



**Bent Tree Property Owners' Association, Inc.
Rules and Regulations of Bent Tree
Version 5—Approved by the Board February 9, 2009**

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TERMS

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|---|---|
| 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 |
| 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 |

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, Higby 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.org 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 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 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.

- 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.

- “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 $\frac{3}{4}$ 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 CCC.

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 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 to be a hazard, a nuisance, or unsightly. Such trees are part of the natural forest environment.

4.9.3 PROHIBITED. Owners are responsible for the prompt removal of diseased, dead, or downed trees that are deemed by the CCC to be a hazard, a nuisance, or unsightly.

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.

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.

- 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.

5.2.2 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 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. The CCC shall investigate all complaints and will be responsible for keeping written documentation and records of all complaints. 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, the CCC contacts the property owner, and follows up in writing using the U.S. Postal Service. The initial notice shall be assumed to have been delivered on the day following mailing. CCC members typically act alone at this stage as assigned monitors for specific areas, as long as the violation falls within a category the CCC routinely handles.

In cases where a violation falls into a category handled by the ACC, the CCC 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 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.

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 CCC 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 will be treated as a new violation except that no initial notice is required and instead a hearing notice shall 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. A 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.

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.

The Board's decision shall be made by a majority vote of the directors 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'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.

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.

Owners shall be jointly and severally liable for violations committed by their contractors, agents, guests, or tenants. The Board may proceed against the owner and the 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

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 is to 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.

5.3.2 FINES. The CCC 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. If fines are unpaid, a lien may be filed against the property or other legal action may be taken.

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.

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 annually, 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 at least once every three years or 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 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.

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 days or at the next regularly scheduled Board meeting or membership meeting if it occurs within thirty 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.

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 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.
- 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 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.

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.

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

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.

SECTION 6. 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.
- 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.

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 | |

| 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 | \$0.10 per gallon for each additional 10% of excessive usage (for example, 20% excess water usage results in a fine of \$0.20 per gallon for all the usage exceeding the yearly allocation | For each subsequent 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. |
| 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.

[End of Rules and Regulations]