

## ENCHANTED FOREST ESTATES COMBINED POLICIES

Enchanted Forest Estates Property Owners Association, Inc. (the Association), a Colorado Nonprofit Corporation located at County Road 240, Bayfield, Colorado 81122, adopts the following combined policies, procedures, and rules and regulations pursuant to C.R.S. 38-33.3-209.5 and Section 7.2 of the Amended and Restated Bylaws of the Association:

1. Collection of unpaid assessments
2. Handling of conflicts of interest involving board members
3. Conduct of meetings
4. Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines
5. Inspection and copying of association records by unit\* owners
6. Investment of reserve funds
7. Procedures for the adoption and amendment of policies, procedures, and rules
8. Procedures for addressing disputes arising between the association and unit\* owners
9. Reserve study
10. Code of Conduct by Board of Director members
11. Policy for engaging legal representation for the EFE HOA Board and/or EFE HOA General Membership
12. Policy for approval of requests for road easement use

\*"Unit" means a physical portion of the common interest community which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the declaration.

### 1. **THE ASSOCIATION COLLECTION POLICY AND PROCEDURES**

The following collection policy and procedures ("Policy") has been adopted by the Enchanted Forest Estates Property Owners Association, Inc. ("Association"), pursuant to and as allowed for in the Association Declaration, Rules and Regulations, and By Laws; and Colorado statutes, for collection of unpaid assessments, fines, and charges. This collection policy and procedure supersedes and replaces any prior resolution or policy regarding collection of unpaid assessments.

- a. Due Date. The annual assessment or any part or installment thereof, or any other special assessment not paid within thirty (30) days of the due date shall be considered past due and delinquent.
- b. Charges and Interest Imposed. If an assessment is not paid within thirty (30) days of the due date, the Board shall assess a Late Charge of five dollars (\$5.00) for that month and every month thereafter plus interest at 8% per annum on the outstanding or past due balance then due the Association.
- c. Returned Check Charges. In addition to any and all charges imposed by this Policy, a twenty five dollar (\$25.00) fee shall be assessed against an owner in the event any check or other instrument payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever. Such returned check charge shall be due

and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the owner of the unit for which payment was tendered to the Association. If two (2) or more of an owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the owner's payments coming due with the next year be made by certified check or money order.

- d. Delinquency Notification. After an assessment, or other charges due the Association, becomes one (1) year past due, the Association, which may be performed through its managing agent, shall send a notice to the owner who is delinquent in payment specifying:
- i. The total amount due, with an accounting of how the total was determined;
  - ii. Whether the owner is eligible to enter into a Payment Plan as provided in Section 5 below, the minimum terms of such Payment Plan, and instructions for who to contact to enter into a Payment Plan;
  - iii. The name and contact information to request a copy of the owner's ledger to verify the amount due; and
  - iv. Including the following statement: "ACTION IS REQUIRED TO CURE THIS DELINQUENCY AND FAILURE TO DO SO WITH IN THIRTY (30) DAYS MAY RESULT IN YOUR DELINQUENT ACCOUNT BEING REFERRED TO THE ASSOCIATION'S ATTORNEY, A LAWSUIT BEING FILED AGAINST YOU, THE RECORDING AND FORECLOSURE OF A LIEN AGAINST THE UNIT, OR OTHER REMEDIES AVAILABLE UNDER COLORADO LAW".
- e. Payment Plan. Prior to referring a delinquent account to the Association's attorney, which may be performed through its managing agent, the Association must make and document a good faith effort to coordinate with the owner of the unit to set up a Payment Plan, unless the owner has previously entered into a Payment Plan for this delinquency.
- i. The Payment Plan negotiated under this provision must allow the owner to pay the delinquent amount in equal installments over at least six (6) months while remaining current with the monthly assessments during the six (6) month period.
  - ii. Failure to make payment of an installment on the delinquent amount or to remain current with regular assessments as they come due during the six (6) month Payment Plan, constitutes a breach of the Payment Plan and the Association may precede to refer the account to its attorney for collection action.
  - iii. No effort to negotiate a Payment Plan is required prior to referral of a delinquent account to the Association's attorney for any unit which is not occupied by the owner and was acquired as a result of default of a security interest encumbering the unit, such as Public Trustee foreclosure or deed in lieu of foreclosure, or foreclosure of the Association's lien.
- f. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and Colorado statutes, the Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorneys' fees

incurred by the Association shall be due and payable immediately when incurred, upon demand, and shall be charged as an assessment against the owner's account.

- g. Application for Payments made to the Association. All payments received on the account of any owner shall be applied in the following order: 1) any and all attorney's fees, legal fees and costs incurred for collection of assessments or for owner's failure to comply with provisions of the Association's, Declaration, Bylaws, Articles of Incorporation, or Rules and Regulations, or this Policy, including lien fees, and any collection fees charged by the Association's managing agent; 2) fines, late charges and interest; 3) returned check charges, and other costs owing or incurred with respect to such owner; and 4) assessments due or to become due with respect to each owner.
- h. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection letter or notices to be sent 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.
- i. Liens. The Association may file a Notice of Lien against the unit of any delinquent owner in accordance with the terms and provisions of the Declaration, Articles, Bylaws, and C.R.S. §38-33.3-316. Prior to foreclosing on its lien, the balance due of assessments and charges secured by the lien must equal or exceed six (6) months of common expense assessments; and the Board of Directors must vote, and record the vote, to foreclose on the unit.
- j. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred. The owner(s) of the unit with the delinquent account shall be responsible for, and pay as an assessment on such unit, any attorney's fees incurred in this instance.
- k. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to refer delinquent accounts to one or more collection agencies for collection.
- l. Writs of Garnishment. At any time after obtaining a money judgment against an owner, the Association, through its attorneys, may file Writs of Garnishment with the appropriate court to attach wages or assets for the benefit of the Association in payment against its judgment.
- m. Waivers. The Board may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the persons representing the Board granting the relief and the conditions of the relief as voted upon at a duly constituted meeting of the Board of Directors.
- n. Amendment. This Policy may be amended from time to time by the Board of Directors of the Association.

## **2. THE ASSOCIATION CONFLICT OF INTEREST RESOLUTION**

Conflicting Interest Transaction is defined in the Colorado Revised Nonprofit Act as:

*“A contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to the director, or between the nonprofit corporation and an entity in which a director of the corporation is a director or officer has a financial interest.”*

The Association Determines a Conflict of Interest Exists if:

If any action, decision, or transaction made by the Association would financial benefit a Director (defined as a Board or committee member of the Association) or an ancestor, descendant, parent, grandparent, child, or sibling of a Director, or a spouse of any of these persons, 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 or officer or has a financial interest, it is considered a conflict of interest.

In the Event of a Conflict of Interest:

- a. The Board or committee member with a conflict of interest must make a full disclosure of the conflict of interest in an open meeting BEFORE any action is taken on the matter.
- b. That person's presence in the meeting may be counted for purposes of quorum.
- c. That person may not participate in that discussion and not may not vote on that issue.
- d. The minutes of the meeting shall reflect the disclosure made.
- e. The remaining disinterested Board or committee members should perform an objective review of the matter, and
- f. Make a good faith judgment with the Association's best interests in mind.

No conflicting interest transaction shall be voidable by an Owner or the Association if the facts about the conflicting interest transaction are properly disclosed, the transaction is authorized in good faith, and the conflicting interest transaction is fair to the Association.

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 the loan until it is repaid.

The Association Conflict of Interest Resolution should be reviewed at least annually at a duly called Board of Director's meeting.

## **3. THE ASSOCIATION CONDUCT OF MEETING POLICY**

The Association conduct of meeting policy is described in the Amended and Restated Bylaw of Enchanted Forest Estates Property Owners Association, Inc. Reception #: 1088159 Recorded 10/21/2014. Tiffany Lee Parker, La Plata County Clerk.

Articles: 3) Membership and Voting, 4) Meetings of Members, 5) Board of Directors, 6) Meetings of the Board of Directors.

#### **4. THE ASSOCIATION ENFORCEMENT OF COVENANTS AND RULES, INCLUDING NOTICE AND HEARING PROCEDURES AND SCHEDULE OF FINES POLICY**

The Association enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines is described in the Amended and Restated Declaration of Protective Covenants of Enchanted Forest Estates Reception #: 1088159 Recorded 10/21/2014. Tiffany Lee Parker, La Plata County Clerk.

Article 6) Maintenance Responsibility, Article 7) Architectural Controls, Article 8) Use and Building Restrictions, and Article 10) Authority and Enforcement. The Board may use all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado Law.

The Association may not fine a unit owner for an alleged violation unless a fair and impartial fact finding process occurs concerning whether the alleged violation actually occurred and whether the unit owner is the one who should be held responsible for the violation. This process may be informal but shall guarantee the unit owner notice and an opportunity to be heard before an impartial decision maker.

- a. Complaint Letter and Fine Notification. If a violation is found to exist a Complaint Letter will be sent by first class mail, or any other method of delivery allowed by Colorado law, to advise the owner of the violation. The Complaint Letter will also state that if the owner does not come into compliance within 30 days the owner will be subject to a fine pursuant to this policy. If the owner does not come into compliance within 30 days of receipt of the Complaint Letter, a Fine Notification will be sent providing notice of the fine and an opportunity for a hearing.
- b. Notice of Hearing. Within 10 days after receipt of the Fine Notification the alleged violator may request, in writing to the Board of Directors, a hearing. The hearing will be set for a mutually convenient date but not longer that 30 days after the request for the hearing was received. The Board, committee or other person conducting such hearing, as may be determined in the sole discretion of the Board, will serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date.
- c. Impartial Decision Maker. The alleged violator has the right to be heard before an "Impartial Decision Maker" appointed by the Board. An Impartial Decision Maker means a person or group of persons who have the authority to make a decision regarding the enforcement of the association's covenants, conditions, and restrictions, including its architectural requirements, and the other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association.

The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation, and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board all hearings shall be open to attendance by all owners.

- d. Notification of Decision. After all testimony and other evidence has been presented at a hearing, the Impartial Decision Maker shall, within 10 days, render its written findings and decision, and impose a fine, if applicable.
- e. Failure to Timely Request Hearing. If the alleged violator fails to request a hearing within 10 days of receiving the Fine Notification, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violations, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the violator may be assessed a fine that shall constitute a lien on the violators lot.
- f. Schedule of Fines. First violation \$50.00; Second violation (of same covenant rule) \$100.00; Third violation (of same covenant rule) \$250.00; Fourth violation (of same covenant rule) \$500.00. Fourth and subsequent violations may be turned over to the Association's attorney for appropriate legal action.
- g. Other Charges. In addition to the fines outlined above, each owner shall be liable to the Association for any damage to the Common Elements or for any expense or liability incurred by the Association which may be sustained by reason of negligence or willful misconduct of such owner or guest of the owner. The Association, if it prevails, shall be entitled to recover all costs, including without limitation attorney fees and court costs, reasonably incurred in such action.

If, as a result of the fact-finding process, it is determined that the unit owner should not be held responsible for the alleged violation, the association shall not allocate to the unit owner's account with the association any of the association's cost or attorney fees incurred in ascertaining or hearing the claim.

## **5. THE ASSOCIATION INSPECTION AND COPYING OF ASSOCIATION RECORDS BY PROPERTY OWNERS POLICY**

The Association inspection and copying of association records by unit owners Policy is set out in the Amended and Restated Bylaws of Enchanted Forest Estates Property Owners Association, Inc. Reception #: 1088159 Recorded 10/21/2014. Tiffany Lee Parker, La Plata County Clerk. Article 4 Meetings of Members and Article 9 Association Documents and Records. And pursuant to the Colorado Common Interest Ownership Act – CCIOA.  
38-33.3-317 Association Records

- a. In addition to any records specifically defined in the association's declaration or bylaws or expressly required by section 38-33.3-209.4(2), the association must maintain the following, all of which shall be deemed to be the sole records of the association for purposes of document retention and production to owners:
  - i. Detailed records of receipts and expenditures affecting the operation and administration of the association;
  - ii. Records of claims for construction defects and amounts received pursuant to settlement of those claims;

- iii. Minutes of all meetings of its unit owners and executive board, a record of all actions taken by the unit owners or executive board without a meeting, and a record of all actions taken by any committee of the executive board;
  - iv. Written communications among, and the votes cast by, executive board members that are:
    - 1. Directly related to an action taken by the board without a meeting pursuant to section 7-128-202 C.R.S.; or
    - 2. Directly related to an action taken by the board without a meeting pursuant to the association's bylaws;
  - v. The names of unit owners in a form that permits preparation of a list of the names of all unit owners and the physical mailing addresses at which the association communicates with them, showing the number of votes each unit owner is entitled to vote.
  - vi. Its current declaration, covenants, bylaws, articles of incorporation, if it is a corporation, or the corresponding organizational documents if it is another form of entity, rules and regulations, responsible governance policies adopted pursuant to section 38-33.3-209.5, and other policies adopted by the executive board;
  - vii. Financial statements as described in section 7-136-106, C.R.S., for the past three years and tax returns of the association for the past seven years, to the extent available;
  - viii. A list of the names, electronic mail addresses, and physical mailing addresses of its current executive board members and officers;
  - ix. Its most recent annual report delivered to the secretary of state, if any;
  - x. Financial records sufficiently detailed to enable the association to comply with section 38-33.3316(8) concerning statements of unpaid assessments;
  - xi. The association's most recent reserve study, if any;
  - xii. Current written contracts to which the association is a party and contracts for work performed for the association within the immediately preceding two years;
  - xiii. Records of executive board or committee actions to approve or deny any requests for design or architectural approval from unit owners;
  - xiv. Ballots, proxies, and other records related to voting by unit owners for one year after the election, action, or vote to which they relate;
  - xv. Resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members of any class or category of members; and
  - xvi. All written communications within the past three years to all unit owners generally as unit owners.
- b. Subject to subsections (c), (d), and (e) of this section, all records maintained by the association must be available for examination and copying by a unit owner or the owner's authorized agent. The association may require unit owners to submit a written request, describing with reasonable particularity the records sought, at least ten days prior to inspection or production of the documents, and may limit examination and copying times to normal business hours or the next regularly scheduled executive board meeting if the meeting occurs within thirty days after the request. Notwithstanding any provision of the declaration, bylaws, articles, or rules and regulations of the association to the contrary, the

association may not condition the production of records upon the statement of a proper purpose.

Notwithstanding the contents of this subsection (b), a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a unit owner's interest as a unit owner without consent of the executive board. Without limiting the generality of this paragraph of this subsection (b), without the consent of the executive board, a membership list or any part thereof may not be:

- i. Used to solicit money or property unless such money or property will be used solely to solicit the votes of the unit owners in an election to be held by the association;
  - ii. Used for any commercial purpose; or
  - iii. Sold to or purchased by any person.
- c. Records maintained by an association may be withheld from inspection and copying to the extent that they are or concern:
- i. Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
  - ii. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
  - iii. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
  - iv. Disclosure of information in violation of law;
  - v. Records of an executive session of an executive board;
  - vi. Individual units other than those of the requesting owner; or
  - vii. The names and physical mailing addresses of unit owners if the unit is a time-share unit, as defined in section 38-33-110(7), C.R.S.
- d. Records maintained by an association are not subject to inspection and copying, and must be withheld, to the extent they are or concern:
- i. Personnel, salary, or medical records relating to specific individuals; or
  - ii. Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.
- e. The association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of association records. The charge may not exceed the estimated cost of production and reproduction of the records. The Association does not maintain a business office or have copying machines. Records will be kept in PDF format generally, available online, and free to download by owners. Any request for copying must be received 10 days in advance and will be charged at a minimum of \$1.00 per page plus postage and handling charges that may apply, payable in advance.
- f. A right to copy records under this section includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the unit owner.

- g. An association is not obligated to compile or synthesize information.
- h. Association records and the information contained within those records shall not be used for commercial purposes.

## **6. THE ASSOCIATION INVESTMENT OF RESERVE FUNDS POLICY**

The Association must keep certain amounts in reserve for various purposes such as: planned and unplanned improvements, road repairs, snow removal, and other such uses. Some of the amounts required may be substantial. The Board of Directors is charged with the fiscal responsibility for insuring that these funds are available when they are needed. Therefore they must, from time to time, assess what savings options are available. The Board members are bound by the standard of conduct set out in section 7-128-401 of the Revised Nonprofit Act. These funds must be placed in savings instruments and/or checking accounts that are insured by the FDIC. The types of accounts that should be considered include:

- a. Checking Accounts (operating capital)
- b. Certificates of Deposit
- c. Money Market Accounts
- d. Regular Savings Accounts

The Board of Directors must review the Treasurer's report at each regular Board meeting and determine the balances in each account.

## **7. THE ASSOCIATION PROCEDURES FOR THE ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, AND RULES**

The Association combined policies, procedures, and rules and regulation pursuant to C.R.S. 38-33.3209.5 may be amended from time to time by the Board of Directors of the Association.

## **8. THE ASSOCIATION POLICY AND PROCEDURES FOR ADDRESSING DISPUTES ARISING BETWEEN THE ASSOCIATION AND PROPERTY OWNERS**

It is acknowledged that both Members and the Association have a responsibility to comply with the provisions of the Colorado Common Interest Ownership Act (CCIOA); Colorado Nonprofit Act; the provisions contained in the Association Articles of Incorporation, Bylaws, and Covenants; and these combined policies, procedures, and rules and regulations.

The Association has a responsibility to apply the provisions of the above documents uniformly and use business judgment and reasonable diligence to resolve conflicts between the Association and its Members.

In the event that a conflict should arise between a unit owner, the singular owner shall include the plural owners, and the Association the following procedures shall apply:

- a. Hearing
  - i. Either a unit owner or the Association may request a hearing.
  - ii. The hearing shall be set for a mutually convenient date, or at the next duly called and open meeting of the Board of Directors, but not longer than 30 days after

request for a hearing is made. After all testimony and other evidence has been presented at the hearing, the Board shall, within 10 days, render its written findings and decision.

b. Mediation

- i. Any controversy between the Association and a unit owner arising out of the provisions of the Association's governing documents or the Colorado Common Interest Ownership Act may be submitted to mediation by either party to the controversy. The submission to mediation must be prior to the commencement of any legal proceeding and after there has been a good faith effort to hold a hearing with the Association Board of Directors.
- ii. If the hearing process is unsuccessful in resolving the dispute, the parties should decide upon a mutually agreeable mediator. The mediator need not be licensed as a mediator. The parties may be, but do not need to be, represented by counsel at the mediation.
- iii. The parties shall, unless otherwise agreed to, split the cost of mediation, excluding attorney fees, for which each party shall pay their/its own.
- iv. The mediation agreement, if one is reached, may be presented to the court as a stipulation. Either party to the mediation may terminate the mediation process without prejudice.
- v. If either party subsequently violates the stipulation, the other party may apply immediately to the court for relief, and seek reimbursement of all costs including attorney's fee.

c. Litigation

- i. If a conflict has not been resolved by the hearing or mediation, nothing in this provision precludes any party from pursuing rights in a Court of Law or equity.
- ii. If a dispute impacts the health, safety, or welfare of the community, the real estate, or the Members, the Association may proceed to a Court of Law or equity without scheduling a hearing or mediation.

d. Provisions

- i. No provision herein shall apply to the collection of Homeowner Association assessments.
- ii. This policy is not intended to pertain to disputes between unit owners. In the event of a dispute between unit owners, the Association recommends the unit owners attempt to resolve the dispute between themselves, employing mediation if possible.
- iii. In the event the unit owners are unable to resolve their dispute and the dispute is based on a violation of the Association governing documents, the complaining unit owner may institute a written complaint with the Association consistent with the Association's Enforcement Policy.

The Colorado Department of Regulatory Agencies Division of Real Estate website **HOA Information Office Reports and Educational Publications** was created to provide information to homeowners regarding their basic rights and responsibilities under the Colorado Common Interest Ownership Act "CCIOA". Please use this valuable resource in conjunction with your POA governing documents to help avoid problems that may be very costly and jeopardize your relationships with other members of the Association.

**9. RESERVE STUDY**

If the Association has a reserve study prepared for the portions of the community maintained, repaired, replaced, and improved by the Association; and if there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work; and when the reserve study is based on a physical analysis and financial analysis; an internally conducted reserve study shall be sufficient.

**10. THE ASSOCIATION CODE OF CONDUCT FOR BOARD OF DIRECTOR MEMBERS**

Board members are bound by the following standards of conduct: To act

- a. In good faith;
- b. With the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and
- c. In a manner the director or officer reasonably believes to be in the best interest of the Association. In discharging their duties, directors and officers may rely on other people on matters that the directors or officers reasonably believe are within that person's professional or expert competence.

Conduct of Board of Director members is set out in the Amended and Restated Articles of Incorporation for Enchanted Forest Estates Property Owners Association, Inc. (A Colorado Nonprofit Corporation) Article 7. Liability of Directors; and in

- a. The Amended and Restated Bylaw of Enchanted Forest Estates Property Owners Association, Inc. Article 12. Miscellaneous Section 12.1 Standard of Conduct for Directors and Officers; and in
- b. The Association Conflict of Interest Resolution in the Enchanted Forest Estates Property Owners Association, Inc. combined policies, procedures, and rules and regulations; and in
- c. Section 7-128-401 of the Colorado Revised Nonprofit Act.

Board members can expect considerable latitude and discretion to the Board's decisions taken in good faith and in the exercise of honest judgment.

**11. THE ASSOCIATION POLICY FOR ENGAGING LEGAL REPRESENTATION FOR THE EFE HOA BOARD AND/OR EFE HOA GENERAL MEMBERSHIP**

Approval of any engagement of legal counsel, paid for by EFE HOA resources, to represent the EFE HOA Board and/or General Membership shall require a majority vote of the EFE HOA Board present and voting at a regular or special meeting, or meeting without notice, in order to engage legal counsel. The EFE HOA Board shall declare the entity to be listed as "client" in the motion to engage legal counsel.

A quorum of the EFE HOA Board must be present for the vote.

**12. THE ASSOCIATION POLICY FOR APPROVAL OF REQUESTS FOR ROAD EASEMENT USE**

Request for a Permanent Easement using EFE Roads must be submitted to the EFE General Membership and shall only be approved when 67% EFE Members voting in a secret ballot election concur with the request.

**Conflicting Provisions:** In case of conflict between the combined policies, procedures, and rules and regulations; and the Association Articles, Covenants, and Bylaws; the Association Articles, Covenants, and Bylaws shall control.

**Amendment, modification, rescission:** The combined policies, procedures, and rules and regulations shall remain in effect until otherwise amended, modified, or rescinded by the Association's Board of Directors.

**CERTIFICATION:** The foregoing combined policies, procedures, and rules and regulations pursuant to C.R.S. 38-33.3-209.5 and Section 7.2 of the Association Bylaws were adopted at duly called and held meetings of the Board of Directors on June 13<sup>th</sup>, 2016 (Policies 1-10) and on September 28<sup>th</sup>, 2025 (Policies 11-12).