

ELK STREAM RANCH

A Colorado Common Interest Community
Located in T36N R13W, T35N R13W, T36N R12W and T35N R12W, N.M.P.M
Montezuma County and La Plata County, Colorado

Elk Stream Ranch Property Owners Association, Inc.
A Colorado Non-Profit Corporation

POLICIES

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POLICY #14-2012: POLICY FOR LICENSE AGREEMENTS

Adopted 1/12, 2012

The following policy has been adopted by the Elk Stream Ranch Property Owners Association, Inc., a Colorado Non-Profit Corporation (“Association”) pursuant to the provisions of C.R.S. 38-33.3-209.5, in accordance with the Association’s Policy #1-2010. Adoption and Amendment of Policies.

Purpose: To adopt a policy addressing the issuance of Licenses for use of the Association Roads by owners of property outside of the Elk Stream Ranch Subdivision that desire to use the Association Roads.

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors does hereby adopt the following policy regarding the use of the Association Roads by owners of property outside of the Elk Stream Ranch Subdivision:

1. License Granted on Per Parcel Basis. The owner of a parcel of a minimum of 35 acres may submit an application to the Associations for a License, on a form to be provided by the Associations. The License shall be for purposes of ingress and egress and use of the Association Roads shall be subject to the terms and conditions of the License agreement.

2. Private Road Use License and Reserve Licenses. To obtain a License, owners of parcels of 35 acres or more shall be required to obtain a License from the Association and fully participate in the annual and long-term Road Expenses of the Association. Owners of parcels of larger than 70 acres may apply to the Association during 2012 for a Reserve License or Reserve Licenses in addition to the primary License in order to plan for future subdivision of their property into additional parcels of a minimum of 35 acres each.

a. Reserve License Not Required. Owners of property of at least seventy (70) acres are not required to obtain Reserve Licenses. However, the issuance by the Association of a License or a Reserve License after December 31, 2012, will require the approval of sixty-seven percent (67%) of the Members of the Elk Stream Ranch Property Owners Association and the Elk Springs Ranch Homeowners Association. Prior to December 31, 2012, Licenses and Reserve Licenses as allowed herein may be approved administratively by the Association Board.

3. License Fee Determined Annually. Each Licensee shall pay an annual fee to the Association that is determined annually based on the road maintenance portion of the Association's annual budget and the Road Expense Reserve Fund needs which are reviewed annually by the Association. The License fee shall not include common expenses of the Association that are not directly attributable to the Road Expenses.

a. Fee Share License. The annual fee for a License shall be generally the same as each Association property owner pays towards the annual Road Expenses including the Road Expense Reserve Fund, as determined by the Association Board in its annual budget process. License fees shall not include other Association common expenses that are assessed to its Members.

b. Fee Share for Reserve License. The annual fee for a Reserve License shall be two hundred dollars (\$200.00).

4. Automatic Conversion Upon Subdivision. A Reserve License shall automatically convert to a full License upon the subdivision of any Licensed parcel. The annual fees shall be prorated to include the increased amount beginning with the beginning of the month of the recording of the subdivision plat. Any subdivision initiated during a paid License period shall require payment of the increased amount for the month of subdivision and all remaining months of the License period. Failure to pay the increased amount will constitute a violation of this License agreement may result in suspension or termination of the License. Conversions shall be subject to the one-time Initial License Fee as provided below.

5. One-Time Initial License Fee. The holder of each License shall pay a non-refundable, one-time initial License fee of \$1,500 to the Elk Stream Ranch Property Owners Association, which may be paid at any time during the initial License period. Licenses will not be renewed without payment in full of the initial License fee. As long as a License is maintained in good standing, no Licensee will pay any further initial License fees. If a License lapses, or is suspended or terminated for any reason for a period of one year or more, the initial License fee amount then in effect will be applied to the issuance of a new or reinstated License.

6. No Budget Amendments or Special Assessments During License Period. Licensees shall not be subject to any special assessments or increases in road maintenance fees due to any budget amendment that the Association may assess against its owners during any license period. However, the License renewal fee for the next annual period may include an amount equal to the portion of any special assessment or budget adjustment levied against owners specifically for Road Expenses.

7. Payment and Collection. Except as specifically allowed by the Association or provided herein, payment of License fees shall be due at the time of issuance of the license. Other payment arrangements may be allowed as approved by the Board. The Association may exercise any and all rights available to it at law or in equity to collect any fees, fines or other expenses due to it by the Licensee.

8. Due Dates.

a. Annual Assessment. The annual Assessment as determined by the Association shall be due and payable annually within thirty (30) days of the due date established by the Board.

b. Other Amounts Due to the Association. Other Assessments, charges, and payments due to the Association shall be due and payable as determined by the Board, and shall be considered past due and delinquent on the thirty-first (31st) day after the due date.

c. Transfer of Ownership. In the event that the ownership of a Licensed property is transferred to another owner on a day other than the first day of the month, the annual Assessment and any other Assessments, charges and payments due and payable to the Association as of the date of the closing shall be prorated to the first date of the month of closing. Unless otherwise allowed by the Association in writing, and if not sooner paid by the seller and/or buyer, all Assessments, charges, and payments due and payable to the Association for the current License period shall be paid at closing. New owners of Licensed property will not be required to pay the one-time Initial License Fee, except as may be applicable to the conversion of Reserve Licenses after the purchase date.

9. Late Charges and Interest Charges. The Association shall be entitled to impose a late charge equal to five percent (5%) of the delinquent balance on each past due and delinquent assessment. If any Assessment is not paid within thirty (30) days after its due date, the amount due shall bear interest at a rate of twelve percent (12%) per annum from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

10. Return Check Charges. A fifty dollar (\$50.00) fee shall be assessed against an Licensee in the event any check or other instrument attributable to or payable for the benefit of such Licensee is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.

11. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its collection costs and reasonable attorney fees and costs incurred in the collection of Assessments or other charges due the Association from a delinquent Licensee, without the necessity of commencing a legal proceeding.

12. Application of Payments made to the Association. The Association reserves the right to apply all payments received on account of any Licensee first to payment of any and all attorney fees and costs, then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Licensee, and any remaining amounts shall be applied to the Assessments due with respect to such Licensee.

13. Rules and Regulations. Licensees and their Guests shall abide by the Rules and Regulations of the Association regarding the use of the Association Roads. Any Board member or Owner or Lessee may report alleged road use violations to the Association Board. Upon such report, the Board shall review the report and take action as the Board may determine in its discretion, which may include informally contacting the Licensee and requesting the offending activity to cease. If the Board determines that a violation may have occurred, the Board shall contact the Licensee and invite the Licensee to attend a hearing of the Board prior to the suspension, termination, or other action of the Board. At such time that the Board determines that a violation may have occurred, the Board may require all use of the Association Roads by the Licensee to be escorted by an Association representative. Such escort shall require 24 hour advance notice and payment in advance of \$50 per one-way escort. Escorting shall continue until the matter is resolved with the Board.

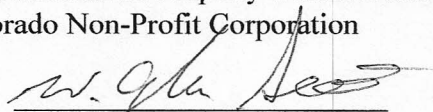
14. Defined Terms. Terms, whether or not capitalized, shall be interpreted based on the terms as defined, used, or applied under the Declaration of the Elk Stream Ranch.

15. Responsible Use of Roads Required. Each Licensee and their Guests shall use the Association Roads in a responsible and safe manner, particularly with respect to other road users and adverse weather and road conditions. Each Licensee and their Guests shall obey all posted signs on Association Roads.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Elk Stream Ranch Property Owners Association, Inc., a Colorado Non-Profit Corporation, certifies that the foregoing Resolution was approved and adopted by the Board, at a duly called and held meeting of the Board on (date) 1/12/2017 and in witness thereof, the undersigned has subscribed his name.

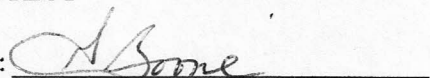
Elk Stream Ranch Property Owners Association, Inc.,
a Colorado Non-Profit Corporation

By:


W. Alan Scott, President

ATTEST

By:


Gem Boone,
Secretary / Treasurer