

SILVERHEELS NEW AMENDED COVENANTS COMMITTEE (SNACC)

Minutes of 08/10/22 Meeting

(7:00 PM via Zoom)

Approved at 08/24/22 Meeting

1. Attendance & Quorum (13 lots)

Members Present: Rich Bainbridge, Susan Barden, Tony Boccio, Luis Canales, Lesley & Ed Hall, Gail & Steve Kloppel, Zach Loos, Mary Manka, Lane Mathison, Mike Peterson, Kylie & Tyler Pontius, Charlie Schultz, Maria Smaldone, Jeffrey Togie

Members Absent: Natalie Gorak, Maria Mitchell, Lillian Wissel

Quorum: A quorum was met with 16 lots represented.

2. Review and Approve Minutes of 7/13/22 Meeting, Notes of 7/27/Unofficial Meeting

The minutes of the 7/13/22 meeting, previously provided to all Members, were unanimously approved. Since attendance at the 7/27/22 meeting did not result in a quorum, Notes rather than Minutes were prepared and previously provided to all Members; those also were approved.

3. Review of Section 3.1, using Draft v15

The meeting began with JB asking for general comments regarding the suggested changes made in Draft v15 that had been provided to the Members days in advance of the meeting. For the entire rest of the meeting, discussion focused on Section 3.1, titled “Restrictions Imposed” in the Amended and Restated version of the Covenants that did not pass last summer.

All agreed at the outset that the word “Imposed” should be deleted from the title.

Kylie suggested that, for clarity, the language of the Section be separated into 2 parts as follows:

1. This community is subject to the following restrictions as well as all provisions of the Plats. These restrictions are general in nature.
2. The Board shall have the power to adopt, amend repeal and enforce Rules and Regulations which modify, limit, create exceptions to, or explain, these restrictions as the Board may deem reasonable and necessary to carry out the intent of these Covenants, and in accordance with its duty to exercise its business judgement.

Little discussion followed about part 1, with no Members voicing a concern regarding its wording. On the other hand, it was generally agreed that part 2 was wordy and not clear enough. More importantly, a risk was identified that if the Board had the power to establish a Rule or Regulation that could “modify, limit, create exceptions to, or explain” a restriction already set forth in the Covenants, then it effectively would be modifying the Covenants themselves. This, of course, would not be acceptable.

The issue of how Rules or Regulations could be adopted drew a lot of attention. Some Members argued that any new Rules or Regulations should be adopted through the exact same process that must be applied to changes in the Covenants themselves: written notice to all SROA members at least 60 days in advance of the Annual Meeting, and a majority of all Lots in the community (i.e., at least 101 Lots) voting in favor of any change on written ballots. Others thought proposed Rules or Regulations should be presented to the membership at the Annual Meeting for a majority vote of all owners present in person or by proxy (provided that at least a quorum was present). However, several members urged that either of these approaches would require unacceptably long periods of time for action to be taken on issues affecting the community that often needed to be handled more expeditiously. They emphasized instead that once Board members have been elected, they should have the trust of the community -- that as volunteers, lot owners, and neighbors themselves, their motivation is for the continued safety and harmony of the community, not to mention the preservation of everything that makes Silverheels special to all of us.

It was noted that only three Rules or Regulations have been put in place since the inception of the development more than 40 years ago; there has been no history of overreach by any Board in our history. Each of those Rules or Regulations was adopted to preserve or improve the community's safety, beauty, and usage of common areas. They have been as follows:

1. Requiring realtors to post signs only at the kiosk at the entrance of the development and one on the lot for sale.
2. Requiring bear-proof trash containers for weekly pickup.
3. Allowing fishing at the augmentation pond for members and their guests without the requirement of a Colorado fishing license, but subject to certain limits.

Some urged that the wording of Section 3.1 be left as-is, but to add a clause allowing for a process of recourse by owners who disagreed with any new or modified Rule or Regulation. Others challenged this because of the difficulty in changing something after the fact. Instead, they urged that the Board should be required to communicate with the owners when a new or modified Rule or Regulation is being considered, with the intent of obtaining opinions from owners prior to putting anything new in place. Others were concerned that this might extend the time before a needed Rule or Regulation could be put in place – for example, when it related to an issue such as fire safety. Several expressed the view that the Board is elected to act reasonably and, when necessary, quickly; it should not be impeded by a cumbersome process in fulfilling its responsibilities.

Another suggestion was that an e-blast could be sent to owners when the Board begins to consider a potential Rule or Regulation, with owners given 30 days to respond with any input. The Board could take any opinions or suggestions into consideration and then do the work it was elected to do. Some voiced the opinion that if the Board becomes micro-managed this way, nothing will get done in a timely manner.

We then took several straw polls to provide more insight into the respective positions of the majority of Members. We agreed that JB should try to draft a revised version of the Section that would take into account as much of the foregoing as possible.

The remainder of the meeting was spent discussing the Notes JB had included in Draft v15 regarding terms used in the text that need to be included as defined terms in Appendix A - Definitions. After some discussion for clarification of Note 1 regarding the definition of "Community", the proposed definition was approved. Note 2 was set aside for the next meeting because it addresses the definition of "Rules and Regulations", the wording of which will be affected by the final draft of Section 3.1. Note 3, regarding the definition of "Lot", involved some discussion because of the term "tract" which is included at other times in the Covenants. Note 3 was then approved as written by a majority vote.

4. **New Business**

Reminder: The SROA Annual Meeting is Saturday, September 10, starting at 9:00 AM.

5. **Next Meeting**

The next meeting will be August 24, at 7:00 PM on Zoom. Homework: continue with review of all of Article 3, including the proposed new version of Section 3.1 that JB will send out ahead of the meeting.

Kylie will not be available to host a meeting the week of September 5, which would be the next two-week interval after the August 24 meeting. Accordingly, August 31 is up for consideration to allow the committee to meet once before the Annual Meeting.

6. **Adjournment**

The meeting was adjourned at 9:01 PM.