

GUNBARREL GREEN HOMEOWNERS ASSOCIATION, INC.

c/o HOA Board of Directors

P.O. Box 11217

Boulder, CO 80301

October 9, 2019

Re: Request for Input on Proposed Amended and Restated Declaration, Articles of Incorporation, and Bylaws for Gunbarrel Green Homeowners Association, Inc.

Dear Homeowners:

As you may know, the Board of Directors and the Governing Documents Committee for the Gunbarrel Green Homeowners Association, Inc. ("Association") have been diligently working on rewriting the governing documents for the Association with the assistance and guidance of Melissa Garcia of Altitude Community Law, the general counsel for the Gunbarrel Green Homeowners Association. Altitude specializes in HOA law, and Melissa has prepared numerous governing document revisions. The enclosed governing documents are rewritten for multiple reasons, primarily to comply with updates to the law, to ensure the appropriate provisions were placed in the correct documents, to remove duplicative and obsolete provisions, to expand provisions to allow enforcement remedies under Colorado law, and to reflect the current practice and needs of the Gunbarrel Green community. The Board of Directors and the Governing Documents Committee have approved the current, attached drafts for the amendment and restatement of the governing documents.

We would appreciate your input and feedback prior to resubmitting them to you for your formal approval. Therefore, please find enclosed the following:

- (i) the proposed Amended and Restated Articles of Incorporation for Gunbarrel Green Homeowners Association, Inc. ("A&R Articles"),
- (ii) the proposed Amended and Restated Bylaws of Gunbarrel Green Homeowners Association, Inc. ("A&R Bylaws"), and
- (iii) the proposed Amended and Restated Declaration of Restrictions, Covenants and Conditions of Gunbarrel Green ("A&R Declaration") (collectively the "Proposed Amendments").

Please review the Proposed Amendments and provide your written comments and any questions to the Board by: November 7, 2019. You may submit your comments/questions in writing to gunbarrelgreen@gmail.com or mail your comments/questions to Gunbarrel Green HOA, PO Box 11217, Boulder CO 80301. You may also provide your comments/questions at the upcoming community meeting to be held on November 11, 2019 at the Elements Bistro from 7 pm to 8:30 pm. Please RSVP your attendance, by November 7th, at gunbarrelgreen@gmail.com or mail a note for your attendance to Gunbarrel Green HOA, PO Box 11217, Boulder, CO 80301.

Because these are complete rewrites of the governing documents, we could not provide redlines of the changes, but we hope this general summary of revisions will

assist in your review:

I. A&R Articles

The following is a general summary of the revisions to the Articles of Incorporation:

- Simplifies the powers and duties stated in Articles III and IV of your current Articles, and moved the more specific powers and duties to the Declaration and Bylaws. Also removed the specific property description and added it to the Declaration (Article 5)
- Adds limitation of liability provision (Article 6)
- Updates the HOA registered agent and principal place of business to current information (Article 8)
- Eliminates the 5-member Board requirement and replaces it with a range of 5 to 7. (Article 9)
- Revises amendment requirement for future amendments to be consistent with the default under Colorado law, which is approval by a majority of a quorum of (Article 10)

Additionally, we removed certain provisions that were appropriately placed in the Declaration or Bylaws, as follows: Article V, Voting Rights; Article VI, Section 3, Article VI, Section 3, regarding Removal; Article VII regarding the Architectural Committee; and Article X, Prior Approvals.

II. A&R Bylaws

Many of the Bylaws provisions were updated to comply with Colorado law, to ensure consistency with the updated Articles and Declaration, to incorporate certain provisions that were inappropriately placed in the Articles, and to provide for the most efficiency and flexibility, as follows:

- Revises definition section to be consistent with the Declaration (Article 2)
- Revises suspension of rights to allow for suspension for both nonpayment of assessments and for violation of other provisions of the governing document (Section 3.2)
- Clarifies membership voting provisions, including how units owned by multiple owners or entity owners are to vote (Section 3.3)
- Revises your annual meeting provision to remove the requirement that the annual meeting be held on the same date at the same time (Section 4.1)
- Adds that the annual budget will be mailed to Members at least 30 days prior to the annual meeting (Section 4.1)
- Updates notice requirements to change the timeframe to be consistent with Colorado law and to include additional types of notice (e.g., physical posting and electronic notice), as required per Colorado law (Section 4.4)
- Increases the quorum requirement from 10 Members to 5% of the entire community (i.e., 5% of 309 Lots, which is 16 (Section 4.5)
- Expands upon proxy provisions to be consistent with Colorado law; removed the 30-day limitation on proxies (Section 4.6)
- Requires secret ballots to be used in contested elections only (as required per CO law) vs. all elections (Section 4.9)

- Adds the right to vote by mail and electronically (Section 4.10)
- Requires ballots to be counted by a neutral third party, per Colorado law (Section 4.14)
- Establishes the current number of Board members as 5 (this number can be anywhere from 5 to 7, which is the range established in the Articles) (Section 5.1)
- Establishes the eligibility requirements for serving on the Board, and allows the spouse or significant other of an Owner to serve on the Board (Section 5.2)
- Adds notice requirements for Board meetings (Section 6.3)
- Adds that certain actions cannot be taken in executive session, as set forth per CO law (Section 6.4)
- Adds a provision allowing directors to vote by proxy at Board meetings (Section 6.7)
- Updates the Board action without a meeting (i.e., action by email) provision to comply with procedures under Colorado law (Section 6.8)
- Updates Board meeting provision to allow Board members to participate telephonically and electronically (Section 6.9)
- Requires Board members to allow owners an opportunity to comment prior to taking action at a Board meeting (Section 6.10)
- Updates the powers and duties of the Board to be consistent with those under Colorado law; requires membership approval in order to borrow funds (Section 7.1)
- Requires Officers to be members of the Board (Section 8.1)
- Revises the committee provision to require chairpersons to meet the same eligibility requirements as Board members, which is required by CO law (Article 9)
- Revises records provisions to comply with recent updates to Colorado law (Article 10)
- Revises amendment provision to identify which provisions may not be amended by the Board, pursuant to Colorado law (Article 11)
- Added an indemnification provision consistent with CO law (Article 12)

Additionally, we eliminated certain provisions as obsolete, unnecessary, duplicative, or more appropriately placed in a different document, as follows: Article II, Location of Principal Office; Article IV, Dues and Assessments; Article VI, Emergency Meetings; Article XIII, Corporate Seal.

III. A&R Declaration

The proposed A&R Declaration contains a number of proposed changes, a summary of which include:

- Removes obsolete provisions, including reference to the original declarant's rights
- Adds a definitions section for ease of reading (Article 1)
- Adds the specific number of Lots within the community (Section 2.2)
- Adds easement rights over the Lot for the specific purpose of the Association performing its obligations under the Declaration, such as enforcement of covenants and architectural inspections (Section 2.3)
- Makes it clear that the Association is subject to the Colorado Common Interest Ownership Act (i.e., the "Act"), but only those provisions that are applicable to communities that were created prior to July 1, 1992 (Section 3.3).
- Clarifies that each Lot is treated equally in terms of votes and assessments (Section 3.4)
- Adds right to hire managing agent, but only upon approval of a majority of the Members voting, assuming at least a quorum of Members is present (Section 3.5)

- Adds an indemnification provision (Section 3.6)
- Adds a provision requiring the Association to provide, on an annual basis, training to owners on HOA governance and the rights/responsibilities of the owners and the Association, as is now required per Colorado law (Section 3.7)
- Adds that the Dues cannot be increased more than 10% above the prior year's Dues per Lot without approval of a majority of the Members voting, assuming at least a quorum of Members is present (Section 4.3)
- Adds that special assessments can be levied upon approval of a majority of the Members voting, assuming at least a quorum of Members are voting (Section 4.4)
- Adds the right to levy supplemental assessments (Section 4.5)
- Adds application of payments provision per Colorado law (Section 4.6)
- Adds the right to borrow money upon approval of a majority of the Members voting, assuming at least a quorum of Members is present (Section 4.9)
- Adds express authority to levy fines for violations, which is already permitted under Colorado law (Section 5.2)
- Updates use restrictions, including the following: home businesses, leasing, Lot maintenance, pets, parking, satellite dishes, political signs, marijuana, and rain barrel usage (Article 5)
- Substantially updates the architectural review provisions to clarify the process for receiving, reviewing and responding to architectural review requests (Article 6)
- Adds standard insurance obligations (Article 7)
- Expands enforcement provisions to allow the broadest enforcement remedies under Colorado law (Section 8.1)
- Provides clarification on the role of the Covenant Committee (Section 8.2)
- Revises term provision to allow for covenants to be perpetual, as Colorado law now provides that automatic renewal periods are not necessary (Section 8.4)

Again, please submit any written comments/questions on the attached Proposed Amendments by November 7, 2019 and RSVP for the upcoming meeting to be held on November 11, 2019. After that date, the Board will determine whether or not to make any changes to the Proposed Amendments. After final changes are made, all homeowners will receive the final draft in the mail together with a Ballot to vote for adopting the Proposed Amendments.

Sincerely,

Gunbarrel Green Homeowners Association, Inc.
Board of Directors and the Governing Documents Committee

Enc.

cc: Melissa M. Garcia, Esq., Altitude Community Law