to submit a claim under the owner's insurance policies, the owner shall follow the procedures set out in those insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.
- In the event the subject matter of the claim may fall within the BTPOA's insurance responsibilities under the Declaration or Colorado law, the owner shall promptly notify the BTPOA of the damage by providing written notice to the Board or managing agent setting forth the following:
 - Owner's phone number, mailing address, and property address, if different;
 - The time, place, and circumstances of the event;
 - Identification of damaged property; and
 - The names and addresses of the injured and witnesses, if applicable.
- The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the owner or the BTPOA is responsible for insuring under the Declaration. The BTPOA shall notify the owner in writing of its determination with fifteen (15) days of written notification of the damage.
- If the Board determines, in its sole discretion, that the subject matter of the claim is within the BTPOA's insurance obligations, the Board shall submit a claim to the BTPOA's insurance carrier or carriers on behalf of the owner in accordance with the requirements of the BTPOA's insurance policies. In that event, the owner should not submit a claim to the BTPOA's insurance carriers.

5.10 NOTICE OF MEETINGS

5.10.1 MEMBERSHIP MEETINGS. Notice of membership meetings shall be e-mailed to all owners who have requested e-mail notification in accordance with Section 5.10.3. Notices shall be mailed to all other owners at the latest mailing address provided to the BTPOA. The notice shall also be posted on the BTPOA web site at least fifteen days prior to the meeting. Roadside signs announcing the meeting day, time, and place shall be posted at each entrance to Bent Tree not less than five days prior to the meeting.

5.10.2 BOARD MEETINGS. Notice of Board meetings, in accordance with the BTPOA Bylaws, shall be sent to each Board member by e-mail, phone call, or other means. The notice shall also be posted on the BTPOA web site at least three days prior to the meeting.

All Board members shall have available to them all information related to the responsibilities and operation of the association obtained by any other Board member, including but not limited to monthly reports, contracts and communications, reports, and opinions of the association's managers, attorneys, or accountants.

5.10.3 ELECTRONIC NOTIFICATION OF MEETINGS. Owners and residents may request e-mail notification of membership and Board meetings. Such requests must be submitted to the BTPOA secretary. The BTPOA will e-mail meeting notices to those who have previously requested such notification until the request is rescinded by the owner or resident or the e-mail address no longer works. The BTPOA is not responsible if technical problems prevent delivery of the e-mail notice sent by the BTPOA. It is the owner's or resident's responsibility to submit changes in their e-mail address.

5.11 CONDUCT OF MEETINGS

5.11.1 USE OF ROBERT'S RULES OF ORDER. As specified in the Bylaws, all membership meetings and Board meetings shall be conducted in accordance with the latest published edition of *Robert's Rules of Order*.

5.11.2 ELECTIONS. Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. There shall be one ballot per lot. Owners of more than one lot shall receive one ballot for each lot they own. Ballots shall contain no identifying information concerning the ballot holder.

Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the number of positions to be filled, and all other votes taken at a membership meeting shall be taken by such method as determined by the President of the Board or another person presiding during that portion of the meeting.

Notwithstanding the above, uncontested elections of Board members or other votes at membership meetings shall be by secret ballot at the discretion of the Board or upon the request of 20% of the owners who are present at the meeting.

Written ballots shall be counted by a neutral third party (excluding the BTPOA's managing agent or legal counsel) or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the President of the Board or another person presiding during that portion of the meeting.

The Board may reject a vote, proxy, or ballot if it has a reasonable good faith basis to doubt the validity of that vote, proxy, or ballot.

5.11.3 OPPORTUNITY TO SPEAK. After a motion and second has been made on any matter to be discussed at a membership meeting or Board meeting, at a time determined by the person presiding, but prior to a vote by the directors at a Board meeting or owners at a membership meeting, owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on matters relevant to the motion subject only to a fair time limit specified by the person presiding at the meeting provided that the time limit applies equally to all speakers.

5.12 OWNER AND RESIDENT EDUCATION

The BTPOA shall provide owner education at least once a year and at no individual cost to the owners. The owner education must relate to the general operations of the BTPOA and the rights and responsibilities of owners, the BTPOA, and the BTPOA directors. The education shall be by presentations at membership meetings, written material, or such other means as shall be determined by the Board, in its sole discretion.

5.13 BOARD MEMBER CONFLICTS OF INTEREST

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5.13.1 LOANS. No loans shall be made by the BTPOA to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the BTPOA for the amount of the loan until it is repaid.

5.13.2 DISCLOSURE OF CONFLICTS. Any conflicting interest transaction on the part of any director or party related to a director shall be verbally disclosed to the other directors in open session at the first open meeting of the Board at which the interested director is present prior to any discussion or vote on the matter.

5.13.3 PARTICIPATION. After disclosure, the director may participate in the discussion, if approved by a majority of the other directors, but **may not vote** on the matter. If treating the director who disclosed the conflict as absent results in the Bylaws quorum requirement not being satisfied, the matter shall be tabled. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum, and, in the case a vote is taken, a record of who voted for and against.

5.13.4 VOIDABLE TRANSACTIONS. Conflicting interest transactions shall be voidable if not approved in accordance with this policy.

5.13.5 RECORDINGS. Audio or video recording of membership or Board meetings is prohibited; however, the official record-keeper at any meeting may, at the sole discretion of the Board, tape-record or otherwise transcribe meetings. Recordings made by the official record-keeper may be retained only until the minutes of that meeting have been approved.

5.14 QUESTIONS OF CONSTRUCTION

If any doubt or questions arise concerning the true intent or meaning of the covenants or these rules and regulations, the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect, and application of the provision. These determinations shall thereafter be binding on all parties so long as they are not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of El Paso County.

SECTION 6. PROPERTY OWNER RESPONSIBILITIES

This section highlights some specific Bent Tree property owner responsibilities.

6.1 COVENANT COMPLIANCE

Bent Tree Property owners must be familiar with and comply with the covenants applicable to their properties and must also be familiar with and comply with the covenant clarifications provided in Section 4 of this document.

6.2 REPORTING NEEDED FOR WATER AUGMENTATION PLAN

Implementation of the court-mandated water augmentation plan for Bent Tree requires all Bent Tree property owners to provide to the Bent Tree Water Augmentation Committee (WAC) annual reports of the amount of irrigated area on their property.

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If there is any irrigated area on an owner's property, that owner must provide the WAC with an up-to-date map or drawing of the irrigated area and any other information requested by the WAC. The WAC typically issues an annual request to all property owners to obtain this information.

Those lots that are required to have water meters installed must provide their meter readings as requested by the WAC.

6.3 FOREST MANAGEMENT

All Bent Tree property owners have a responsibility to monitor and maintain the health of the forest on their properties in accordance with Section 4.9. The BTPOA established the Bent Tree Forest Management Committee (FMC) to assist property owners in maintaining a healthy forest.

To insure that the health of the forest throughout Bent Tree is being maintained, the FMC arranges for periodic forest inspections. In order to conduct those inspections, the FMC requests permission from property owners for access to their properties.

By May 1 each year, property owners who do not respond to the FMC's request for access or who deny access to their properties, must supply the FMC with written confirmation from a trained forestry professional that the property has been inspected and the outcome of that inspection.

Property owners must arrange for the prompt removal of all beetle-infested trees identified on their properties. To reduce the spread of beetle infestation, beetle-infested trees must be removed no later than June 15.

Within 30 days following removal of beetle-infested trees, written confirmation stating who removed the trees, the number of trees removed, the approximate location of the removed trees, and the date of tree removal must be supplied to the FMC.

SECTION ~~67~~. SUMMARY OF CHANGES.

Version 1 was adopted by the Board January 9, 2005.

Version 2 was adopted by the Board August 20, 2006:

- Renumbered paragraphs to move all covenant clarification material into Section 4 and add policies and procedures Section 5.
- Added exemption for outdoor parking of emergency vehicles to Vehicle Parking paragraph in Section 4. Rearranged and simplified Vehicle Parking paragraph.
- Added Section 4.8, Signs and moved sign-related material from Section 4.2, Business Operation
- Added a paragraph on Amending These Rules and Regulations
- Revised Covenant Enforcement Procedures and added Schedule of Fines.
- Added Collections paragraph.
- Added Dispute Resolution paragraph.
- Added Investment of Reserve Funds paragraph.

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- Added Financial Reviews and Audits paragraph.
- Added Examination and Copying of Records paragraph.
- Added Use of Membership Lists and Other Records paragraph.
- Added Insurance paragraph.
- Added Notice of Meetings paragraph.
- Added Conduct of Meetings paragraph.
- Added Owner and Resident Education paragraph.
- Added Board Member Conflicts of Interest paragraph.

Version 3 was adopted by the Board August 13, 2007:

- Added Section 4.9 (Dead and Diseased Trees).
- Removed the sentence (“If the violation is corrected, the process stops here.”) from Section 5.2.2.3.1 (Initial Notice) that implied that corrected violations would not proceed to a hearing.
- Added “and will generally result in a hearing before the Board” to the final paragraph in Section 5.2.2.3.1 (Initial Notice) regarding violations that create an immediate threat, danger, or risk to residents or property.
- In Section 5.5 (Investment of Reserve Funds), removed the sentence “A working capital balance of no more than \$6,000 will be in an interest bearing checking or money market account. Other funds will be held in longer term CD’s.” The remaining sentence in that section adequately conveys the intent.
- In Section 5.6.2 (Reviews), added “The person or persons conducting the review shall be selected by the Board.”
- In Section 5.7.3 (Procedure For Examination And Obtaining Copies Of Records), added “The fee for preparing a statement to assist title companies in a real estate closing is \$50.”
- Changed Section 5.10.3 (Electronic Notification Of Meetings) to state “Such request must be submitted using the BTPOA web site.” and “It is the owner’s or resident’s responsibility to submit changes in their e-mail address using the BTPOA web site.”
- In Section 5.11.2 (Elections), changed the party determining election conduct to be the person presiding not the Board.
- Appendix A: Added “Dead and diseased trees that are deemed by the CCC to be a nuisance, fire hazard and/or a danger to living trees in spreading parasites/disease.” under Comments on the “Diseased or Dead Trees not removed” offense.
- Appendix A: Added rows for excessive irrigated area and excessive water use.

Version 4 was adopted by the Board December 8, 2008:

- Appendix A: Added a row for failure to report water use.

Version 5 was adopted by the Board February 9, 2009

- Changed Section 5.10 to provide e-mail notification of membership meetings to all owners who have provided the BTPOA with an e-mail address and mailed notices for all other owners.
- Removed references to submitting e-mail addresses using the BTPOA web site.

REVISED DRAFT**Bent Tree Property Owner's Association, Inc.****Rules and Regulations****Version 6 was adopted by the Board April 13, 2009**

- Changed Section 5.2.2.4 to provide for the board to appoint BTPOA members to serve as part of hearing boards.

Version 7 was adopted by the Board May 10, 2010

- Changed Appendix A, Schedule of Fines, to set fine of \$0.05 per gallon for excessive water use and added \$100 per year fine for failure to submit map or schedule of irrigated area

Version 8 was adopted by the Board April 12, 2011

- Added clickable links to the table of contents.
- Added Impartial Decision Maker (IMP) to the list of terms.
- Changed 4.6.2.6 (Vehicle Parking-Overnight Visitors) so periods longer than two weeks require Board approval instead of CCC approval.
- Expanded Section 4.9.2 (Dead and Diseased Trees-Permitted) to permit removal of trees, etc. to comply with a written defensible space plan.
- Expanded Section 5.1 (Amending These Rules and Regulations) to include prior notice to property owners of proposed rulemaking and notice of rules adopted.
- Expanded Section 5.2.2 (Covenant Enforcement-Procedures) to include qualifications for CCC members, the role of IMP, and additional policies regarding hearings, fines, and other sanctions.
- Expanded Section 5.3 (Collections) to say that assessments and fines more than three months past due may be referred to the BTPOA's attorney.
- Added to Section 5.5 (Investment of Reserve Funds) that reserve studies will be conducted when required by the Board or one-third of the owners.
- Changed Section 5.6 (Financial Records, Reviews, And Audits) to call for a financial review at least every three years and financial audit as determined by the Board or requested by one-third of the owners.
- Added to Section 5.10.2 (Board Meetings) that all Board members have equal access to information.
- Added to Section 5.11.2 (Elections) that the Board may reject votes, proxies, or ballots it believes to be invalid.
- Added Section 5.13.5 (Recordings).
- Added Section 5.14 (Questions of Construction).
- Added Appendix B (Document Request Form) and added in Section 5.7.3 a requirement to use the form.

Version 9 was adopted by the Board (date)

- Added Section 4.10 (Animals).
- Deleted provision in 4.6.2.6 (Vehicle Parking, Permitted, Overnight Visitors) for granting permission for extended stays by overnight visitors.
- Added Section 6 (Property Owner Responsibilities).

Appendix A: BTPOA Schedule of Fines For Commonly Occurring Covenant Violations

Adopted by the BTPOA Board – August 13, 2007

Offense	Example Violation	Fines	Comments
Late Payment of Assessment	Payment of annual assessment is due Jan. 1 and considered late Feb. 1	\$10 per month starting Feb. 1	Established by the Covenants, imposed by the Treasurer
Animal Violations	Barking dogs, animal waste, unrestrained or loose animal, animal threatening behavior, animal biting	\$100 - \$1,500 per incident	If warranted, owners of aggressive dogs may be requested to relocate the animal.
Parking Violations	Vehicles parked outside garage in violation of covenants and rules and regulations. Includes boats, trailers, and RVs	\$100 per passenger vehicle \$200 per boat, trailer, or RV	Each day that a violation remains uncorrected may be considered a new violation subject to an additional fine or other sanction.
Fireworks and Open Fires	Fireworks or any open fire, including a campfire	\$500 - \$1,500 per incident	If warranted, cases will be forwarded to the El Paso County Fire Marshal for prosecution.
Diseased or Dead Trees not removed	Dead or diseased trees not removed	\$500 per tree and referred to the U.S. Forest Service	Dead and diseased trees that are deemed by the CCC to be a nuisance, fire hazard and/or a danger to living trees in spreading parasites/disease.
Unkempt Lots, Debris	Slash, scattered firewood, down trees, visible trash containers, unsightly trash, bright colored tarps, construction materials, toys, sports equipment	\$50 - \$150 per item	Each day that a violation remains uncorrected may be considered a new violation subject to an additional fine or other sanction.
Nuisances	Includes: Excessive noise; use of all terrain vehicles, dirt bikes, motorcycles, or go-carts; garage bands; operating lawn and landscape equipment after 9 p.m.	\$150 - \$1,000 per incident	

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Offense	Example Violation	Fines	Comments
Excessive irrigated area	Irrigated area exceeds 2,000 sq. ft.	\$500 per month for failure to install two externally readable water meters; one measuring total water use and one measuring water used for irrigation	Meter readings must be reported as requested by the Board or its designees.
Excessive water use	Annual water meter reading indicates water usage in excess of yearly allocated amount of 124,800 gallons in total including 22,435 gallons for irrigation.	\$0.05 per gallon for each gallon of usage exceeding either of the limits.	For each subsequent consecutive violation, the per-gallon fine rate will be doubled from the prior rate.
Failure to report water use	Failure to report water use as required by the Board or its designees.	\$500 per failure to report water use as required by the Board or its designees.	An additional \$500 fine will apply every 90 days that adequate reports are not submitted. The adequacy and timeliness of reports shall be determined by the Board or its designees.
Failure to submit map or schedule of irrigated area	Failure to submit an acceptable map or sprinkler head schedule of irrigated area	\$100 per year for failure to submit acceptable map or schedule	Acceptability of map or schedule is determined by the Water Augmentation Committee. For each subsequent consecutive violation, the yearly fine will be doubled from the prior fine.
Architectural Control Violation including Unauthorized Tree Cutting and Unauthorized Signage	Items not in compliance and/or not approved by the ACC	\$300 per violation	These offenses are addressed by the ACC, not the BTPOA Board.

Notes: This table provides examples of common violations and associated fine structure. Covenant enforcement and fines for violations are not limited to this table. More egregious and recurring violations may, at the Board's sole discretion, receive fines toward the upper end of the specified ranges. The BTPOA may enforce all covenants including fines similar to those in this table, whether or not the offense is specifically listed in this table. As specified in 5.2.2.8, in addition to fines, the BTPOA may also assess and recover its expenses, including that of reimbursement for staff, consultant, or subcontractor time and expenses as well as attorney fees and costs against the property owner, alleged violator and/or other party.

**Appendix B:
Bent Tree Property Owners' Association Document Request Form**

Name of Requesting Party: _____

Relation of Requesting Party to Owner: _____

Property Address: _____

Daytime Phone: _____ Email: _____

In order to facilitate your request, you need to specifically describe the documents that you want to inspect and/or copy. If the documents are listed in Section 5.7 of the BTPOA Rules and Regulations, there is no charge to review same, but there is a copying charge. If documents are not listed in Section 5.7, there may be charges to locate same. If you want the Association to locate and copy documents for you, you may be charged a search fee. As a result, your request should be as limited as necessary for your purpose and as specific as possible to save potential expense.

Check here if you want to examine documents and then list those documents:

Check here if you are requesting copies of specific documents that you want the Association to locate (rather than searching the documents yourself); and list the requested documents: _____

I agree to pay the cost of copying (and the search fee, if any), as set by the Board, and that payment will be made at time of service, paid by certified funds or money order (no cash). _____ (initial)

I certify that my request to review the books and records of the Association is for a proper purpose related to my membership in the BTPOA, and that this request is not for commercial purposes or my personal financial gain or for any solicitation, illegal or improper purpose. Specifically, my reason for wanting to review the books and records of the Association is as follows: _____

I understand that examination of books and records of this Association will be made available during normal business hours in accordance with state law at a time and place designated by the Association. I estimate that the inspection will require _____ hours. _____ (initial)

I agree that I am solely responsible for any legal liability or damages arising from or relating to the use of the information; and that the Association assumes no liability or responsibility for the information provided, nor its use or misuse, and that ***the Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided.*** _____ (initial)

I agree that the requested information shall not be used for commercial, solicitation, illegal or improper purposes, and to indemnify the Association from any claims or expenses resulting from the use of such information, in the event the records provided to me by the Association are used for any improper purpose. _____ (initial). I agree that in such case I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law. _____ (initial)

Signature of Requesting Party: _____ Date: _____