

June 17, 2010

To Elk Falls Homeowners:

Since the Board has made numerous allegations and manufactured their own reality in communications to you, it is time that you hear a different story. The intent of this note is not to have you pick a side, but to enlighten you on actions the board has taken impacting you and your dues without your knowledge. If you want further information from anything below, please do not hesitate to call us.

In response to the suppositions stated by Paul Vastola, he obviously has his own opinion of what a Board should be. We should have a Board that is transparent and represents the entire community, today we don't. We should have a Board that does not fabricate information. We should not have a Board that changes the covenants and by-laws without the knowledge and agreement of the community. We should have a Board that is open and honest. The Board should not be the reason for the homeowners to sell their house and move; nor should they bankrupt the Homeowner's Organization without taking care of the roads.

Before you sign your proxy over to the Board, be aware of the last statement in the proxy. This signs all your rights on **any** matters voted in the Annual Meeting. **Do you really want to sign away your rights to decide your future?**

Threats and Intimidation:

- 1) The Board harassed the purchasing of the land for Staunton State Park.
- 2) The Board continues to harass home owners to the point of them selling their house; running them out of the "peaceful" community. (Who will be the next people to be run out?)
- 3) The Board sued the Rausch's trying to **block their property's access** with your dues without disclosing this to homeowners. This cost the Homeowners thousands in 2005 & 2006.
- 4) The Board uses fear tactics, slander and threats to sway your opinion. For example, Board members have actually called homeowners telling them that the Dunwody's plan to block Elk Creek road. If Elk Creek road was blocked, the police would have had the right to remove the blockage.

Dishonesty and Manufactured Reality:

- 1) Your dues are being spent without prior approval in direct violation of the association's regulations and **not used** to maintain the roads.
- 2) The Board has taken the position that they control **your** property thru easements that do not legally exist. Read EFPOA Board minutes from 2002 stating that they do not have legal control over the roads.
- 3) There are selected enforcements of EFPOA rules within the community depending on personal relationships.
- 4) In 2009, the Board Members voted to enact CCIOA regulations without the vote of the Homeowners in direct violation of the CCIOA state statute.
- 5) The Board is not currently accounting for donations given for the lawsuit against the Dunwodys. It is time to contact the Board and Kathy Crum to understand how your donations are actually used.

- 6) Secret Meetings are held which are in direct violation of State Laws governing EFPOAs and the EFPOA rules. Refer to e-mails discussing strategy behind closed doors.
- 7) Bylaws have been modified and never voted upon which have increased the Board authority and limited your rights.
- 8) The president of the Board in 2008-2009 falsified records and lied to the Park County Sheriff's department as stated in police reports.
- 9) There are "grandfathered" owners that are not required to pay dues or assessments which have increased your own dues which is in direct violation of state law as stated in the 1986 covenants.
- 10) The Board has used stall tactics and refused to respond to valid requests for information in direct conflict with state laws governing Home Owner Associations. Refer to e-mails disclosing Board actions.

Jefferson County Lawsuit:

The result of the lawsuit as stated by Boards members is wrong. In addition, allegations in Paul Vastola's latest communication are erroneous and groundless. The initial covenants from 1986 were upheld in court due to a statute of limitations of not being challenged within 20 years from their creation. There was no determination of them being valid. The Appeal is in regards to the 2006 covenants which were not ruled on by the court. The contention is that you, as a homeowner, were never given the chance to vote upon them which is direct violation of Colorado state law.

From the standpoint of the legal fees from Fred Wells, he has stated in numerous board meetings after being elected that he "is a volunteer and does not give legal advice". (He stated this and was recorded as public record in the Park County BOCC meeting in 2008 and 2009 as well.) Being a Board member and a legal counsel is a conflict of interest. In the Annual meeting, we did not hire Fred Wells as a legal counsel as alleged by the Board's lawyer.

EFPOA vs. Dunwody's Lawsuit - Actions taken by the Board that you do not know:

- 1) From the two prior Boards, the Dunwodys had maintained a working agreement for road access and maintenance. The Dunwodys offered to continue road access and maintenance agreements. Why has the current Board brought this cost of the lawsuit to all of us?
- 2) During a meeting on November 30, 2009 attended by 11 property owners including the Board's representatives, there were 5 solutions introduced in resolving the access issue with the disputed roads. However, when Bob Phelps drew a "line in the sand" with a "Monkey Wrench" stating that "the Board will only accept a perpetual easement and would never agree to any of the proposed resolutions", the discussion quickly ended. This position continues today by the Board. In reality, a perpetual easement would have forced the Dunwody's to give up their land. **Would you be willing to give up your land?** Any of the proposed resolutions would have cost all of us much less than the cost of the current law suit (3 months of bills over \$27,000 spent and climbing).
- 3) The blocking of the disputed roads by the Dunwodys was a result of a letter sent by Paul Vastola (refer to the Board meeting on 2/15/2010). Elk Creek road was never blocked and no property owner was ever denied access to their home. This lawsuit that you are paying for was **instigated** by the Board.

Remember, that the EFPOA is the Plaintiff as well as Paul Vastola, Kathryn Wells and Bob Phelps filing the law suit against the Dunwoody's

- 4) Are you aware that there is an additional law firm (Hall and Evans) representing the EFPOA and being paid by the insurance company? The question becomes: "Why does the Board need to collect additional money?"
- 5) Is the EFPOA paying the legal fees for Bob Phelps, Kathryn Wells and Paul Vastola? If so why are our dues being used for their personal legal expenses, rather than road maintenance? Since they chose to be independent plaintiffs in the law suit, they should be playing their fair share of the legal fees instead of bankrupting the EFPOA. Why should the EFPOA pay for their legal fees?

What does the future hold for us:

The Board is biased and unbalanced representing the Home owners.

- 1) Fred Wells has stated in a Board meeting that you cannot be on the Board if you do not agree or think like current Board. What right do they have to dictate Board membership?
- 2) Did you know that not all Blocks are represented on the Board?
- 3) Road money is being used for legal fees. Besides the lack of road maintenance, think of what will happen next winter for plowing your roads.
- 4) Apparently the Board feels that they are above the law. This has been demonstrated by their actions in the past and the expectation is that this will continue in the future as well.

How much additional money will be spent by the board and assessed to you for an action that they have initiated by the Board? Between February and April of this year, over \$27,000 has been spent on legal fees, which equates to 2 years of road maintenance. With the expenditure of \$9,000 per month, how much more money will you be assessed over the next year to cover \$108,000? And then if the Board loses, the amount assessed to every property owner will be much higher.

Look at the proxy being sent to you for the Annual meeting. Do you want to sign away your rights and let the board enact anything at the meeting without your knowledge in addition to allowing them to vote for whomever they choose to represent you?

Fred Wolf and Sam Shapiro

CC with enclosures:

Victor Boog

Michael Jones and Monica Lester

Fred Skillern