



## **2019 Covenant Amendment Summary**

In 2019, the owners of 39 of 55 properties (71%) in Pinon Ranch HOA voted to amend the covenants to initiate a neighborhood-wide trash service program beginning in 2020. The service is administered by the HOA Board of Directors and their designated HOA Manager. In addition to amending the covenants, the Board adopted a pricing policy into the bylaws to outline the details of the financial transactions involved in administering the program.

It was necessary to amend the covenants because the original 1998 covenants contain a clause stating that dues may not be increased by more than 10% per year. In 2019, annual dues, excluding insurance, were \$308 per house, which means dues could not be increased by more than \$31. To pay for one year of trash service, dues would need to increase by \$173 for each house.

A majority of HOA members supported neighborhood wide trash service, but many also opposed eliminating the limit on annual rate increases. Therefore, the Board determined, and the Association's lawyer agreed, that one practical solution would be to approve a one year waiver to allow a larger than 10% rate increase. Board members collected signatures from property owners, as required by the covenants. Thus the covenants were amended so that in the year 2020 only, dues would be increased by the amount solely necessary to implement a neighborhood wide trash service. In 2021 and subsequent years, the rate of annual increase in the dues assessments would again be limited to 10% or less.

The exact language that has been added to the covenants is below.

1. In section 1.8, which is a list of items that can be considered "Common Expenses", the following statement will be added:

“(d) beginning in the year 2020, the costs of providing and administering neighborhood trash service to all residences in Pinon Ranch Subdivision;”

2. In section 5.4 Maximum Assessments, the following statement will be added:

“In the year 2020, the limitations in section (b) above, concerning the maximum percentage of annual increase to the assessment, shall be waived for the sole and specific purpose of implementing neighborhood trash service. The costs of providing and administering the service, which shall begin in 2020, shall be included in the annual assessments, and may be collected in one or two installments as the Board or Manager directs. In 2021, the limitations on annual increases outlined in section (b) above shall be reinstated.”

3. In Article 6, Architectural Control and Living Environment Standards, the following section will be added:

“Section 6.27 Trash Service. Beginning in the year 2020, the Association will provide neighborhood trash service to all residences in Pinon Ranch Subdivision. Service will continue as long as the program is financially viable. For so long as the

Association provides trash service, all residents must pay for such service, the costs of which shall be included in the annual assessments. Property owners shall be responsible for any damages, theft or loss of the receptacles provided by the service provider. Owners are responsible for the costs of any optional services rendered on an individual basis at the owner's request such as recycling services or large item pick-up, as well as any fees or penalties incurred by the Association as a direct result of an individual Owner's actions."