



Grand Elk Owners Association

P.O. Box 4203 • Granby, Colorado 80446 • Toll Free 800.325.0798 • Local 970.887.4912

Email geoa@rmgwest.com

February 13, 2020

Greetings from the Board of Directors.

The Grand Elk Owners Association (GEOA) currently has approximately \$700,000 in reserves, some \$2 million short of our needs over the next four years and \$4.3 million short of GEOA needs over nine years. If no action is taken to increase the reserve fund, Grand Elk will have insufficient reserves to properly maintain our infrastructure and golf course which will result in serious deterioration of the quality of our community. To help address this situation the Board looked at a variety of potential solutions.

There are three potentially viable sources of funds to accumulate the needed reserves:

1. Dues Increase; this would apply to existing owners, although some builders and all GID lots would be exempt. Placing the entire burden on existing owners would be neither fair nor equitable.
2. Special Assessment; would also apply to existing owners, exempting some builders and all GID lots. Also placing the entire burden on existing owners but in one lump sum payment.
3. Community Investment Fee; provides
 - a. Equity of Participation; Only Revenue Source Which Applies to All Private Ownership Categories
 - b. Fairness of Application
 - i. Current Residents have Invested
 - ii. Future Residents Reaping the Benefits Should Participate
 - c. Best Future Impact
 - i. Excessive Dues and Assessments Drive Down Property Values, Decrease Sales and Encourage Lot Abandonment
 - ii. CIF is a one time fee, applicable to all, allows future owners to invest as current owners already have.

The GEOA Board proposed the addition of a Community Investment Fee (CIF) to our members in 2019. In order to implement this proposal, **at least two thirds of existing owners** need to vote for the change to the Grand Elk declarations. Not two thirds of those who vote, but **two thirds of all owners**. The GEOA Board informed Grand Elk owners via mail, email, telephone, three town hall meetings and various committee meetings that if the CIF did not pass we would be forced to cover the reserve shortfall with a \$250 per month dues increase on primary lots and corresponding increase on secondary lots. More than two thirds of those who voted cast ballots to approve the CIF but **forty percent of all owners neglected to vote, dooming the proposed amendment to defeat**.

In order to begin funding the Grand Elk reserve accounts, the GEOA Board implemented the dues increase effective January 1, 2020, as promised. Since notification of the dues increase, the Board

has heard from many of those owners who neglected to vote in the first CIF referendum, asking for another chance to participate so that the Board is able to reduce dues.

The purpose of this communication is to transmit the proposed amendments, a ballot and a pre-addressed stamped envelope for the adoption of a Grand Elk Community Investment Fee. Questions should be addressed to gehoa@grandelkliving.com.

The ballot and proxy are being sent by US Mail and by email. Ballots must be signed in order to be valid.

When you have completed your ballot or proxy, please do one of the following:

- email it to geoa@mgwest.com
- mail it in the pre-addressed stamped envelope which has been provided for your convenience to the Association at Grand Elk Owners Association, PO Box 4203, Granby, Co 80446
- fax to 970-887-4090
- You may also request that the ballot be sent to you via DocuSign for a legally acceptable electronic signature. Please email the request to Alex Kale at akale@mgwest.com.

Please remember that Colorado law requires that **two-thirds of all eligible members must vote YES** to adopt any amendment to Owners Association Declarations. **A non-vote is a no vote.** Results will be posted on the Association website.

Thanks to all for your attendance at the meetings and thoughtful questions and input. We urge you to vote in favor of the proposed amendments.

Board of Directors
Grand Elk Owners Association

**BALLOT OR PROXY REGARDING AMENDMENT TO MASTER DECLARATION OF
PROTECTIVE COVENANTS FOR
GRAND ELK RANCH & CLUB**

The undersigned, being the owner of the Homesites listed below, do(es) hereby take the following action regarding the following amendments to the Master Declaration of Protective Covenants for Grand Elk Ranch & Club:

1. Amendment to Article 2 adding a definition of Community Investment Fee
2. Amendment to Article 4 adding the entirety of section 4.09, Community Investment Fee

INSTRUCTIONS: complete EITHER the portion labeled Ballot or the one labeled PROXY AND the CERTIFICATION.

BALLOT

Please place a check mark or X for whichever choice you make.

_____ I(we) APPROVE these amendments

_____ I(we) DISAPPROVE these amendments

I(we) acknowledge having had the opportunity of review these proposed amendments and, if desired, to consult with counsel of my own choosing. I(we) also understand these amendments may be viewed at the association website any time I may desire to do so.

PROXY

I/we being the owners of the Homesite(s) listed below, do hereby appoint the person designated below as my/our Proxy with respect to all issues at the special membership meeting called to consider the proposed amendments to the Master Declaration of Protective Covenants for Grand Elk Ranch & Club on March 14, 2020. This Proxy shall remain in full force and effect for a period of time not to exceed eleven months or until such time as it is revoked in writing or by my attendance at said meeting.

DESIGNATED PROXY: _____

CERTIFICATION

I certify that at the time of signing this Ballot or Proxy I(we) owned the following Homesite(s) within Grand Elk Ranch & Club, as established by the Master Declaration of Protective Covenants for Grand Elk Ranch & Club recorded August 17, 2001 at Reception Number 2001-0078 of the records of the Grand County Clerk and Recorder, as amended and supplemented.

Name(s) on Record: Sharon Silva

Homesite (s) A-21 & 1/3 of A- 22

Address(s) 529 Pioneer Dr

Approved this ___ day of _____, 2020:

Signature: _____

Signature: _____

(If signing for a LLC or a Trust please print name: _____)

ARTICLE 2.00

Community Investment Fee shall have the meaning set forth in Section 4.09 hereof and shall be deemed to be a Transfer Assessment authorized by section 38-33.3-207(4)(a)(iv) of CCIOA.

ARTICLE 4.00

4.09 Community Investment Fee

4.09.1 Basic Rule. Each person who purchases a Homesite, with or without a residence thereon, shall pay to the Association immediately upon becoming the Owner a Community Investment Fee ("CIF") in such amount as is established from time to time by the Board. In addition each person who builds a residence for the use of the owner or the owner's family shall pay to the Association a Community Investment Fee ("CIF") in such amount as is established from time to time by the Board upon issuance of a certificate or letter of occupancy or upon beginning occupancy of said residence, whichever occurs first. The limitation of "for the use of the owner or the owner's family" is intended to exclude builders constructing a home for sale to a third party. As used herein the term "person" includes entities such as limited liability companies and corporations and if an entity that is not a builder constructs a residence it will be required to pay the CIF based on the retail cost as more particularly described in (2) directly below.

A CIF may not exceed one and one-half percent (1.5%) of the (1) Purchase Price of the Homesite, or (2) the retail cost of all goods and services involved in construction of a residence where the issuance of a Certificate or Letter of Occupancy from the governmental entity with authority to issue same is expected or required for occupancy:

The actual CIF percentage may be determined by the Board by resolution adopted from time to time provided any such change may not impose a CIF in excess of 1.5%. In addition to specifying the applicable percentage the Board may limit the amount of the purchase price to which the CIF will apply.

4.09.2 Definitions

4.09.2.1 *Purchase Price.* For the purposes of this Article, "Purchase Price" is defined as the total cost paid to or for the benefit of the seller by or on behalf of the purchaser of the property and also means, in the case of an owner constructing a residence on an owned Homesite, the amount of the retail cost of all goods and services involved in construction. Unless demonstrated otherwise to the reasonable satisfaction of the Board, it will be presumed that the purchase price for the property is the fair market value of the property. Should the Board determine that is not the case, then the purchase price may be determined by the Board based on such investigation that it deems appropriate. Among other data, the Board may rely on values obtained from the Grand County Assessor's office to help the Board determine the fair market value of the property.

4.09.2.2 *Builder.* "Builder" means a person or entity whose job it is to construct homes for resale to third parties. The Board may adopt an application form for those wishing to qualify as a Builder and will make its determination based on the completed application and such investigation, if any, it deems appropriate.

4.09.3 Use of the CIF by the Association. The primary purpose of the CIF is to benefit the general good and welfare of the Grand Elk Ranch and Club community, as deemed appropriate by the Board. By way of example and not limitation, the CIF may be used for any or all of the following: to construct, refurbish or replace improvements including club houses, golf facilities and related infrastructure, roads, recreational and fitness buildings, curbs, gutters and monuments or other amenities, to acquire or contribute to the acquisition by others of real property, including recreational and fitness facilities, fishing areas, open space, trails and wildlife habitat or other amenities within Grand Elk or to which Owners have access,

4.09.4 Use as Security. The Grand Elk Owners Association is authorized to pledge, assign, transfer, or convey as security (i) its right to levy and/or collect the CIF, and (ii) its right, title, and interest in and to all or any portion of the CIF levied and collected.

4.09.5 Exemptions. The Board may adopt such rules and regulations for exemptions from this section 4.09 as it deems proper.

NOTICE OF SPECIAL MEETING

There will be a Special Meeting of the Grand Elk Owners Association, which has been called by the President of the Association.

When	Where
Saturday, March 14, 2020 at 1 pm.	Aspen Room The Inn at Silvercreek 62927 US Highway 40 Granby, CO 80446

The purpose of the meeting will be to discuss and to accept ballots regarding the proposed Amendments to Master Declaration of Protective Covenants for Grand Elk Ranch & Club. The proposed amendments add a definition of Community Investment Fee to Article 2 and add the entirety of section 4.09, Community Investment Fee, as set forth in the proposed amendments previously circulated to the members and available on request from the association.

Approved this 13 day of February, 2020
Grand Elk Owners Association

By: Joe Press / dh
Joe Press, President