

SFTR Property Owners Association Policy 25 - 04

Title: Approval of Committee Contracts for Services

Approved By:

RL Sosy

Date of Issue: October 4, 2025

Review/Revise Date:

This policy shall remain in effect until it is no longer needed or incorporated into other SFTR governing documents.

Policy Statement/Purpose

The purpose of this Policy for Approval of Committee Contracts for Services is to establish guidelines for the approval and execution of contracts for services by committees of Santa Fe Trail Ranch Property Owners Association (the "Association"). This policy is adopted in compliance with the Colorado Common Interest Ownership Act (CCIOA) to ensure that all contracts entered into by the Association are properly reviewed, approved, and executed in the best interest of the community.

This policy applied to all contracted work for any committee approved by the Board of Directors.

Applicability

This policy is applicable to the SFTR POA, its Board of Directors and each committee chair.

Definition

Contract. A contract is a legally binding agreement between two or more parties that creates mutual obligations enforceable by law.

Procedures

1. Authority

- Committees established by the Board of Directors (the "Board") may recommend the engagement of service providers for specific projects or tasks within their areas of responsibility.
- Only the Board of Directors has the authority to approve and enter into contracts on behalf of the Association.

2. Proposal Submission

- Committees seeking to engage a service provider must submit a written proposal to the Board for review and approval.
- The proposal must include:
 - A description of the services to be provided.
 - The qualifications and experience of the service provider.
 - The proposed terms and conditions of the contract, including scope of work, timelines, and compensation.
 - Justification for the selection of the service provider and an explanation of how the services will benefit the Association.

3. Review Process

- The Board will review the committee's proposal.
- The Board may request additional information or clarification from the committee or service provider as needed to make an informed decision.

4. Approval Criteria

The Board will consider the following criteria when reviewing proposals for committee contracts:

- Qualifications and Experience: The service provider's qualifications, experience, and reputation in the relevant field.
- Scope of Work: The clarity and comprehensiveness of the proposed scope of work.
- Cost: The proposed compensation and any associated costs, including whether the costs are reasonable and within the Association's budget.
- Benefit to the Association: The anticipated benefits of the services to the community and how they align with the Association's goals and needs.
- Compliance: The service provider's ability to comply with all applicable laws, regulations, and Association policies.

5. Board Decision

- The Board will approve, modify, or reject the proposed contract. Approval requires a majority approval of the Board members.
- If the Board approves the contract, the President or another designated officer of the Association will be authorized to sign the contract on behalf of the Association.
- If the Board modifies or rejects the contract, the committee will be informed of the decision and the reasons for it. The committee may revise the proposal and resubmit it for further consideration.

6. Contract Execution

- Once a contract is approved by the Board, it must be signed by the President or another designated officer of the Association and the service provider.
- The executed contract will be retained in the Association's records and a copy provided to the committee overseeing the project or task.

7. Monitoring and Reporting

- The committee responsible for the contract will monitor the performance of the service provider to ensure compliance with the terms and conditions of the contract.
- The committee will provide regular reports to the Board on the progress and status of the contracted services, including any issues or concerns that arise.

8. Amendments and Termination

- Any amendments to an approved contract must be reviewed and approved by the Board in accordance with the procedures outlined in this policy.
- The Board reserves the right to terminate any contract if the service provider fails to perform in accordance with the contract terms or if it is in the best interest of the Association.

9. Review and Amendments

- This Policy for Approval of Committee Contracts for Services shall be reviewed periodically by the Board of Directors and may be amended by a majority vote of the Board.
- Members shall be notified of any changes to this policy in a timely manner.