

Proposed 2016 Protective Covenants Rewrite

General Comments: We have re-written the Protective Covenants with (3) types of changes:

- 1) Added section for COMMUNITY TRASH COLLECTION,
- 2) Changed the DURATION OF COVENANTS section so the covenants can be changed at anytime, not just on the ten (10) year anniversary, and
- 3) Updated various sections to be in compliance with changes in Colorado and Federal Law and current wording practice.

A vote **FOR** the Proposed 2016 Protective Covenants rewrite will replace all previous versions of the Protective Covenants. We started with the 2001 Protective Covenants that were voted on and approved by the Community in January 2001. All changes are detailed below along with an explanation and reason for the change. Complete text of the 2001 Protective Covenants and the current Proposed 2016 Protective Covenants Rewrite can be found on our website.

Highlights of the Trash Collection Program:

- A new Section XV. COMMUNITY TRASH COLLECTION has been added to the Protective Covenants and a copy of the proposed language is attached.
- HaulAway has been selected as the service provider.
 - Antlers, Hidden Forest, and Sterling Pointe HOAs are currently using HaulAway.
 - Large consumer group improves our bargaining power.
- Annual Cost \$176 (includes bi-monthly recycling)
 - Compare the Annual Cost to your current provider. We understand that currently trash providers in the community have annual costs ranging from \$228 to \$502, which may or may not include recycling. The savings range from \$52 to \$326 per year depending on prices individually negotiated with existing providers.
 - The \$176 Annual Cost includes a \$25 SPHOA Administration Fee which is waived if you are a dues paying member of SPHOA.
- Better Service
 - 10 large black bags per week
 - 1 - 64 gal tote cart provided at no extra charge
 - Will pick up 1 bulk item per month (e.g. sofa or hot water heater)
 - Annual Clean Up Day where approximately twice the normal weekly pickup is allowed
 - No signup fee
- Other advantages:
 - Less truck traffic means a safer place for our kids and pets
 - Less truck noise
 - Less damage to our roads
 - Fewer days ugly trash cans are lining our streets
- Requires 100% participation, however:
 - Vacant lots are exempt
 - If you currently don't have trash service you may request an exemption.

Proposed Wording for:

COMMUNITY TRASH COLLECTION. The SPHOA will administer a community trash collection program, subject to the provisions of this section. Except as provided below, all lots are required to participate in the community trash collection program.

Vacant lot owners are exempt from the community trash collection program until such time as a dwelling on the lot is occupied. A one-time exemption from the community trash collection program is available to any lots in Sage Port 2 or 6A that do not have a current trash collection service as of the recording date of these Protective Covenants, subject to application as more particularly provided in the SPHOA guidelines. Any lot with such an exemption may elect to participate in the trash collection program at any time and the trash collection fee, but not the administration fee, will be prorated. This exemption expires upon the sale of the lot or upon program participation, whichever is earlier.

For purposes of this covenant, lot owners are not prohibited from temporary use of roll-off dumpsters or similar type waste containers during construction or remodeling, or as approved by the ACC.

In addition to the fee charged by the trash collection company selected by the SPHOA, the SPHOA may levy an administrative fee, which fee may be waived for SPHOA members. Trash collection program fees will be invoiced annually. The initial administrative fee will be \$25.00 annually. The administrative fee may not be increased by more than \$3.00 per year or \$5.00 in any consecutive five year period without the affirmative vote of owners of a majority of the lots participating in the program.

If the trash collection fee, including administration fee (if any), is not paid when due, the SPHOA may levy a late charge in the amount of \$20.00. If the fees, including administration and late fees are not paid, the SPHOA at its sole discretion may suspend trash collection service until all fees and charges are paid in full.

The SPHOA may cancel the community trash collection program at any time. The program may also be cancelled by the affirmative vote, written consent, or any combination of affirmative vote and written consent of owners of a majority of the lots within Sage Port 2 and 6A. Cancellation of the Program is subject to the Terms and Conditions of any signed contract with a trash collection company. If the program is cancelled, any unused trash collection fees, but not administrative or late fees, will be refunded to current program participants. If the trash collection program is cancelled as provided in this paragraph, it may be reinstated by the affirmative vote, written consent or any combination of affirmative vote and written consent of owners of a majority of the lots within Sage Port 2 and 6A.

DURATION OF COVENANTS: This section is being revised to allow tract owners to change the Protective Covenants at any time with a majority vote of tract owners. Right now the Courts have interpreted our current wording to mean that we can only change the Protective Covenants on the 10 year anniversary dates. Which means that if we don't change the Protective Covenants in 2016, the next time we will be able to change the Protective Covenants is in 2026! This is not good for tract owners and is not consistent with the original intent of the language, which was to permit the owners to change the Covenants at any time. The new language will clarify the intent of the owners to permit a change at any time with a majority vote of tract owners. The concern is that if there is an issue that we as owners need to address, we would have to wait until the 10 year anniversary date comes around, which prevents us from responding in a timely fashion to the issue.

Proposed new wording for:

DURATION OF COVENANTS: Actual Final Wording will be available at the Informational Meetings and will be posted on our web site. Final legal review was not completed at the time of printing this letter.

OTHER CHANGES: We are also updating other Sections of the Protective Covenants to be in compliance with current Colorado and Federal laws, such as the Colorado Revised Non-Profit Corporation Act. Sections being changed are as follows:

Section VIII. EXTERNAL REQUIREMENTS: Original intent is unchanged, but wording has been added to be consistent with new Colorado and Federal laws.

Section XVII. ANIMALS: Original intent is unchanged, but wording has changed to reflect new version that is common use today.

Visit our website for complete text of the **2001 Protective Covenants** and the current **Proposed 2016 Protective Covenants Rewrite** and **Frequently Asked Questions (FAQs)** on the Proposed Community Trash Collection Program.

www.TheSagePortHOA.com