

October 21, 2016

Dear Neighbors,

Sincere thanks to those of you who have participated in the conversation regarding amending the rules for using our common element parking lots. Every voice contributes to helping your Board of Directors make decisions in the best interest of the entire community. We ask for your understanding, as our goal is not to restrict or penalize anyone. We are charged with the fiduciary responsibility of managing ourselves, with the assistance of our management company, and within the boundaries of our actual physical and financial resources. Please accept this general response to the comments that were received and discussed by your BoD at our meeting on October 17, 2016.

Primarily, parking lots and storage lots are not the same thing. They have different purposes.

Vehicles in parking lots move on a regular basis and provide transportation for passengers. Trailers and abandoned or stored vehicles neither move on a regular basis, nor do they provide transportation. They eliminate parking spaces. This reality, along with a Rule stating that a past Board had the "intention to provide up to 4 parking spaces per unit" has created a situation that has caused our HOA to be out of compliance with our most powerful Governing Document, the Declaration. The Declaration overrides any Rules and Restrictions that a Board might implement. Most of us understood that 4 parking spaces per unit and trailer parking were entitlements. Many of us have become accustomed to both of those amenities. In order to equitably allocate spaces to all owners according to the "intention to provide 4 parking spaces", we would need to have 504 parking spaces. Allocating 1 parking space per bedroom requires 280 passenger parking spaces. Simple math makes it clear that 504 spaces is 224 passenger parking spaces more than are required by the 1 parking space per bedroom allotment. No trailer/storage parking is accounted for in these calculations. Currently, we have 178 lined passenger parking spaces. The problem we are facing becomes evident. It will be a challenge for us to create an additional lined and identifiable 224 parking spaces within our current parking lots. We believe it is possible, however, and are currently taking deliberate steps to designate passenger parking areas, storage trailer parking areas, recreational trailer parking areas and motorcycle parking areas. In order to be fair to ALL owners and to comply with CCIOA laws for equitable use of Common Elements in a Colorado Common Interest Community, this Board is being forced to rectify an error that had become a cultural expectation.

It has been a benefit to some to have had free trailer/storage parking, commercial vehicle parking and 4 vehicle parking spaces for many years. None of these uses of our parking lots are allowed by our Declaration. Convenient, below market vehicle storage is an amenity that you will not find anyplace in this valley. Because we do not have enough available space in our current lots to provide 131 trailer/storage spaces so that our

common element parking lots can be equitably allocated for storage purposes, we must now limit the number of trailer/storage vehicles allowed to park at The Reserve and designate specific areas for such parking in order to provide equitable passenger vehicle parking. Rules and practices will ebb & flow over time with owners' needs and site opportunities and we understand that we must be realistic and clear about what is available. This is one of our fiduciary responsibilities.

In the spirit of compromise, we are working to provide trailer/storage parking for a below market fee, that may be assessed sometime in the future, for residents using more of our lots than can be equitably offered to each unit. In addition, we are working to create enough actual parking spaces and trailer/storage spaces to "grandfather in" all vehicles currently, appropriately registered with our management company to CURRENT RESIDENTS. This means up to 4 spaces, temporarily, for the units who are in compliance with the current rules and registration procedures. This also means that no one who is in compliance with our current rules would need to remove a vehicle until that particular vehicle is removed from the property by its owner due to the sale of the vehicle, the sale of the property, or the termination of a lease by a tenant owning the vehicle. Vehicles not in compliance with the current rules at the time of the adoption of the new rules will need to be removed from the property. For further clarity, this opportunity during this Rules transition period does not infer that any Unit shall be entitled to up to 4 parking spaces or any trailer parking in perpetuity.

Our only goals are:

1. To provide equitable use of our common element parking lots.
2. To improve each of our property values, including curb appeal.

Please realize that our Governing Documents Amendment process, our updated and functioning Reserve Capital Spending Plan, and our new irrigation system are three major projects that are making your HOA more credible and culturally current. This investment in Responsible Governance and capital improvement will have long term positive impact on the financial future of our community.

If you have a vision for the future of our community, please run for a position on your Board of Directors. Please contact sara@mcneillinc.com if you are interested.

Our next difficult challenge to discuss will pertain to short term rentals and how all rental options are effected by parking availability. If you have input or experience regarding these topics, please send your comments to mariah@mcneillinc.com.

Respectfully,

Your Board of Directors