

Bylaws Committee Report
Meeting Date: March 29, 2022
Held via Zoom

Members Present: Mike Riley, Tim Wheeler, Dave Rahn, New member, Stan Dunlap

Meeting came to order at 2:00 Mountain Time

1) New business:

- a) Stan was welcomed to his first meeting as a member of the Committee.
- b) The Committee's Role in the Near Future: Stan was queried about the Board's expectations for the Committee to aid Dave, Tim and Mike in considering the pros and cons of working on the upcoming Rules and Policy documents.
- c) Bylaws Thoughts:
 - i) Bylaws Legal Research Inquiries: A vigorous debate occurred about the reasons such information was needed, the appropriate manner in which the attorney should report this information to the Association and the degree to which previous information requests had been met or not met. The Committee re-iterated its belief and request that written memorialized legal opinions from the HOA attorney are provided for the key questions the committee raised and a necessary best practice that helps mitigate HOA risk. This discussion ended when Stan volunteered to provide the Committee all of the Bylaws legal documentation obtained when writing all versions of the Bylaws.
 - ii) Bylaws Completion: Stan reported that he felt the Bylaws were mostly complete awaiting for feedback from the Members. Dave mentioned that his personal review of the proposed bylaws identified at least 11 additional areas where more editing should occur. Some of the changes were minor wordsmithing, while others more significant. Stan requested a copy of the proposed edits from Dave. Stan's request was tabled since two of the Committee members had not had a chance to review Dave's analysis and the versions Stan had provided.
 - iii) Distribution of Proposed Bylaws to Members: Stan confirmed that the release of the Bylaws draft distributed to the Members on 3/23/2022 occurred without the Board's approval.
 - iv) New Section 10.2 Bylaws Amendments: Committee members were informed that Section 10.2 has been modified to require a majority vote of the Members to change Bylaws in the future based on the Association's attorney comments.
- d) Document Review Process: Tim, Mike and Dave shared their thoughts on how their bylaw recommendations were poorly received by the Board after their many long hours of time in researching and writing them. They expressed that it would be very beneficial for the Board to include the Committee in the final review process because their contribution could save time, money and help produce a highly effective comprehensive set of final documents. They referenced their very effective seven-step process that was used to produce the version given to the Board on January 2. Stan considered their thoughts, and offered no indication of his personal feelings on this topic. Also, there was a discussion on whether or not a Board motion already covered this topic. Stan will check with Susan to determine if one was made and properly voted on.

2) Old Business:

- a) Rules Documentation: Stan opened the discussion talking about the latest version of a Short Term Rental (STR) policy and rules. He reported on information from one attorney representing two owners operating STR's that no additional fees could be charged to Members operating

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them, but a licensing requirement could be adopted, which he recommended doing. In addition, Stan's version included the Committee's recommendations made a few months ago that creating rules and fines schedule governing STR's should occur with the roll out of the STR policy. These include, but are not limited to, setting maximum occupancy levels, being complaint with tax collection and remittance of taxes to the appropriate entities, parking limitations, noise limitations, and being in compliance with La Plata County codes governing STR's. Lastly, he proposed a solution to resolve a major issue that the operation of STR's, as a business, violates the CC&R's.

The Committee was generally in agreement with this approach and strongly in favor of:

- i) Making sure the policy, rules and enforcement process is thoroughly reviewed by the Association's attorney prior to implementing them.
- ii) That the Association's attorney confirm that no fee can be charged to STR operators.

Further discussion was tabled until the next meeting.

- b) Two Board Members from one Parcel: Two members from one parcel are presently on the Board. This situation could affect the outcome on any issue that requires a vote. The association is in receipt of a letter from an attorney representing a Member saying it is a violation. On the other hand, the Association has an email from their attorney saying it is not a violation. The Committee is aware that this conflict of opinions needs to be resolved before the Bylaws are adopted. Resolving this requires the attorneys to agree before the Bylaws can be adopted.

Further discussion was tabled until the next meeting.

Stan Left the meeting to attend to a personal commitment around 2:00 PM

Tim, Mike and Dave continued discussions on their views of the Committee's roles and possible next steps incorporating the new information learned at today's meeting.

Meeting Adjourned at 2:30.