

## REQUEST FOR ACTION

<b>To</b>	The Collection Board of Directors				
<b>Subject</b>	Amendment to the Declaration				
<b>Preparer</b>	Roy Howard & Russell Ryan				
<b>Date</b>	12/04/2018	<b>For Board</b>	x	<b>Action</b>	<b>Info</b>

### EXECUTIVE SUMMARY

We request an amendment to the Declaration (May 23<sup>rd</sup>, 2013) and Amendment #1 (June 23<sup>rd</sup>, 2014).

Specifically, we would like to delete Article 5 of Amendment #1 to the Declaration to have the effect of reinstating Article 21 of the Declaration.

Article 21 of the Declaration restores certain rights of the Developer, which the Developer could use to mitigate its financial exposure, and in doing so would reduce the financial risk faced by the AOOU, and all Unit owners of The Collection AOOU.

We request that certain board members consider recusing themselves from this vote if they have any doubt that they could be considered to be in conflict with voting on this matter. Then the matter should be presented to the homeowners for voting if required.

### RECOMMENDATION

- 1) To amend the Declaration via an amendment as summarized.
- 2) Vote on putting this change in Declarations to the unit owners based on the vote of non-conflicted board members
- 3) Explain to the Homeowners why this Clause is being re-inserted.

### RATIONALE

The AOOU's funds and the value of The Collection's units are at risk as a result of a vexatious owner's unreasonably large quantity of complaints, and threats of legal action.

The AOOU's funds will continue to be depleted by excessive D&O insurance, high deductibles, and increased legal fees. This means the AOOU Board will have to increase the owners' maintenance fees in excess of planned levels.

Any pending litigation will result in residential mortgage lenders unwilling to lend against this property, meaning the pool of available buyers will reduce and property values will fall. Board members have stated that the preservation of our property values

is paramount. The AOUO Board is responsible to develop defenses to mitigate this financial risk. This action is an almost zero-cost method to develop defenses to potentially reduce significant financial risk to the AOUO.

Exhibits (If applicable)	Index	Title

<b>FOR BOARD USE ONLY</b>											
<b>CERTIFICATE OF BOARD ACTION</b>											
<input type="checkbox"/>	Approved	<input type="checkbox"/>	Declined	<input type="checkbox"/>	Noted	<input type="checkbox"/>	Returned	<input checked="" type="checkbox"/>	Deferred	<input type="checkbox"/>	Withdrawn
<b>Stipulations</b>											
Deferred to Governance Committee											
<b>Coordinating Instructions</b>											
<b>Distribution Instructions</b>											
Recording Secretary					Action Date	1/24/19	RFA No.	41 - 2018			