

BEAR CREEK TOWNHOMES 1 ASSOCIATION, INC.

Community Guide Book Rules and Regulations

INDEX

Welcome

About Your Association

- Board of Directors
- Professional Management
- Insurance

Maintenance Responsibilities

- The Association
- The Owners

General Information

- Common Elements
- Maintaining Exterior Appearances and Uniformity
- Landscaping
- Damage to Common Areas or Association Property
- Financial Matters
- Landlords
- Trash Pickup
- Pets
- Policies

CONTACT INFORMATION:

Bear Creek Townhomes 1 Association, Inc.

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Welcome to Bear Creek Townhomes!

The following guide book of Rules and Regulations of Bear Creek Townhomes was established under the authority granted by Article 8, Section 8.5 of the Declaration for Bear Creek Townhomes (CC&R's). All Bylaws, CC&R's, Policies, and this guide book can be found on the management's website. The Association is also governed by Title 38, Article 33 and 33.3 of the Colorado Revised Statutes.

Choosing to live in a covenant-controlled community can provide a pleasant living environment and protect the market values of our homes. We encourage you to read the enclosed guideline and refer back to this information when you have questions about community rules and regulations at Bear Creek Townhomes.

All federal, state, county and municipal laws and ordinances are considered part of the guidelines of Bear Creek Townhome Association, Inc. All residents of Bear Creek Townhomes – owners and renters – are required to adhere to these guidelines (Article 14, Section 14.1 of the CC&R's). If you lease your unit to tenants, it is your responsibility, as the owner, to make sure they have a copy of the CC&R's, these guidelines, and that you adhere to the Landlord Requirements (Policy #9). Violations of the CC&R's and these guidelines, if not corrected, can result in fines and penalties. All correspondence is delivered to the Owner. Owners are ultimately responsible for violations or damage caused by their tenants.

These rules can be amended by a majority vote of the Board of Directors. Changes that contradict the Bylaws & CC&R's may not be made without an amendment to such document. Amendments require a 2/3 vote of the Association Members.

We are glad you have chosen Bear Creek Townhomes as your residence. We hope that these Guidelines will prove helpful and informative. We appreciate your cooperation and compliance with these guidelines. As your neighbors, we look forward to your participation in the Association.

Bear Creek Townhomes 1 Association, Inc.
Board of Directors

ABOUT YOUR ASSOCIATION

Board of Directors

A Board of Directors, consisting of 3 Unit Owners, governs the Bear Creek Townhome Association, Inc. The Board administers the Bylaws, Declaration, Rules and Regulations and other legal documents of the Association. They manage the financial affairs, set the budget, develop policies and are responsible for addressing both the current and future maintenance and replacement needs of the community.

Board members serve as volunteers and are elected at the annual Member meeting, typically held in January each year. All owners are encouraged to attend and participate in the election of Directors to govern the business of the Association.

The Board generally meets once each month. Homeowners and residents are welcome to attend these meetings. A special portion of the agenda is set aside to allow owners and residents time to communicate with the Board (Policy #4). Please contact the Management Company for information on dates and times of the meeting.

Professional Management

Our Association has hired a professional manager to handle the day-to-day business affairs. The Manager is responsible for carrying out the directives and policies of the Association, directed by the Board of Directors. The Manager administers all accounting functions of the Association – collection and disbursement of funds, preparation of financial statement, preparation of checks for Board signatures, administration of the enforcement procedure policy (Policy #3 and Policy #6) and other general accounting duties. The Manager oversees contracts, schedules maintenance and repairs, provides professional recommendations to the Board of Directors and acts as a liaison between the Association and our various contractors and advisors. The Manager is the primary contact for Owners who may have questions about the Association, their accounts or maintenance requests. Please feel free to contact a Board member or the Management Company regarding the Bylaws, CC&R's, Rules and Regulations and Policies of the Association.

Insurance

The Association carries liability and property damage coverage on the common area. This insurance does not cover any portion of the Owners homes. Owners must have adequate homeowner insurance to cover the Improvements located on their property. Landlords are encouraged to purchase appropriate insurance to cover their liability for the interior of their unit (Policy #9). Tenants are encouraged to purchase renter's policies to cover their personal belongings.

If the Association's insurance premium increases due to activities in or construction in a unit, the increase in premium shall be assessed against that Unit Owner.

MAINTENANCE RESPONSIBILITIES

The Association

The Association is responsible for maintaining the Common Elements (front yard) landscaping, mowing, fertilizer, weed control, sprinkler system and snow removal. The

sprinkler system is the only feature maintained in the Limited Common Elements (back yard) by the Association. No other services are provided by the Association for the back yards.

The Owners

Owners are required to maintain the interior and exterior of their homes and garages. Owners are also responsible for windows, entry doors and garage overhead doors. Water, plumbing lines, sewer, gas and electrical lines that serve an individual unit are the responsibility of the unit Owner. Air conditioning equipment and service lines are the responsibility of the unit Owner. Back yards and their landscaping, except for the sprinkler system, are also the responsibility of the unit Owners.

GENERAL INFORMATION

Common Elements

The Common Elements are those areas and property that are for the enjoyment and/or use of all residents. They include the sprinkler system and all devices and components to the system. Other common elements are in the Bear Creek Homeowner's Association. All documents can be found on the management's website. Limited Common Elements include the townhome backyards. Nothing shall be altered, constructed or removed from the Common Elements or Limited Common Elements except with the prior written consent of the Directors.

Maintaining Exterior Appearances and Uniformity

Front sidewalk, patio areas and fencing are subject to the rules and regulations of the Association. In order to enhance the beauty and the value of the complex, these areas must be kept neat in appearance. The Association is not responsible for loss or damage to an Owner's property that is stored on the property. Owners must have prior written approval for changes or additions to exterior surfaces, including but not limited to storm doors, satellite dish placement, construction of improvements such as storage sheds, decks, gazebos, trellises, fences, dog runs and other such improvements. Exterior holiday decorations and/or lighting must be removed within 30 days following the holiday. Basketball hoops are not permitted in the streets or sidewalks. No unsightly articles shall be permitted to remain on or in front or back of the Units. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within a structure, except within use. This includes, but is not limited to snow removal equipment, garden or maintenance equipment.

Trash Pickup

Trash containers should be kept out of sight from the street (in the garage or behind a fence) except for trash pickup day. Trash pickup service is provided every Monday of each week, unless it is a holiday week. Holiday schedules are located on the billing cycle from the City. Please have trash containers ready for pickup the morning of trash service and place containers out of sight from the street after trash service.

Landscaping

All front landscaping is maintained by the Association. The Association pays all water charges for the sprinkler system, therefore Owners are not permitted to adjust or otherwise alter the sprinkler controllers. All sprinkler repair requests should be directed to the Management Company.

Damage to Common Areas or Association Property

Owners are liable for any damage caused by themselves, family members, guests and/or pets. This includes damage to any common area property of Bear Creek Townhomes 1 Association, Inc. or to the property of other residents. Claims for personal injury or damages within a townhome unit are the responsibility of the Owner, not the Association or its management. Failure to reimburse the Association for the expenses of any such damage may result in a default assessment lien being placed against the property.

Financial Matters

Information on the monthly dues, collection efforts and fine assessments can be found within the Collection of Assessments – Policy #1 and Enforcement Procedures – Policy #6, Uncollected or past due assessments may be subject to attorney fees, collection and court costs.

Before the Financial Report and Proposed Annual Budget can be presented at the Annual Meeting, the financial records must be audited. If the expense of a professional audit is not affordable, a Finance Committee of two or more Unit Owners must be created to examine the financial accounts and certify whether the Treasurer's annual report based on them is correct. If the committee finds no irregularities, the report will be endorsed "Audited and Found Correct" with the names of the members of the Finance Committee, which is read when the Treasurer presents the annual report. The auditors shall

- a) look closely at individual expenditures in the register;
- b) review deposits;
- c) review fees in arrears; and
- d) verify the math in arriving at the totals in the past year's financial report as well as the math in arriving at the totals in the proposed budget.

Landlords

Owners leasing their units to Tenants are required to follow the Landlord Requirements – Policy #9. The Association and Management Company will not act as a property manager for the Owner. All Association correspondence will be sent to Owners and not the Tenant or Property Manager. It is the responsibility of the Owner to advise their Tenant or Property Manager of corrective actions for non-compliance issues.

Pets

Restrictions and rules on pets can be located in the CC&R's Article 12, Section 12.3, as well as Chapter 6-2 of the Montrose City Code Enforcement Ordinances.

Policies

In addition to these Rules and Regulations, the Policies of governance for Bear Creek Townhomes 1 Association, Inc. shall apply to all Owners. All Policies can be reviewed on the Management's website. The Association's adopted policies include:

- Adoption and Amendment of Policies – Policy #1
- Board of Directors Conflict of Interest – Policy #2
- Collection of Assessments – Policy #3
- Conduct of Meetings – Policy #4
- Dispute Resolutions – Policy #5

- Enforcement Procedures – Policy #6
- Inspection of Association Records – Policy #7
- Reserve Fund and Investments – Policy #8
- Landlord Requirements – Policy #9

Please contact the Management Company if you require a hard copy of these policies, Bylaws or the CC&R's.

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