



Woodmoor

IMPROVEMENT ASSOCIATION
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Date: April 21, 2011

Dear Woodmoor Owners,

As many of you are aware, last year a complete review of all our governing documents was conducted. Led by former Board President Hans Post, the Legal Audit and Covenant Advisory Committee, acting on recommendations made by our legal advisors HindmanSanchez, P.C., proposed a set of changes to our governing documents. The Woodmoor Board then reviewed and accepted those changes and presented them to the homeowners at the annual meeting in January.

Over the years our governing documents have become dated. The intention of the Board is: to bring our documents into compliance with Colorado state law; to eliminate the conflicts between our Articles and By-Laws; to eliminate legal language that no longer applies; and to simplify and clarify many of the references and definitions.

The purpose of this letter is to ask you to vote and approve these changes to our governing documents. We have attempted to make this process as simple as possible, allowing voting by mail or in person at the Woodmoor office (1691 Woodmoor Drive), and have included pre-paid envelopes for you to return your ballots. For legal reasons we are required to ask owners to submit two separate approval forms:

1. An **"Owner Consent to the Amended and Restated Declaration for the Woodmoor Improvement Association"**. This form says that you approve the newly revised Declaration of Covenants. If you agree, all you need do is provide the owner(s) name(s), the lot address, and signature(s) and date(s).
2. A **"Notice of Action by Written Ballot in Lieu of a Meeting of the Members of the Woodmoor Improvement Association and Ballot for Vote on the Proposed Amended and Restated Articles of Incorporation and Amended and Restated Bylaws"**. This very long title means that:
 - We are asking you to approve these changes via mail-in ballot instead of a community meeting, and
 - We are asking you to approve changes to the Articles of Incorporation and the Bylaws.

For this ballot you are asked to provide the name(s), lot address, signature(s), and date(s) for the owner(s) of the lot. You are also asked to vote separately for the proposed changes to the Articles and the Bylaws. You may vote in favor, against, or abstain.

It is the position of the Board that these changes should be approved. The details of the changes can be found on the Woodmoor.ORG web site (<http://woodmoor.org/content/governance-docs.html>) and at the WIA office at 1691 Woodmoor Drive. In these locations you will find: the existing governing documents; the proposed new documents; a presentation describing the changes in the documents; a special marked up version of the new documents highlighting each change and explaining the rationale.

In summary the changes cover these areas:

Primary Legal Reasons for Revisions: Our current governing documents do not include a limitation of liability statement allowed by state law, nor any indemnification clause, both of which are problems that our law firm strongly recommends correcting (these are by themselves sufficient reasons to make a change). In addition, the documents do not comply with current laws in the following areas:

- Registered Agent
- Provisions for owners calling special meetings
- Provisions for owners approving changes to governing documents
- Requirements for notice of meetings
- Requirements for audit and document retention
- Dissolution provision

Other Revisions: Given that changes to the governing documents happen rarely (they have not changed since 1972), it makes sense to use this opportunity to make other needed changes. We have intentionally avoided introducing any “controversial” changes. For example, we have not changed the limitations on the raising of assessments, the interest rates that may be charged on late payments, or the requirements for Woodmoor owner approval of changes to the composition of Woodmoor lands. We have maintained the protections for Woodmoor owners. These are the specific changes that have been made:

Declaration of Covenants

- Combined the separate North Woodmoor, South Woodmoor and South Woodmoor Placer covenants into one, given that they are nearly identical. However, the small number of variations in the existing covenants have all been maintained in the new, combined document. Note that the covenants for Placer Tract A (the YMCA) remains separate.
- Revised formal terms for consistency across all the documents. We removed “declarant”, as this term had a purpose when the WIA was founded but now is redundant with “Association”.
- Removed obsolete references to multiple classes of ownership. These applied only in Woodmoor’s formative years.
- Simplified “Purpose of assessment” clause in response to suggestion of past board members. This has no legal impact but may serve to prevent future confusion.
- Simplified the clause restricting businesses operating in Woodmoor residences at recommendation of ACC members. Such businesses still require approval.
- Removed restrictions on outside antennas, as it is no longer legally enforceable.
- Removed language specific to Woodmoor’s first 20 years of incorporation.
- Removed language regarding FHA/VA as no longer required by law.
- Simplified language around annexation of new land to map to current laws (still requires consent of 2/3rd of owners)
- Changed 75% supermajorities to 2/3 per state law.

Articles of Incorporation

- Many sections rewritten at suggestion of the WIA law firm to match the same legal template they suggest for new HOAs. This allows us to comply fully with current laws and to provide WIA and Woodmoor owners with all the legal protections allowed by current laws.
- Changed definitions to be consistent throughout the document.
- Changed supermajority required to make changes to 2/3 per state law.
- Will now explicitly permit the hiring of an HOA manager for WIA, per state law.

By-Laws

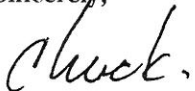
- Clarified the definition of terms used in document.
- Allow the date of annual January meeting to be set by Board instead of always the last Monday of the month.
- Changes to comply with state law:
 - Notice period before meetings will be 10 days (was 20).
 - Mail-in voting allowed (was not mentioned).
- Removed language that applied to the first 20 years of Woodmoor.
- Replaced vague language regarding removal of board members with clear procedures to allow owners to removal and replace of board members.
- Established clear requirements for board members to attend meetings.
- Indemnification clauses added (per WIA law firm).
- Anti-discrimination clause added.
- Added language describing how motions can be passed for emergency situations between meetings.
- Clarified WIA powers with regard to owners who are not in compliance with WIA rules (now matches state law).
- Added language reflecting legal requirements for auditability and retention of documents.
- Removed language redundant with the Declaration document.
- Clarified ambiguous text regarding election procedures.

Your WIA Board strongly believes these changes are in the best interests of Woodmoor and urges you to approve them. The requirement for revising the governing documents was intentionally made difficult by Woodmoor founders: 75% of all lot owners (not just 75% of those who submit a ballot) must approve changes to the Declarations of Covenants. That requirement has been lowered by Colorado law to 67% of all owners in the community, but that still means approvals must be received from almost 2,000 owners. Additionally, because Woodmoor North, Woodmoor South, and Woodmoor South Placer filing documents are being combined into one document, we will need approvals from 67% of owners in each filing.

For the Articles of Incorporation and the Bylaws the requirements for revision are different. For those documents we must receive ballots of at least 10% of lot owners for a quorum. For the Articles 75% of the ballots received must approve the changes – for the Bylaws a simply majority of ballots received is required.

The deadline for ballot submission is May 31st, 2011. Thank you very much for your participation.

Sincerely,



Chuck Maher

Woodmoor Board President