

**Proposed Changes to the Declaration of Covenants, Conditions and Restrictions and Articles of Incorporation for
Colony Biltmore-Greens Homeowners Association, Inc.**

In addition to updating the Declaration and Articles to comply with current federal and state law, and removing outdated references (such as those to the Declarant), the Board proposes the following additional substantive changes to the Declaration and Articles:

Declaration of Covenants, Conditions and Restrictions	
Section	Proposed Change
Article II - Easements	Allows companies to install, maintain utility lines with Board approval; allows Association to change the use of Common Area with approval of majority of Owners; requires approval of three-fourths (3/4 th) of membership to mortgage, transfer or encumber Common Area.
Article III, Section 1 (A) – Residential Use	Clarifies the types of business an Owner may conduct from his/her Lot.
Article III, Section 1 (B) – Permitted Structures	Permits only one private single family residence together with a two-car garage. A storage shed of less than six feet is allowed if not visible to neighbors.
Article III, Section 1 (D) – Antennas	Updates Declaration to comply with federal law regarding over the air reception devices.
Article III, Section 1 (K) – Signs	Clarifies that all signs must conform to state law (A.R.S. 33-1808).
Article IV – Maintenance	Clarifies maintenance responsibilities of both Association and Owners regarding lots, Common Areas, and party walls/fences.
Article V, Section 1 – Board	States that the Board shall consist of 5 to 7 members serving staggered terms. Board vacancies due to resignations or removals will be filled by the Board and the replacements shall serve out the remainder of the term.
Article V, Section 3 – Bylaws and Rules	Requires the Board to post/email proposed Bylaws or Rule changes to Owners at least thirty (30) days prior to their effective date; allows Owners to appeal actions of any committee; states that at least one Board member will ideally serve on each committee.
Article VI, Section 2 – Class of Members	Removed Class C membership, since the Declarant/Developer no longer owns any land.
Article VI, Section 4 – Cumulative Voting	Removes Owners’ right to cumulate their votes in Board elections. <u>There will be a separate line item on the ballot to eliminate cumulative voting.</u>
Article VI, Section 6 – Suspension of Voting Rights	Authorizes the Association to suspend the voting rights of failure to pay assessments or any other violation of the Declaration.
Article VII, Section 4 – Maximum Annual Assessments	Changes approval requirement to increase assessments from two thirds of all eligible votes to two thirds of those voting in person or by absentee ballot.

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Article VII, Section 6 – Capital Contribution Fee	Added authority for Association to collect Capital Improvement Fee from new Lot purchaser for the purpose of funding reserves and capital expenditures only. Funds borrowed from the Reserve account must be repaid.
Article VII, Section 7 – Financial Advisory Committee	A committee of 3 to 5 members shall be formed to study the Association’s fees and expenses and provide reports to the community.
Article VII, Section 10 – Use of Association Funds	Clarifies the purposes for which Association funds may be used.
Article VII, Section 11 – Fines	Gives Association the authority to fine owners for violations of governing documents.
Article VII, Section 12 – Disclosure Fees	Permits Association to charge a disclosure fee pursuant to A.R.S. Section 33-1806.
Article VIII, Section 2 – Review Fee	Allows Architectural Committee to charge a fee if expert assistance is needed to review a request and allows extra time for review of an application if expert assistance is required.
Article VIII, Section 2 – Variances	Permits the Architectural Committee to grant a variance to any provisions of the Architectural Rules
Article VIII, Section 4 – Architectural Committee	Changes Architectural Committee (AC) composition to 5 permanent members; clarifies that all AC decision are appealable to the Board.
Article VIII, Section 9 – Consultation with Affected Owners	Requires owners submitting an architectural request to discuss proposed changes with all immediately affected neighbors.
Article IX – Insurance	Updated insurance provisions, clarified that owners are responsible to insure their own individual property.
Article X, Section 1 - Enforcement	If the Association incurs legal fees to enforce the Declaration, the Owner shall be responsible for the legal fees regardless of whether a lawsuit is filed.
Articles of Incorporation	
Section	Proposed Change
Articles II and II	Updated the mailing address and statutory agent of the Association.
Article VIII	Removed reference to Class C membership; removed ability of owners to cumulate their votes (as mentioned above, this will be a line item on the ballot).
Article IX	Clarify that the Board of Directors shall have no fewer than five (5) and no more than seven (7) members.
Article XI	Change approval requirement to amend Articles from a two-thirds vote to a majority vote of the Members.