

Sundance HOA Annual Meeting Governance Overview

10/16/2019





SHOA Governance Overview

- **The Hierarchy of Governing HOA's**
- **HOA Governing Documents**
- **The timeline and process of revising the Declaration of Covenants and Articles of Incorporation**
- **Understanding key Article changes in the revised Covenant document**
- **Voting and directed proxies process and procedure**

This presentation is meant to satisfy the education requirement for the Sundance Homeowners Association.

The Hierarchy of Governing HOA's

Colorado State Law

Colorado Common Interest Ownership Act (CCOIA, 1992)

- Original statute that governs HOA's or common interest communities.
- <https://www.cohoalaw.com/wp-content/uploads/sites/532/CCIOA%20-%202006%20annotated.pdf>

City of Boulder Regulations, Zoning and Ordinances

- City of Boulder regulations and ordinances for all city of Boulder residents and neighborhoods
- https://library.municode.com/co/boulder/codes/municipal_code

Planned Urban Development Agreement (1986)

- This is the original 1986 developer agreement between James Construction and the City of Boulder
- http://sundanceboulder.com/wp-content/uploads/PUD-Agreement_James-Co-and-City-of-Boulder_0741253_02.10.1986.pdf

HOA Governance Documents

- Articles of Inc, Bylaws, Declaration of Covenants and Policies
- <http://www.sundanceboulder.com/documents/>

Three Primary Governing Documents of HOA's



SHOA Governance Policies

<http://www.sundanceboulder.com/documents/government-documents/>

The following policies are mandated by CCOIA and the State of Colorado. These policies were adopted by the board in 2016:

- Adoption and Amendment of Policies
- Alternative Dispute Resolution Policy
- Board Member Conflict of Interest Policy
- Collection of Unpaid Assessments and other Association Charges
- Conduct of Meetings Policy
- Covenant and Rule Enforcement Policy
- Inspection and Copying of Assoc Records
- Investment of Reserve Funds Policy
- Reserve Study and Funding Policy



Why make revisions?

The following were cited as **risks or liability to the HOA** if the Declaration of Covenants document was not updated:

Eliminating discrepancy between governance documents and city code and State statute. If there is a discrepancy usually government statutes will supersede HOA governance.

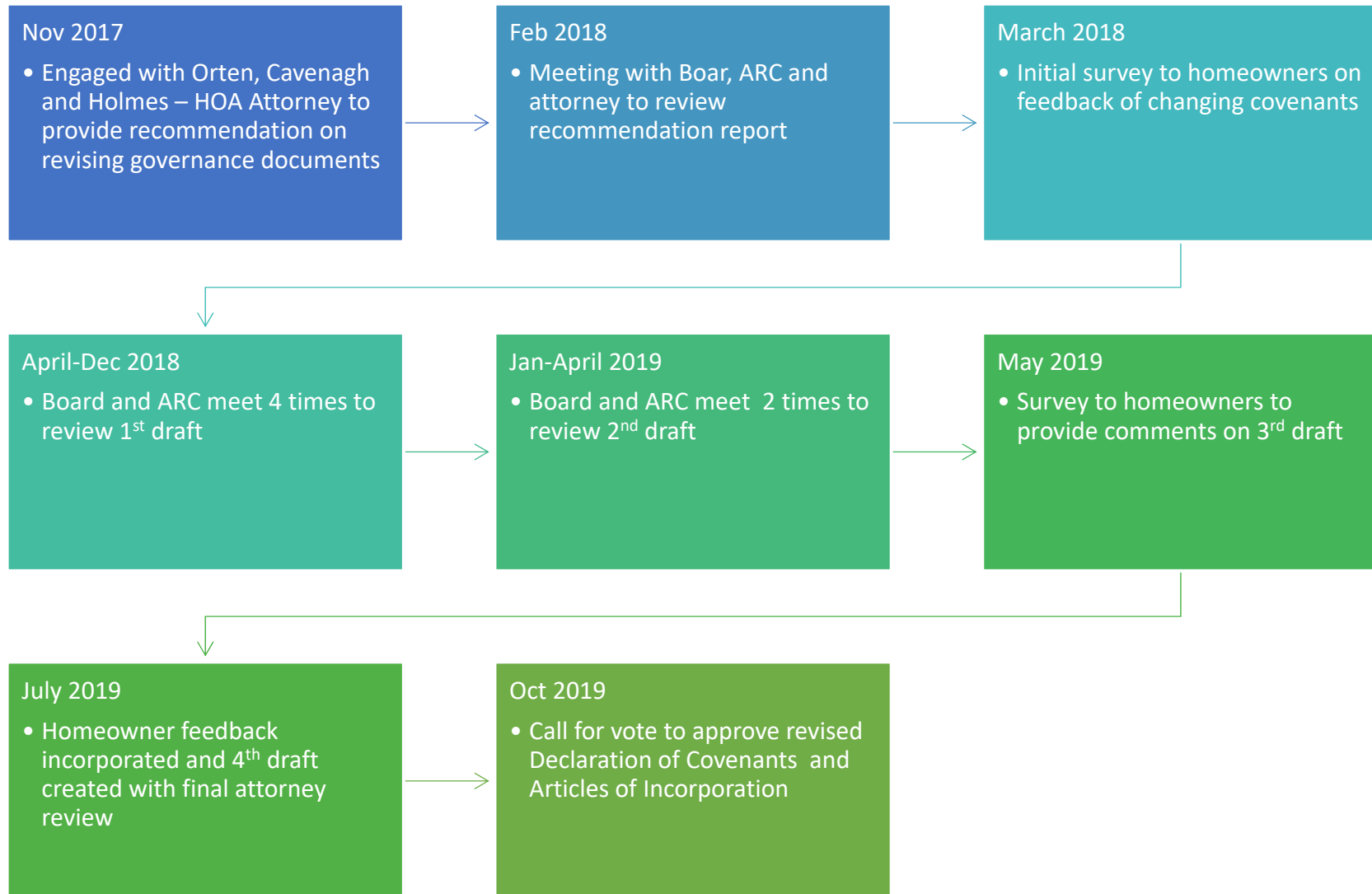
Update for relevancy. The existing covenants are 30 years old. In the 1985 version it does recommend to update after 20 years to maintain relevancy.

Reduce legal fees for interpretation. If documents are not updated, there is more need for legal counsel on dealing with HOA issues for interpretation.

Reduce risk to the HOA. A risk to the HOA is members could sue the HOA to enforce the covenants, even though items in the covenants are outdated, irrelevant or not according to government regulations. There was a supreme court case that upheld this responsibility of the HOA.

Create reasonable expectations for owners. The current covenants are confusing to homeowners and lead to continual mis-interpretation.

The Process of Revisions for Declaration of Covenants



Understanding Lots 1-6

Lots 1-6 (4139,4145,4149, 4153 Amber and 4130, 4140, 4160, 4180 26th Street) are part of the Sundance sub-division but are not members and do not pay dues. It was originally suggested by the attorney to remove these lots from the HOA covenants.

Based on further research with the City it was not possible to remove those properties from the Sundance sub-division.

In the revised Declaration of Covenants we removed the liability of Lots 1-6 and inserted a disclaimer.



Key Changes: Article 5 Assessments

- Budgets that exceed 5% must get homeowner approval
- Clauses were added in per the Colorado CCIOA regulations with statement of accounts, surplus funds, borrowing funds

Key Changes: Article 6 Maintenance

- More clarity on expectations regarding maintenance of homes
- Fences that abut against common area will be 50% cost to HOA and homeowners.
- HOA cannot enter onto a homeowner's property when there has been neglect without court approval

Key Changes: Article 7 Architectural Controls

- More guidance on applying for architectural approval from the HOA
- Boulder permits must be obtained before beginning exterior work
- The right of the homeowners to appeal ARC decisions

Key Changes: Article 8 Covenants

- Further clarity on home occupations and using home for business
- Short-term rentals are permissible (i.e. VRBO and Air B&B) as long as they are owner occupied.
- Further clarity on use of Common areas
- Incorporated in restrictions based on PUD (planned urban development) requirements (e.g. use of garages, structures, sheds)
- Removed specific reference to specific trees/plants that a homeowner can plant.
- Removed restriction that cats need to be on a leash.
- Retained the restriction for no chickens allowed – based on safety and attraction of wildlife.
- Restrictions on marijuana growth for retail sale

Voting and Directed Proxies

- 67% of the vote is required to approve the revised Declaration of Covenants and Articles of Inc. (47 votes required)
- Directed proxies are valid for 11 months
- Once approved by the homeowners, the new governance documents will be recorded with the State and City agencies

The word "Vote" is written in a stylized font. The letter "V" is a large, solid red checkmark shape. The letters "ote" are in a dark blue, bold, sans-serif font.

Homeowner Feedback (June 2019)

Article	Topic	Comment	Board/ ARC Decision
Article 2	Recreational Vehicle	Include definition of recreational vehicle in the definitions	Agreed to add in definition of recreational vehicles into Article 2
Article 3	Mission Statement	Remove mission statement	The mission statement provides context for the purpose of the HOA and should remain in the covenants.
Article 4	Reasonable Notice	Define reasonable notice	Added in "of not less than 24 hours" to define reasonable notice.
Article 7	Paint Colors	Remove the approval of paint colors	Since paint colors affect the overall appearance and look of the neighborhood, agreed to keep approval of paint colors with the ARC.
Article 7	Removal of Trees	Remove the language to require approval of the HOA to remove a tree in homeowners' property	Agreed to remove language of "including removal of trees" under 7.4 the reference to removal of trees.
Article 8	Chickens	Consider allowing chickens since the City allows them	Because of the close proximity of homes and the attraction of wildlife to chickens, agreed to keep existing language that chickens are not allowed.
Article 8	Number of Pets	Consider adding a number of household pets (cats/dogs)	The City of Boulder already regulates this with a restriction of not more than 4 household pets. No changes made to the revised Covenants.
Article 8	Short Term Leasing	Limit the time for short-term leasing	The Board/ARC agreed to be in line with City regulations on short term leases and not specify number of days to rent or time period. The language in the leasing section was revised slightly to reflect City of Boulder regulations on owner occupation of short-term leases.
Article 9	Insurance Coverage	Enforcement of homeowners having property and liability insurance	In case of fires or destruction of homes it is important homeowners have property insurance to cover any loss or damage inflicted on other homes or common property.

Board Members Role and Responsibility

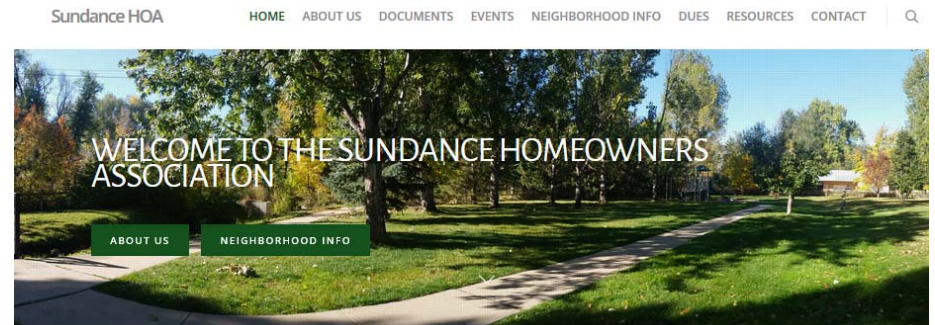


- Manage finances
- Maintain common property
- Enforce governing documents
- Oversee managing agent or community manager
- Build community
- Maintain confidentiality
- Maintain ethics, integrity and conflicts of interest
- Act in good faith, prudently and with best interests of association

HOA Records Available on Website

<http://www.sundanceboulder.com/documents/>

- Governance Documents
 - Articles of Incorporation
 - Declaration of Covenants
 - By-laws
 - Governing Policies
 - Insurance Policies (D&O and HOA Property)
- Meeting Minutes
 - Annual Meetings
 - Board Meeting Minutes
 - Annual Budget
 - Year-End Financials
 - Reserve Study
- Newsletters
 - Spring Newsletter (April/May)
 - Fall Newsletter (October)



Our community is located in North Boulder near Jay Road & 28th Street.

Our website includes all the information about the Sundance Community. Here you can easily access meeting **minutes of the Sundance HOA Board**, Annual Meeting Information, neighborhood events, and information about your neighbors.



Thank
you

