

Future Campaigns

- The Following presentation was given at the January 9th Smoky Ridge HOA meeting.
- The information was prepared and gathered by Kendall Barstad.
- The slide were written by Amelia Almazan.
 - Any questions can be directed to Amelia Almazan at Nextdoor or the Smoky Ridge facebook page.
- The board still needs to consult with the legal council before we move forward with a campaign to fix some of the language in our documents as well as out budget shortfalls.

- The raising of financial dues, the changing of the CPI and the removal of certified mailer language all have three different requirements as written in our Declaration.

Raising of Dues

- Declaration: Article IV Section 3 (b)

(b) Effective with commencement of the second and each subsequent annual assessment period, the maximum annual assessment may be increased above that established by the Consumer Price Index formula, for the next succeeding annual assessment year and at the end of each such annual assessment period, for each succeeding annual assessment year, provided that any such increase shall have the assent of both two-thirds (2/3) of the Members other than Declarant and two-thirds (2/3) of the Members including Declarant who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 30 days nor more than 60 days in advance of such meeting setting forth the purpose therefor.

- Takeaway: 2/3rd vote needed in person or by proxy at a special meeting.
 - (2/3rds of what? See Article IV, Section 6.)

Raising of Dues

- Declaration: Article IV Section 6:

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. The first such meeting called shall require the presence of the Declarant and Members or of proxies, entitled to cast sixty percent (60%) of all the votes of each class of membership to constitute a quorum. If the required quorum is not present, other meetings may be called subject to the same notice requirement, and the required quorum at each such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that until the Declarant's right to appoint the Board of Directors has expired pursuant to Section 3, of Article III, any such meeting shall require the presence of the Declarant to be effective. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

- Takeaway: The special meeting needs to hit quorum of 60% of the homeowners or subsequent meetings can shrink this requirement.

Raising of Dues

- In short:
 - A special meeting must be called where a 60% of the membership (via physical presence or proxies) must be established to establish a quorum for the meeting to take any action.
 - 60% of the membership (516 homes) is 310
 - If the 60% quorum can not be made in this special meeting then a second meeting can be called and the quorum necessary will be reduced by 1/2.
 - 30% of the membership (516 homes) is 155
 - If further meetings are needed then subsequent special meetings will continue to be reduced by half
 - 15% of the membership (516 homes) is 78
 - 7.5% of the membership (516 homes) is 39

Raising of Dues

- Once quorum is established in this special meeting, 2/3rds of the votes must be for the raise in rates.
 - First Meeting – 310 to make quorum, 207 votes to pass the increase
 - Second Meeting – 155 to make quorum, 104 votes to pass the increase
 - Third Meeting – 78 to make quorum, 52 votes to pass
 - Fourth Meeting – 39 to make quorum, 26 votes to pass

Raising of Dues

- Hurdles:
 - Price of mailers for how many notices
 - Must do meetings subsequently within 60 days of each other or we would have to start over.
- Idea
 - Start to collect proxies before the first meeting announced. As we get closer to the goal we can start the process of the shrinking meetings.
 - Bylaws Section 5 says that all proxies are to last 11 months.

Certified Mail Language

Article X, Section 7

Section 7. Registration by Owner of Mailing Address. Each owner and first mortgagee of a Lot and each insurer or guarantor of a First Mortgage, shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. If an Owner has not registered a mailing address it shall be deemed to be the address of the Lot. All notices, demands, or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to _____ until such address is changed by the Association.

Certified Mail Language

- Declaration Article X, Section 6.

Section 6. Duration, Revocation, and Amendment.

(a) Each and every provision of this Declaration shall run with and bind the land for a term of thirty (30) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for five successive periods of ten (10) years each. Except as otherwise provided, and subject to Section 8 of Article X, this Declaration may be amended during the initial thirty (30) year period, and during subsequent extensions thereof, by an instrument approved in writing by not less than fifty-one percent (51%) of the Members. Such amendment shall be effective when duly recorded in the County of Arapahoe, Colorado.

- Takeaway: 51% Written Vote. No special meeting.

Certified Mail Language

- Hurdles:
 - Financially we need to decide how much money to put into the mailer.
- Ideas
 - We start with a paper vote hand delivered and collect as many as possible for as cheap as possible. Any household that didn't vote will then we send out via first class mail. Every attempt that escalates in cost will have a smaller number of mailers needed because we will only send out to unresponsive households.
 - When we have the 51% of households or 264 paper yes votes to remove this language then we can discuss sending a final mailer via certified mail to protect against future challenges.

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- Like the Certified mailer issue, we need to amend the Declaration with a paper vote (Article X, Section 6).
- However, Article VIII applies a higher standard.

ARTICLE VIII
FIRST MORTGAGEES

Section 1. Member and First Mortgagee Approval. Subject to the provisions of Article X, Sections 6(b) and 6(c) hereof, but notwithstanding anything to the contrary set forth elsewhere in this Declaration, the Association shall not unless it has obtained the prior written consent of at least two-thirds (2/3) of the Members other than Declarant, two thirds (2/3) of the

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Members including Declarant, and two-thirds (2/3) of the First Mortgagees of Lots (based upon one vote for each First Mortgage owned):

(a) by act or omission, change, waive, or abandon any scheme of architectural control, or enforcement thereof, as set forth in this Declaration,

(b) fail to maintain full current replacement cost fire and extended coverage insurance and liability insurance on the Maintenance Property,

(c) use hazard insurance proceeds for Maintenance Property property losses for purposes other than to repair, replace, or reconstruct such property,

(d) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer any property owned, directly or indirectly, by the Association for the benefit of the Owners (excluding the granting of permits, licenses and easements for public utilities permitted in Section 2(e) of Article II, roads or other purposes consistent with the intended use of such property and reasonably necessary or useful for the proper maintenance or operation of the Properties or the Association),

(e) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(f) add or amend any material provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association, which establish, provide for, govern or regulate any of the following, provided that such additions or amendments shall not be considered material if they are for the purpose of correcting technical errors or for clarification only:

(i) voting rights;

(ii) assessments, assessment liens or subordination of such liens;

(iii) reserves for maintenance, repair and replacement of those elements of the Maintenance Property which must be maintained, repaired or replaced on a periodic basis;

(iv) insurance, including but not limited to fidelity bonds;

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(v) rights to use of the Maintenance Property;

(vi) responsibility for maintenance and repair of any portion of the Maintenance Property;

(vii) expansion or contraction of the Properties or the addition, annexation or withdrawal of property to or from the Properties;

(viii) boundaries of any Lot;

(ix) interests in the Maintenance Property;

(x) convertibility of Lots or Residences into Maintenance Property or of Maintenance Property into Lots or Residences;

(xi) leasing of Residences;

(xii) imposition of any right of first refusal or similar restriction on the right of any Owner to sell, transfer or otherwise convey his Lot;

(xiii) any provisions which are for the express benefit of First Mortgagees, or insurers or guarantors of First Mortgages; or

(g) terminate professional management and assume self-management of the Association when professional management has previously been required by any First Mortgagee or insurer or guarantor of such a First Mortgage;

(h) terminate the legal status of the Properties as a planned unit development, provided that this subsection (8) shall not apply to amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association made as a result of destruction, damage or condemnation of the Properties or improvements thereon;

(i) restore or repair the Properties, or any portion thereof, including but not limited to improvements located thereon, after a partial condemnation or damage due to an insurable hazard, other than substantially in accordance with this Declaration and the most recent plans and specifications for the Properties and the construction of improvements thereon;

(j) terminate the legal status of the Properties after substantial destruction or a substantial taking in condemnation of the Properties.

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- Takeaway: We need 2/3 written vote to change any language in the Declaration that pertains to “Assessments, assessment liens or subordination of such liens.”
 - 344 homes need to vote yes to untie us from the District of Columbia Consumer Price Index and to affix us to something closer to the Denver Consumer Price Index.

Some Numbers

- 110 households showed up to at least one of the 3 townhalls and signed in.
- Proxies Turned in
 - Removing duplicates we collected in August 98 Proxy Votes from CPMG, Norm, Karie and Kendall.
 - 89 yes to remove mail, 3 were to keep certified mail language.
 - 86 yes to boost dues and change language, 6 no votes.
 - 3 blank votes and no designated proxies. These 3 probably are given to the president to vote for them.
 - 3 name mismatches – Here the owner we have on file does not match the person that signed the proxy.
 - We would probably reach out so they can refile the vote appropriately.
- Proxies Not turned in:
 - 54 people were at the 3rd townhall and they didn't turn in a proxy. We can assume they were engaged in the process and can count on a vote from them.
 - There were 13 more yes votes for mail and 1 no expressed on a social media that didn't turn in a proxy or show up to the Monday meeting.
 - There were 14 more yes votes in favor of the dues increase and 4 no votes expressed on social media that didn't turn in a proxy.
- Overall from proxies, expression on social media or that physically were present at a town hall we possibly reached and engaged with 170 members or 32% of the community. Not enough to change language but it gives us promise to get a rate of increase by at least the second special meeting.

Next Steps:

- Reevaluate the price needed in the increase.
 - With the reserve study being confirmed tonight with a board vote, the community will be able to read the study and return to us for discussion at the February meeting. The new reserve study can be a great starting point for the price point.
- Formulating strategy of when to run which campaign and when.
 - This needs to be budget conscious as every mailer or flyer start to add up and until we have a budget increase, we can't assume it will simply pay for itself eventually.
 - The any changes we can achieve can only go into effect after we file the necessary paperwork with the county according to Declaration Article X, Section 6.