

LAKE TRAIL VILLAGE ASSOCIATION, INC.
GOVERNANCE POLICIES

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LAKE TRAIL VILLAGE ASSOCIATION, INC. GOVERNANCE POLICIES

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors hereby adopts the following policies and procedures.

I. ADOPTION AND AMENDMENT PROCEDURE

A. Definitions. A policy is a course or principle of action adopted to guide the Board of Directors. A procedure is an established or official way of conducting a course of action. A rule is defined as a regulation or requirement governing conduct or behavior. Policies and procedures govern the activities of the Board of Directors in the operation of the Association. Rules govern the use of property within the community and the behavior of residents and/or their guests while in the community.

B. The Board of Directors shall have the authority to adopt and amend policies, procedures and rules to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association. Policies and procedures and rules shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Rules, once adopted, shall be sent to all Owners and shall be effective upon distribution.

II. COLLECTION POLICY AND PROCEDURE

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

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

2. Late Charge. If an assessment, fine or other charge is not paid within 30 days after the Association sends a 60 day delinquency notice (at which time all delinquent assessments must be brought current), a late charge in the amount of \$25.00 shall be imposed without further notice to the Owner. Such late charge is a personal obligation of the Owner and a lien on the Lot.

3. Interest. Interest at the rate of 18% per annum will accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner. Interest may be added to the Owner's account 90 days following the due date. Such interest is a personal obligation of the Owner and a lien on the Lot.

4. Charges. Processing charges in the amount of \$100.00 for accounts turned over to legal counsel are the Owner's obligation.

5. Suspension of Rights. An Owner's voting rights shall be automatically suspended without notice if an assessment or other charge is not paid within 10 days of the due date.

6. Acceleration. Upon 30 days written notice to the Owner, the Board may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment. Upon acceleration, that Owner loses the privilege of paying any and all assessments and charges in installments for the remainder of the fiscal year, unless such privilege is otherwise reinstated in the Board's sole discretion.

B. Return Check Charges.

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

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

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

2. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment or of any other charge is delinquent.

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

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

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

E. Notices. The Association will send a letter to any Owner who is 60 days or more delinquent in payment of assessments allowing the Owner to cure the delinquency within 30 days after the date of the letter. If the Owner fails to pay as requested, the Association may file a Notice of Lien. Before the Association turns an account over to an attorney for legal action or to a collection agency, the Association must send the owner a letter that includes the following information:

1. the total amount due, with an accounting of how the total was determined;

2. whether the opportunity to enter into a payment plan exists as provided in this collection policy, and instructions for contacting the Association to enter into a payment plan, if available;

3. the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt; the action required to cure the delinquency; and

4. that failure to do so may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado.

If the Association sends a collection or demand letter or notice to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

F. Payment Plans. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of six months. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the payment plan term), the Association may pursue legal action. The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan after January 1, 2014. Further, the Association is not obligated to enter a payment plan if the Owner does not occupy the Unit and has acquired the property as a result of a default of a security interest encumbering the Unit or foreclosure of the Association's lien.

G. Judicial Foreclosure. The Association will not commence a foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late fees, fines and other charges) equals or exceeds six months of common expense assessments based on the Association's periodic budget. Prior to filing a foreclosure action, the Board will resolve by a recorded vote to authorize the filing of the foreclosure action against the particular unit, on a specific basis.

H. Referral of Delinquent Accounts to Attorneys. Upon referral of a delinquent account to the Association's attorneys, the attorneys shall take appropriate action to collect the accounts referred. The Association's attorney is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:

1. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property, if not already filed;
2. Filing suit against the delinquent Owner for a money judgment;
3. Instituting a judicial action of foreclosure on the Association's lien;
4. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and
5. Filing a court action seeking appointment of a receiver.

After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner shall be handled through the Association's attorney. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

I. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner or such Owner's designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Unit. The statement shall be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested. The fee for the statement shall be assessed in accordance with the Association's fee schedule for such

statements, which fee shall become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement shall be handled through the Association's attorney and shall include any attorney fees incurred in providing the statement.

J. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

III. CONDUCT OF MEETINGS POLICY AND PROCEDURE

A. Annual Meetings/Special Member Meetings.

1. Notice of a Membership meeting shall be sent to each Member not less than 10 or more than 50 days prior to the meeting; provided that if the meeting is also the meeting for ratification of the annual budget, notice shall be provided a minimum of 14 days prior to the meeting. There is no feasible and practical central location to physically post notices. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

2. Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights of delinquent Members are suspended and such Members shall not be given ballots. If an election or vote is to be held, the Member will be given the appropriate number of ballots.

a. Secret ballots are required for the following: any ballot for election of a contested position on the Board of Directors; and any ballot for other matters if so requested by at least 20% of the Members present in person or by proxy at the meeting.

b. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

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

4. Rules for member participation:

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

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

c. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on Board members, other Association members, or staff. All comments and questions are to be delivered in a

businesslike manner and comments shall be confined to matters germane to the agenda item being discussed. No member may use abusive, rude, threatening, vulgar or crude language. To facilitate free and open discussion members shall not audio or video record meetings.

d. Members must obey all orders made by the meeting chair, including an order to step down. Any member who refuses to follow the above rules will be asked to leave the meeting.

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

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

6. Meetings are not required to be held in accordance with Robert's Rules of Order; however, the chair of the meeting may establish reasonable hearing rules.

B. Board Meetings

1. Notice of Board meetings shall be given to directors at least three days prior to the meeting. Notice shall be delivered by mail, fax, e-mail, telephone or personally. If a schedule is set for regular Board meetings, no notice beyond the schedule need be given.

2. All Board meetings shall be open to attendance by Members of the Association, or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting shall announce the purpose for the executive session.

3. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives.

4. There shall be a members' forum at the beginning of each regular Board meeting. The members' forum shall be for up to 30 minutes, although the Board may extend this time in its discretion.

5. The rules for member participation during the meetings are as follows:

a. Each member who wishes to speak must be recognized by the chair. Once recognized, the member shall state his/her name and address.

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

c. A member who wishes to speak about any matter on the agenda of the Board meeting shall do so only during the members' forum.

d. To facilitate free and open discussion members shall not audio or video record meetings.

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

6. Following the conclusion of the members' forum, the Board will proceed with the business portion of the meeting. Any member who wishes to address the Board on an agenda item will be given a reasonable time to speak prior to a Board vote on that agenda item, provided the chair may impose reasonable time limits to facilitate member participation. If more than one person desires to address an issue on which the Board is to vote and there are opposing views, the Board shall provide for a reasonable number of members to speak on each side of the issue. After other members have had an opportunity to speak, then a member who has already spoken will be given another opportunity, time permitting.

7. Any director may make a motion. All motions shall be recorded in the minutes. If any director requests his/her vote in favor or against or his/her abstention be recorded in the minutes, the minutes shall so reflect.

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

IV. CONFLICT OF INTEREST POLICY

A. Definitions.

1. "Conflicting interest transaction" means a contract, transaction or other financial relationship between: (a) the Association and a director, or (b) between the Association and a party related to a director, or (c) between the Association and an entity in which a director of the Association is a director or officer.

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

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

B. Disclosure. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting or other written form.

C. Participation and Voting. The interested director may take part in the discussion, provided that the director does not vote. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to leave the room during the discussion and the vote on the matter.

D. Quorum. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.

E. Approval of Transaction. The contract, Board decision or other Board action must be approved by a majority of the disinterested Board members who are voting. No contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.

F. Standard of Review. Notwithstanding anything to the contrary herein or in the Association's conflict of interest policy and in accordance with the Colorado Revised Nonprofit Corporations Act, no conflicting interest transaction shall be set aside solely because an interested director is present at, participates in or votes at a Board or committee meeting that authorizes, approves or ratifies the conflicting interest transaction if:

1. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors may be less than a quorum; or

2. the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or

3. the conflicting interest transaction is fair to the Association.

G. Loans. No loans shall be made by the Association 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 Association for the amount of such loan until the repayment of the loan.

V. COVENANT AND RULE ENFORCEMENT POLICIES AND PROCEDURES

A. Enforcement Procedure. The Notice and hearing procedures are set forth in Article 10 of the Bylaws.

B. Fine Schedule.

1. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Rules and Regulations and Resolutions of the Association:

First violation:	Warning letter
Second violation:	\$100.00
Third violation:	\$200.00
Subsequent violations:	\$300.00
Continuing violations:	\$25.00 for each day the violation continues

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

The Board may waive all, or any portion, of the fines 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 Declaration, Bylaws or rules.

2. All fines shall be due and payable upon notice of the fine and will be late if not paid within 10 days of the date that the Owner is notified of the imposition of the fine. Late fees and interest may be imposed as provided for in the Collection Policy. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms

of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

C. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

VI. DISPUTE RESOLUTION POLICIES AND PROCEDURES

Dispute Resolution Procedures are set forth in Article 12, Section 12.23 of the Declaration.

VII. INVESTMENT OF RESERVES POLICY

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

1. Each director and officer shall perform their duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a director or officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

2. A director or officer shall not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer shall not be liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with such action or omission, the director or officer performs his duties in compliance with this policy. A director or officer, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

B. Investment Vehicles. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. The Board of Directors may, but shall not be obligated to, require that investments must be insured by FDIC, SIPC or comparable insurance.

C. Investment Goals. The reserve funds shall be invested to achieve the following goals, in descending order of importance:

1. Promote and ensure the preservation of principal;
2. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;

3. Mitigate the effects of interest rate volatility upon reserve assets;
 4. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;
 5. Minimize investment costs.
- D. Criteria. The Board may consider the following circumstances in investing reserve funds:
1. General economic conditions;
 2. Possible effect of inflation or deflation;
 3. Expected tax consequences;
 4. Role that each investment plays in the overall investment portfolio;
 5. Other resources of the Association.

E. Review, Authorization and Records.

1. The Board of Directors shall establish the amount, if any, to be transferred to reserve funds on an annual basis. The amount shall be reflected in the budget to be ratified by the Owners.
2. All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and shall be reviewed at least once per year.
3. The President and Treasurer shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in paragraph VII(C) above; and to enter into agreements, contracts and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of two of the aforementioned persons shall be required.
4. The Association's Treasurer or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

F. Insurance. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds to the extent such insurance is reasonably available.

VIII. RECORDS INSPECTION POLICY AND PROCEDURE

- A. Records to be maintained. In addition to any records specifically required by the Association's Declaration or Bylaws, the Association shall maintain the following records:
1. detailed records of receipts and expenditures affecting the operation and administration of the Association;
 2. records of claims for construction defects and amounts received pursuant to settlement of those claims;

3. minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all actions taken by a committee of the Board;
4. written communications (including email communications) among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws or Colorado law;
5. the names of Members in a form that permits preparation of a list of names and physical mailing addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list");
6. the current Articles of Incorporation, Declaration, Bylaws, Rules and Regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board;
7. financial statements, to the extent available, showing, in reasonable detail, the Association's assets and liabilities and results of its operations for the past three years;
8. tax returns for the past seven years, to the extent available;
9. a list of the names, electronic mail addresses and physical mailing addresses of its current directors and officers;
10. its most recent annual report delivered to the Secretary of State;
11. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;
12. the Association's most recent reserve study, if any;
13. current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
14. records of Board or committee actions to approve or deny requests for design or architectural approval from Members;
15. ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate;
16. resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members; and
17. written communications within the past three years to Members generally as Members.

B. Annual Disclosures. The Association shall provide the following information as required by C.R.S. § 38-33.3-209.4:

1. the date on which the fiscal year commences;
2. the operating budget for the current fiscal year;

3. a list, by Lot type, of the Association's current assessments (regular and special);
 4. the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure;
 5. the results of the most recent available financial audit or review, if any;
- and
6. a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates.

C. Sole Records Subject to Inspection. The records outlined above shall be the sole records of the Association subject to inspection. If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, such documents shall not be considered records of the Association.

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

E. Commercial Uses. No Member may use Association records, or allow Association records to be used, for commercial purposes.

F. Membership List. A Membership list may not be:

1. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
 2. used for any commercial purpose;
 3. sold to or purchased by any person;
 4. used for any purposes unrelated to the Member's interest as a Member;
- or
5. used for any other purpose prohibited by law.

Any Member requesting a Membership list shall be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

G. Exclusions.

1. Pursuant to Colorado law, the following records are not available for inspection and copying to the extent that such records are or concern:

- a. personnel, salary, or medical records related to specific individuals; and
- b. personal identification and account information of Members, including:

- i. bank account information,
- ii. telephone numbers,
- iii. electronic mail addresses,
- iv. driver's license numbers,
- v. social security numbers,
- vi. vehicle identification information.

2. Pursuant to Colorado law, the Association may withhold the following records from inspection and copying:

- a. architectural drawings, plans, and designs, unless the legal owner of such drawings, plans, or designs provides written consent to the release;
- b. contracts, leases, bids or records related to transactions to purchase or provide goods or services that are still in or under negotiation;
- c. communication with legal counsel protected by the attorney-client privilege or the attorney work product doctrine;
- d. disclosure of information in violation of law;
- e. records of an executive session of the Board; and
- f. records related to an individual Lot other than the Members' Lot.

H. Inspection. Upon receipt of a request, the Association shall make an appointment with the Owner, at a time convenient to both parties (subject to the requirements of Paragraph 2 above), to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the management company's office. All appointments for inspection will be limited to two hours. If additional time is needed, another appointment will be made within two weeks, at a time convenient to both parties.

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

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

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

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

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

IX. EMAIL COMMUNICATIONS POLICY

A. Separate email addresses. The Board members may have individual email addresses to be used during the time such person serves on the Board. In such a case, Board members shall use these email addresses exclusively for Association business.

B. Board action taken outside of a meeting via email. The Board shall endeavor to limit action outside of a meeting. If the Board feels a decision needs to be made outside of a Board meeting and the vote is to be taken by email, a Board member shall state the motion or issue in a distinct email, which shall be sent to all Board members. A record of communications and votes cast shall be kept pursuant to Paragraph 1(d) of the Records Inspection Policy. The purpose of this procedure is to assist the record keeper in determining which email correspondence relates to actions taken outside of a meeting. Failure to strictly follow this procedure will not negate or invalidate the action.

C. Copies of emails. All Board members are to be included in any email discussion regarding Association business.

D. Retention. Except as required by Paragraph 1(d) of the Records Inspection Policy above and with regard to matters related to anticipated or pending litigation, other email communications may be purged after three years.

E. Email communication between individual Board members and Owners. No individual Board member is authorized to speak for the Board as a whole unless the Board passes a resolution granting such authorization. Inquiries directed to individual Board members shall be forwarded to the community manager for inclusion on the agenda at the next Board meeting to provide the Board as a whole the opportunity to consider the issues which have been properly included on the agenda. The Board will then designate a person to respond to the Owner on behalf of the Board as a whole.

X. RESERVE STUDY AND FUNDING POLICY

A. Reserve Study Policy.

1. The Association currently has a reserve study for capital projects prepared by the Board of Directors based on a physical inspection of the property. There is currently no financial analysis included in the reserve study.

2. The Association may have the reserve study updated or revised approximately every three to five year(s) and anticipates that such study will be based on a physical analysis. The Board may, but is not required to, include a financial analysis.

B. Reserve Funding Policy. The Association budgets for reserves on an annual basis from regular assessments and funds to the extent feasible. If the reserve funding is not adequate to fund any reserve project, funding is planned and projected to also include special assessments of owners, a loan as may be obtained by the Association, and/or any combination of the above.

[Signature on following page]

IN WITNESS WHEREOF, the undersigned certify these Governance Policies were adopted by resolution of the Board of Directors of the Association on this _____ day of _____, 20____.

LAKE TRAIL VILLAGE ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: _____
Its: President

ATTEST:

By: _____

LAKE TRAIL VILLAGE ASSOCIATION, INC.

REQUEST FOR ACCESS TO ASSOCIATION RECORDS

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Lake Trail Village Association, Inc. provide access to the records of the Association. I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

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

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

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

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

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

Member Signature: _____ Date: _____