



Park East Square Homeowners Association, Inc.

c/o Trio Property Management

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Re: Request for Input and Feedback on Proposed Rewrites to the Governing Documents

Dear Owner(s):

As you may know, the Board of Directors for Park East Square Homeowners Association, Inc. ("Association") has been working on rewriting the Association's governing documents for several reasons: bringing them current with Colorado law, removing all obsolete provisions related to the Declarant (i.e., the developer of the community), addressing gaps, clarifying ambiguities, removing unwanted provisions, revising insurance obligations, and otherwise reflecting the needs and desires of today's community.

The Board has now approved the final drafts. Before sending these documents to you for your formal vote, the Board would like to provide you the opportunity to give input and feedback. The following documents may be found on the PESHHA [website](http://parkeastsquare.org) (parkeastsquare.org):

- (i) Amended and Restated Articles of Incorporation of Park East Square Homeowners Association, Inc. ("A&R Articles"),
- (ii) Amended and Restated Bylaws of Park East Square Homeowners Association, Inc. ("A&R Bylaws"),
- (iii) Amended and Restated Park East Square Declaration of Covenants, Conditions, Restrictions, and Easements ("A&R Declaration") (collectively the "Proposed Amendments").

Because the Proposed Amendments are complete rewrites of your current Articles, Bylaws and Declaration, these new documents use completely new language, and so we are unable to provide a redline to your current documents. However, we have included bolded and bracketed Notes underneath each provision, which provide whether the provision was added, revised, or removed in order to meet current law, or at the attorney recommendation, or some other reason, and also whether the provision was similar to your current documents and a citation to such document.

We have also provided the following summary of the revisions, which should be helpful in your review.

A&R Articles

- Updates the definitions section to refer to the A&R Declaration for definitions, as all documents are intended to work together, with the same definitions. (Article 3)
- Adds limitation of liability provisions pursuant to, and available under, the Colorado Revised Nonprofit Corporation Act ("[Nonprofit Act](#)") (Article 6)
- Removes reference to classes of membership and relocates the specific voting provisions to the A&R Bylaws. (Article 7)
- Updates the principal office and registered agent of the Association to reflect current information. (Article 8)
- Simplifies the language regarding the Board of Directors, creating a range of three to seven directors with the specific number being moved to the A&R Bylaws. (Article 9)
- Reduces the amendment requirement for future amendments to a majority of a quorum of Members, which is the default requirement under the Nonprofit Act. (Article 10)
- Simplifies provision regarding the distribution of assets upon dissolution pursuant to the Nonprofit Act. (Article 11)
- Adds a provision regarding interpretation of the governing documents. (Article 12)
- Article IX (Mergers and Consolidations) is obsolete and has been eliminated.
- Article X (Authority to Dedicate, Transfer and Mortgage) has been moved to the A&R Declaration.
- All other provisions are substantially similar to your current Articles.

A&R Bylaws

- Establishes the general purposes of the Association. (Section 1.2)
- Updates the definitions section to refer to the A&R Declaration for definitions, as all documents are intended to work together, with the same definitions. (Section 1.3)
- Adds a provision regarding membership and voting, with the language regarding voting rights moved to the A&R Declaration pursuant to the Colorado Common Interest Ownership Act ("[CCIOA](#)"). (Section 2.1)
- Revises the provision regarding suspension of voting rights and rights to use the amenities for violations of the governing documents. (Section 2.2)
- Adds a provision regarding Member voting as required by CCIOA. (Section 2.3)
- Adds a provision regarding transfers of membership in the Association. (Section 2.4)
- Removes the requirement that the annual meeting be held in the same month of every year to allow for more flexibility. (Section 3.1)
- Clarifies the budget process (and retains the pre-CCIOA process) but adds that if the proposed budget exceeds the Maximum Annual Assessment then it must be submitted to the Owners for an opportunity to veto. (Section 3.2)
- Revises the provision regarding special meetings to lower the requirement for Members to petition special meetings to 20%, which is the maximum permitted by the Nonprofit Act. (Section 3.3)
- Updates notice requirements to set a maximum number of days for notice of Members meetings pursuant to CCIOA, and to require mailing of notice of meeting of the Members, and additional types of notice (e.g., physical posting and electronic notice) as required under CCIOA. (Section 3.4)
- Adds a provision requiring that meetings take place in Boulder County. (Section 3.5)

- Adds the express authorization for Members to attend meetings electronically and telephonically, pursuant to the Nonprofit Act. (Section 3.6)
- Updates the proxy requirements to be consistent with the Nonprofit Act. (Section 3.8)
- Adds a provision regarding the order of business for all meetings to allow for efficiency and flexibility. (Section 3.9)
- Updates and simplifies the voting procedures and use of secret ballots when required by law. (Section 3.10)
- Adds the requirements for voting by written ballot, as permitted under the Nonprofit Act. (Section 3.11)
- Adds the default approval requirement for membership action pursuant to the Nonprofit Act. (Section 3.12)
- Adds a provision regarding the acceptance or rejection of individual votes pursuant to the Nonprofit Act. (Section 3.13)
- Adds a provision regarding how ballots are counted pursuant to CCIOA. (Section 3.14)
- Establishes the size of the Board of Directors at five members. (Section 4.1)
- Expands the eligibility requirements for serving on the Board, including the obligation to register under the Corporate Transparency Act, if applicable (currently this law is being challenged). (Section 4.2)
- Requires terms of directors to be staggered, to preserve history and knowledge of the Board as directors cycle on and off the Board. (Section 4.3)
- Adds a provision regarding the resignation of directors. (Section 4.4)
- Requires vacancies caused by removal to be filled by election vs. appointment by the Board. (Section 4.6)
- Reduced notice of Board meetings from three to two days, which is the default under the Nonprofit Act. (Section 5.3)
- Adds provision regarding the location of Board meetings and requirement that Board meetings be open to the Owners, other than when in executive session, which is required under both CCIOA and the Nonprofit Act. (Section 5.4)
- Adds a provision regarding waiver of notice of Board meetings by directors, which is permitted under the Nonprofit Act. (Section 5.5)
- Adds language regarding the use of proxies for Board meetings. (Section 5.7)
- Adds a provision expressly authorizing the Board to attend meetings electronically and telephonically, as permitted under the Nonprofit Act. (Section 5.9)
- Adds a provision allowing Owners the opportunity to speak before the Board votes at a meeting on any issue pursuant to CCIOA. (Section 5.10)
- Updates the powers and duties of the Board to be consistent with those under both the Nonprofit Act and CCIOA. (Section 6.1)
- Adds a provision expressly authorizing the Board to hire a community manager. (Section 6.2)
- Adds a provision regarding no waiver of enforcement. (Section 6.3)
- Requires that all named officers also be Board Members. (Section 7.1)
- Updates the duties of officers. (Section 7.6)
- Adds the right to delegate officer duties to a managing agent, committee, or Board member. (Section 7.7)
- Adds a provision regarding requirement that those who have been delegated authority to manage the funds of the Association meet certain requirements regarding fidelity

insurance, separation of funds from other association funds, and annual accounting requirements. (Section 7.8)

- Adds requirement that committee meetings be open to members, per CCIOA. (Section 8.2)
- Revises and updates language regarding the keeping of Association books and records, with the more specific provisions to be found in the Association's Inspection of Records Policy. (Article 9)
- Adds a section regarding indemnification of the Board members, offices, committee members and anyone else who serves no behalf of the Association. (Article 11)
- Authorizes the Board to change the fiscal year. (Section 12.1)
- Adds a provision regarding notices needing to comply with Colorado law. (Section 12.2)
- Adds a provision regarding conflicts between the governing documents. (Section 12.3)
- Article I (Name and Location) has been moved to the A&R Articles.
- Article XI (Assessments) has been moved to the A&R Declaration.
- Article XII (Corporate Seal) is no longer required and has been eliminated.
- All reference to first mortgagees has been eliminated.
- All other provisions are substantially similar to your current Bylaws.

A&R Declaration

- Removes obsolete definitions and includes new definitions to also be consistent with the A&R Bylaws and A&R Articles, as the three documents are intended to work together. (Section 1.1)
- Simplifies language regarding easements appurtenant to the Lots, and added the right to establish maintenance standards of the easement area. (Section 2.5)
- Simplifies language regarding easements for encroachments, reiterates that if a Lot does not have a building or patio on it then it is under the Association's regulation authority, and allows an Owner to use and maintain such areas with express written permission by the Association. (Section 2.6)
- Clarifies the general easement that the Association and Owners have over the Lots to perform maintenance obligations. (Section 2.7)
- Adds reference to CCIOA requirements regarding closure of Common Area facilities and amenities for more than 72 hours. In such cases the Association must comply with certain posting and notice requirements per CCIOA. (Section 2.9)
- Adds a provision requiring Owners to notify the Association of any defects in the Common Areas so the Association may address the same, and disclaiming the Association from liability when the Owner assumes the risk. (Section 2.12)
- Removes references to class and declarant voting, which are obsolete. (Section 3.1)
- Adds reference to the general purposes and powers of the Association. (Section 3.2)
- Adds reference to the authority of the Association to manage the community, and of the Board to take action on behalf of the Association unless such action is expressly reserved to the Owners for a vote. (Section 3.3)
- Adds a provision expressly authorizing the Board to hire a community manager. (Section 3.4)
- Adds the requirement to provide notice of matters affecting the community to all Owners as required by CCIOA. (Section 3.5)

- Adds an indemnification provision requiring the Association to indemnify directors, officers, or other volunteers of the Association. (Section 3.6)
- Adds a disclaimer for any security measures the Association may opt to implement in the community. (Section 3.7)
- Adds a provision regarding education and training of homeowners with respect to community association operations and governance, as required per CCIOA. (Section 3.8)
- Adds a provision stating the total number of Lots in the community, as required by CCIOA. (Section 4.1)
- Adds a provision clarifying the Limited Common Areas. (Section 4.2)
- Adds a provision addressing the Association's rights to address mechanics liens. (Section 4.3)
- Relocates all maintenance and repair obligations over various components to chart form in Exhibit C. (Article 5)
- Clarifies various maintenance requirements and limitations, including the prohibition of homeowners performing maintenance on the Common Areas, the ability of the Association to assume additional maintenance, the requirement for the Association to repair damage to the Lot caused when performing its maintenance obligations, and the liability of the Association for interior water intrusion to the Lot if caused by the Association's negligence. (Section 5.1)
- Authorizes the Association to adopt maintenance standards to prevent unsightliness. (Section 5.3)
- Adds a negligence standard for Owners (which is similar to the standard for the Association). (Section 5.4)
- Adds a provision regarding the replacement of exterior light fixtures. (Section 5.5)
- Updates language regarding mold and asbestos prevention and mitigation. (Section 5.6)
- Adds a provision regarding insect and vermin infestations. (Section 5.7)
- Authorizes the Association to access Units for purposes of water leak inspections. (Section 5.8)
- Adds a provision requiring nits to be heated to at least 55 degrees Fahrenheit to prevent water breaks. (Section 5.9)
- Updates and clarifies language regarding an Owner's failure to comply with maintenance obligations. (Section 5.10)
- Updates language regarding payment of assessments. (Section 6.1)
- Simplifies language regarding use of assessments (i.e., instead of identifying specific uses we replaced it with reference to the budget). (Section 6.2)
- Retains the pre-CCIOA Maximum Annual Assessment process in which the Board may adopt a budget up to a certain amount without Owner approval or veto, but adds that if the proposed budget exceeds the Maximum Annual Assessment then it needs to be submitted to the Owners for an opportunity to veto. (Section 6.3)
- Revises the special assessment provision to follow the CCIOA's veto process and removes the special notice and quorum requirements for special assessments. (Section 6.4)
- Updates language regarding supplemental assessments to allow for additional assessments to be charged to any Lot that is benefitted or otherwise related to the expense. (Section 6.5)

- Adds a working capital fund provision, which requires a nonrefundable contribution in the amount of two months' worth of assessments to be paid at every closing. (Section 6.6)
- Adds a provision regarding the application of payments on delinquent accounts, as is required by CCIOA. (Section 6.7)
- Updates remedies for nonpayment of assessments to be consistent with CCIOA, revised the grace period for late payments, and added the right to accelerate unpaid assessments. (Section 6.8)
- Updates the provision regarding lien priority pursuant to CCIOA. (Section 6.9)
- Adds a provision allowing the Association to waive strict application of use restrictions if circumstances warrant such waiver. (Article 8, introductory paragraph)
- Adds a provision clarifying the Association's rules, regulations and restrictions shall not be contrary to Colorado public policy. (Section 8.1)
- Adds language regarding use of the Lots, including home-based businesses, which is now defined and addressed in CCIOA. (Section 8.2)
- Clarifies the regulations on leasing and occupancy of Lots in the community, expressly prohibiting short-term rentals of less than 6 months. (Section 8.3)
- Adds an express prohibition against vacation rentals such as Airbnb and VRBO. (Section 8.4)
- Adds a provision that no Owner may own more than three Lots in the community. (Section 8.5)
- Adds a provision regarding the use of balconies, decks, patios, and porches. (Section 8.6)
- Expands the pet restriction in the community. (Section 8.7)
- Revises your current provision regarding the use of antennas and satellites, to comply with federal law. (Section 8.8)
- Clarifies the prohibition of nuisances in the community. (Section 8.9)
- Expands the restrictions of parking, storing, and repairing vehicles in the community, adding towing language compliant with Colorado law. (Section 8.10)
- Adds requirement that prior written approval is necessary for planting/gardening (whether inside or outside Limited Common Areas). (Section 8.12)
- Expands the provision regarding temporary structures and outbuildings on a Lot. (Section 8.13)
- Adds a provision regarding the use and storage of grills and tanks in the community. (Section 8.15)
- Adds a requirement that nothing shall be done or kept in the community that may increase or cancel the Association's insurance. (Section 8.16)
- Adds a prohibition against the distribution and growing of marijuana. (Section 8.17)
- Adds a prohibition of smoking and vaping in the interior parking stalls or in the Common Areas except for Limited Common Areas. (Section 8.18)
- Updates restrictions regarding signs and flags per CCIOA. (Section 8.19)
- Updates the language regarding trash restrictions. (Section 8.20)
- Adds a restriction against hoarding. (Section 8.21)
- Adds a provision regarding no restrictions on mortgaging a Lot. (Section 8.22)
- Adds a provision regarding use restrictions contained on the property Map. (Section 8.23)

- Adds a provision regarding compliance with applicable laws, ordinances, rules and regulations. (Section 8.25)
- Adds a provision regarding use of the Association's name or logo. (Section 8.26)
- Substantially expands language regarding modifications to the Lots and Limited Common Areas, including the process the Owners must complete to request the same. (Article 9)
- Adds a provision regarding the architectural criteria used when reviewing requests for modifications. (Section 9.3)
- Adds a timeframe for communication and responses related to architectural modification requests (Section 9.6)
- Adds a provision clarifying maintenance responsibility for modifications. (Section 9.8)
- Relocates all insurance obligations to chart form in Exhibit C. Updates insurance obligations to current industry standard. (Article 10)
- Expands upon the enforcement rights and remedies of the Association. (Section 11.1)
- Updates the provision regarding the Association's right to reimbursement of reasonable attorney fees and costs per CCIOA. (Section 11.2)
- Lower the Owner approval requirement to amend the A&R Declaration to a majority of all Lot Owners pursuant to CCIOA, and removes mortgagee approval requirements. (Section 11.5)
- Adds a provision regarding captions used in the A&R Declaration. (Section 11.6)
- Adds a provision regarding interpretation of the A&R Declaration (Section 11.7)
- Adds a provision clarifying that the singular includes the plural, and vice-versa. (Section 11.8)
- Adds a provision regarding conflicts between the governing documents. (Section 11.9)
- Adds a one-year statute of limitation for deadline to challenges to the A&R Declaration, which is per CCIOA. (Section 11.10)
- Removes obsolete provisions regarding the Declarant, or that are contrary to Colorado or federal law.
- All other provisions are similar to your current Declaration.

Please review the Proposed Amendments and submit any input and feedback you have on the new documents **no later than March 24, 2025**. You can submit your comments via email to board@parkeastsquare.org or mail them to Board of Directors, 1075 Monroe Dr., Boulder, CO 80303.

We will also be holding an informational meeting along with Association's attorney via zoom to answer any questions, collect additional input, and clarify the process for the vote. The meeting will be held on March 10 at 7:00 p.m. The link to the meeting will be emailed.

After the expiration period, the Board of Directors will decide whether to make any additional changes. The Board will then mail a copy of the final Proposed Amendments to you for formal vote.

If you have any questions, please contact the Board at board@parkeastsquare.org.

Thank you,

Board of Directors
Park East Square Homeowners Association, Inc.