

Covenant and Bylaw Changes Summarized

#	Proposed amendment	Comments
Changes to Covenants		
1	Allow use of Association funds to maintain the city-owned median at the entrance.	The covenants currently do not address allowing the use of HOA funds on any property other than common property owned by the HOA. While the Board has been volunteering labor and mulch as a short-term solution, funds need to be appropriated to a landscaper for long-term and comprehensive care.
2	Allow residents to use their homes to conduct business as long as: (1) it is not detectable from outside the home, (2) doesn't involve visitation from employees, clients, customers, etc., (3) the business conforms to all zoning requirements, (4) the business doesn't increase traffic to the property, (5) the business doesn't increase the association's insurance, and (6) the activity is consistent with the residential character of the neighborhood.	Although the covenants currently don't allow for homes to be used for anything other than residential purposes, some residents are already conducting businesses from their homes. By making this change, the HOA can supply guidelines around the use of homes for this purpose.
3	Change the voting percentage required for amendments from 75% to 2/3rds.	75% participation in voting among homeowners to pass amendments has been a historically difficult number to reach. While 2/3rds is still the majority if the neighborhood, it reduces the number of homeowner votes needed to pass future amendments from 91 to 80. 2/3rds is also consistent with our stated parliamentary procedures.
4	Mandates an annual financial review in a manner decided upon by the Board.	<p>Currently, the bylaws state that an annual audit is to be conducted. However, the cost for a formal audit can be cost prohibitive (one estimate received was approximately \$8,000 which is more than half of the neighborhood's annual budget). The Board proposes a financial review instead. The following two policies would be applied to ensure full disclosure of financial information.</p> <ul style="list-style-type: none"> • Financial records are open to association members (this is currently in the covenants and bylaws and would not change), and • Should an owner(s) wish for an audit, one would be conducted at the owner(s) expense.
Changes to Bylaws		
5	Requires transfer of all HOA documentation and materials within one week of outgoing and incoming Boards.	
6	Eliminates the requirement of an HOA annual audit.	See comments above in item #4.
7	Requires at least two signatures on every check and advance approval for use of an HOA debit card from at least one other Board member except in the case of an emergency.	This change is proposed to facilitate broader fiscal oversight.