

## Use of Funds Policy: Bear Valley Mountain Cooperative, Inc.

This policy statement is intended to provide operating policies, time line, and process by which the Co-op will budget, approve, and deploy membership capital for the operating expenses of and investments in the cooperative and its projects.

- Annual budgets for expenses and investments will be developed and approved by the Co-op board of directors each year, and adjusted as needed to meet Co-op financial needs. Annual budgets will be reviewed with the membership each year at the annual meeting.

The Co-op operating budget in any given year will be limited to the greater of \$10k, 100% of projected revenues (excluding capital received), or 5% of available cash. Operating expenses include compensation for any paid staff, marketing efforts to bring in more memberships, and costs of Co-op administration.

- A cash reserve will be maintained to pay for annual membership cancellations paid back with due cause. The bylaws limit redemptions to 5% of the outstanding shares in any given year. There will be a fee equal to 10% of share price paid per share as a processing fee for share redemptions. Redemptions will be made at the lower of share purchase price or the net share value established at the time of redemption. Redemption applications will be reviewed at the end of each fiscal year, and processed on a first come, first serve basis subject to available capital.

- The Co-op board will identify new investment opportunities, as well as monitor projects that have already been funded. All Co-op funds that are designated to specific projects and improvements will be validated through member surveys and approved by the Board Of Directors. Projects requiring funding in excess of \$500,000 will be approved by vote of the membership.