

CRYSTAL RIVER COUNTY ESTATES PROPERTY OWNERS ASSOCIATION

DATE: February 25, 2020

SUBJECT: Recommended draft amended covenants for Block 1 and Block 2 for your review and comment

BACKGROUND: The Board of Directors is recommending a second amendment to the Block 2 covenants. The first amendment took place in 2016 to bring the Association into compliance with the Colorado Common Interest Ownership Act.

Last summer the POA board became aware of the operation of a AirBnB in the neighborhood. The board agreed that this activity constituted a business activity. It was the opinion of the board that the intention of the covenants prohibited short-term rentals (AirBnB) to maintain the residential, "single-family dwelling" character of the neighborhood. Specially Paragraph 4 of the Block 2 covenants, "None of the lots and no buildings placed thereon shall be used for business or commercial purposes...".

The board contacted the POA attorney to commence action for the violation. The board was informed of a resent court case in which a Colorado Appellate judge had ruled that the operation of a short term, vacation rental such as AirBnB was a "residential" activity. Given this change in terminology, the POA attorney felt that our current covenants may not prohibit AirBnB or short term vacation rentals, and it would necessary to specifically prohibit this activity if the membership chose to by majority vote. The owners of the house in question since have sold the property and moved out of the subdivision.

The board decided that if amendments to covenants were going to up for a vote, the board should review the entire covenants. Since that time, the board, with consultation with our attorney, held board meetings and has produced several iterations of proposed changes to the covenants and is presenting the following to the POA membership for review and comment.

RECOMMENDED AMENDMENTS:

Many of the paragraphs from the original covenants were included as written.

1. Pages 1,2,3,4 are the result of the first amendment of 2016 and contain information from the introduction and paragraph 1 of the original covenants.

2. Page 4, Section III. Property Right and Restrictions

Paragraph 1. Same as original paragraph 2.

Paragraph 2. Same as original paragraph 3

Paragraph 3. Same as original paragraph 7

Paragraph 4. Same as original paragraph 8

Paragraph 5. Same as original paragraph 13 and 14 change "three" to "four" and the addition of sentence 2 - "Association VP as chair."

Paragraph 6. Same as original paragraph 9

Paragraph 7. Same as original paragraph 6. Changing “six months” to “one year”

Paragraph 8. Same as original paragraph 4. Omitting “Owners may rent or lease” sentence.
And the addition of “Home Occupation Use” sentences

Paragraph 9. This is a new addition

Paragraph 10. This is a new addition

Paragraph 11. This is a new addition

Paragraph 12. Same as original paragraph 5 with the addition of protection of “air space”
sentence

Paragraph 13. Same as original paragraph 10 replace “the same” with “structures” and addition
of “sewage disposal system” sentence.

Paragraph 14. Same as original paragraph 11

Paragraph 15. Same as original paragraph 12

Paragraph 16. This is a new addition

Paragraph 17. Same as original paragraph 16 with the addition of “and costs”

3. Page 7, Section IV

Paragraph 1. Same as original paragraph 17 with the omission of “and/or security interest
holders,”

Paragraphs 3 through 5 are from the 2016 amendment and boiler plate wording.

Please review these recommended amendments and comment if you wish by MARCH 15, 2020.
Send comments to: tommcbayer.crce.poa@gmail.com

WE ARE NOT VOTING ON THESE AMENDMENTS AT THIS TIME.

The board will provide a final draft prior to the annual meeting.

Thank you.

Crystal River County Estates Board of Directors.

By: _____