



Covenants Update Process

Watersong Community Association

July 2015

Outline

- Background
- Forming the Committee
- Proposing Revisions
- Generating the Combined Draft
- Obtaining Committee Review / Approval of Draft
- Obtaining Legal Counsel Review of Draft
- Generating Summary of Substantive Changes
- Distribution of Final Proposed Combined Version to Membership
- Obtaining Vote by the Membership
- Filing Approved Covenants with the County Recorder
- Distribution of Revised, Approved Covenants to the Membership
- Summary



Background

- Watersong consists of 3 sections consisting of 110 lots developed over the course of 10+ years
 - Covenants for each section developed as each section was built-out
- Original developer plan was for Watersong to be exclusively villa residences, however 2nd and 3rd sections built out as primarily single family (SF) residences with a few villa lots
 - Result was 3 sets of covenants with many inconsistencies in restrictions applied to villa and SF residences resulting in confusion amongst residents
- Initial primary goal was to revise covenants for all 3 sections to remove inconsistencies
 - Secondary goal was to clearly define which lots were villas and SF to address concern of escalating costs of villa services that would result if villa lots were to re-classify as SF
 - As change process progressed, goal was added to combine into a single set of covenants to simplify future changes and maintain consistency of restrictions



Forming the Committee (1/3)

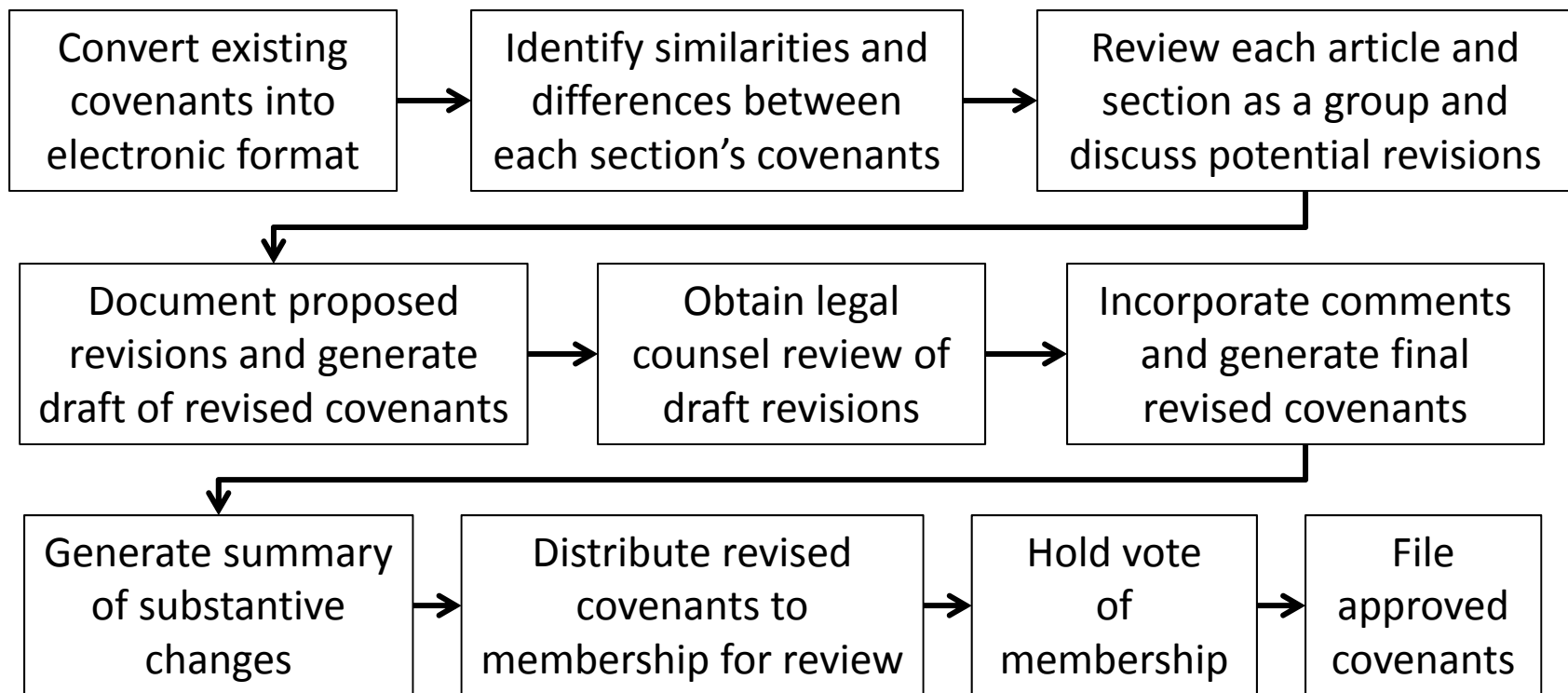
- Request made at bi-annual open meeting of members to form a committee to revise and update covenants for all 3 sections
 - Volunteers asked to commit approximately 1 year of involvement to complete effort
 - Members from all 3 sections asked to participate in change process
- Volunteers began ~monthly meetings
 - 1st step was to elect a chairman
 - 2nd step was to outline steps for proposing revisions and setting milestones

Revision Process Transparency and Traceability Keys to Assuring Credibility of Committee and Confidence in Members



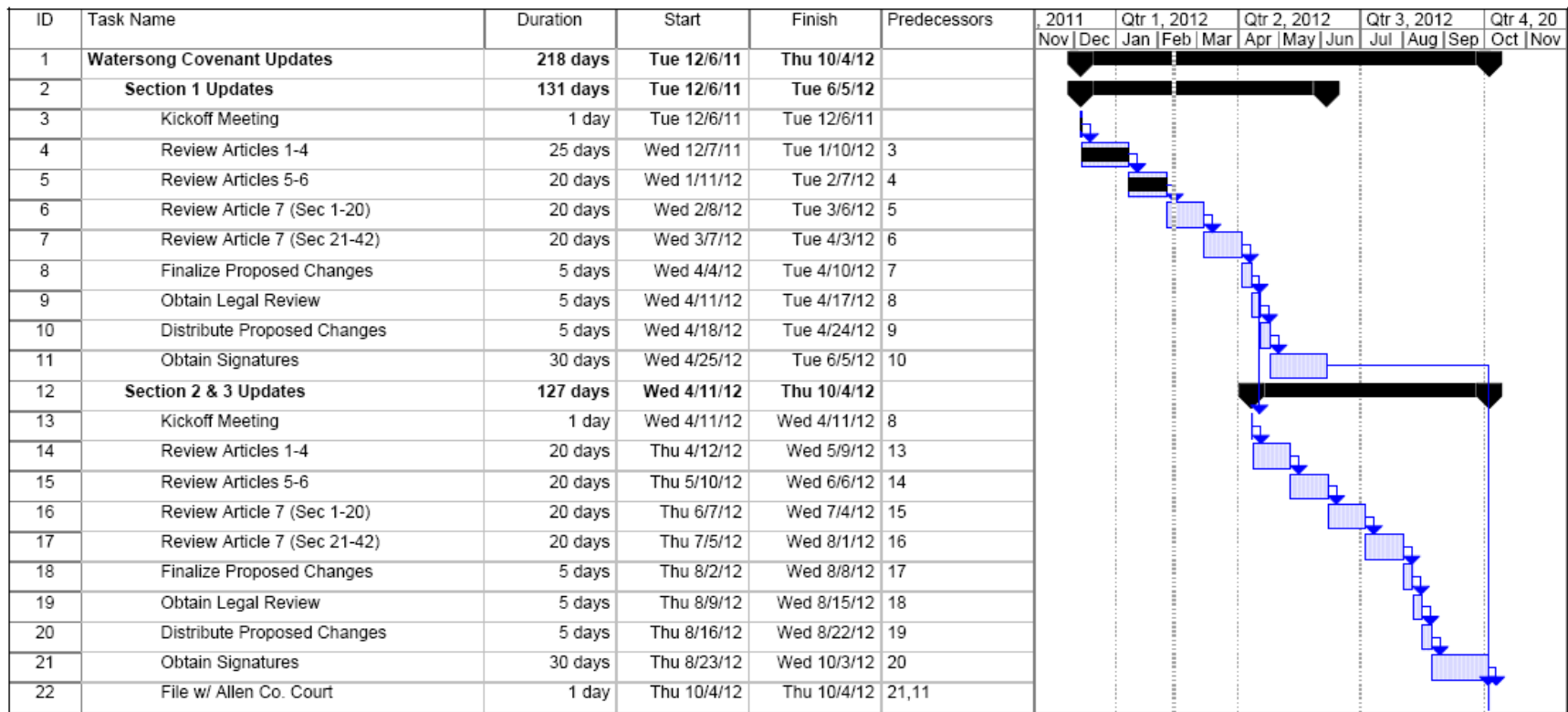
Forming the Committee (2/3)

- Steps Used to Revise Covenants



Forming the Committee (3/3)

- Original revision plan: ~10 months
 - Actual effort closer to 16 months



Proposing Revisions (1/3)

- A spreadsheet was used to help compare the 3 sections and highlight differences
 - Once each section's covenants was in electronic format, each article / section imported into spreadsheet cells
 - "IF(=)" formulas used to identify differences and similarities between sections
 - Aided in reviewing each section for desired updates & revisions



Proposing Revisions (2/3)

IF (=) Formulas Used to Highlight Commonality

Watersong Covenant Text				Cross-Section Check					
Article (From)	Article	Section	Sub-Paragraph	Section One	Section Two	Section Three	1 = 2?	1 = 3?	2 = 3?
VII	7	37		<p>Section 37. Motor Vehicles. All motor vehicles shall carry a current year's license tag registration and be maintained in proper operating condition, so that they do not constitute a nuisance because of noise, exhaust emissions or otherwise. All motor vehicles, including but not limited to automobiles, golf carts, trucks, trail bikes, motorcycles, dune buggies, etc. shall be driven only upon paved streets and parking areas. No motor vehicles shall be driven upon the pathways or unpaved areas of the property. No motor vehicle shall be driven after dusk without operating headlamps. Unlicensed motor vehicles, such as go-karts, golf carts, dirt bikes, etc. shall not be driven on paved streets, sidewalks, pathways, parking areas or common areas.</p>	<p>Section 37. Motor Vehicles. All motor vehicles shall carry a current year's license tag registration and be maintained in proper operating condition, so that they do not constitute a nuisance because of noise, exhaust emissions or otherwise. All motor vehicles, including but not limited to automobiles, golf carts, trucks, trail bikes, motorcycles, dune buggies, etc. shall be driven only upon paved streets and parking areas. No motor vehicles shall be driven upon the pathways or unpaved areas of the property. No motor vehicle shall be driven after dusk without operating headlamps. Unlicensed motor vehicles, such as go-karts, golf carts, dirt bikes, etc. shall not be driven on paved streets, sidewalks, pathways, parking areas or common areas.</p>	<p>Section 37. Motor Vehicles. All motor vehicles shall carry a current year's license tag registration and be maintained in proper operating condition, so that they do not constitute a nuisance because of noise, exhaust emissions or otherwise. All motor vehicles, including but not limited to automobiles, golf carts, trucks, trail bikes, motorcycles, dune buggies, etc. shall be driven only upon paved streets and parking areas. No motor vehicles shall be driven upon the pathways or unpaved areas of the property. No motor vehicle shall be driven after dusk without operating headlamps. Unlicensed motor vehicles, such as go-karts, golf carts, dirt bikes, etc. shall not be driven on paved streets, sidewalks, pathways, parking areas or common areas.</p>	1 = 2?	1 = 3?	2 = 3?
VII	7	38		<p>Section 38. Parking. Regular overnight parking of all passenger motor vehicles will be in garages. Passenger vehicles may be occasionally parked in the unit's driveways or in other areas designated by the Association. Overnight parking of all passenger vehicles will be in garages or in other areas designated by the Association. Overnight parking of all other vehicles and recreational equipment, including boats and campers, shall be in garages. No buses, tractor trailers or semi-trucks shall be parked upon the Property except for delivery purposes. Except for emergency repairs, no Owner or occupant of a Lot shall repair or restore any vehicle, boat or trailer upon any portion of the Property.</p>	<p>Section 38. Parking. Regular overnight parking of all passenger motor vehicles will be in garages. Passenger vehicles may be occasionally parked in the unit's driveways or in other areas designated by the Association. Overnight parking of all passenger vehicles will be in garages or in other areas designated by the Association. Overnight parking of all other vehicles and recreational equipment, including boats and campers, shall be in garages. No buses, tractor trailers or semi-trucks shall be parked upon the Property except for delivery purposes. Except for emergency repairs, no Owner or occupant of a Lot shall repair or restore any vehicle, boat or trailer upon any portion of the Property.</p>	<p>Section 38. Parking. Regular overnight parking of all passenger motor vehicles will be in garages. Passenger vehicles may be occasionally parked in the or in other areas designated by the Association. Overnight parking of all passenger vehicles will be in other areas designated by the Association. Overnight parking of all other vehicles and recreational equipment, including boats and campers, shall be in garages. No buses, tractor trailers or semi-trucks shall be parked upon the Property except for delivery purposes. Except for emergency repairs, no Owner or occupant of a Lot shall repair or restore any vehicle, boat or trailer upon any portion of the Property.</p>	-	1 = 3	-

Text Highlighting Used to Emphasize Revisions

Spreadsheet used to identify differences & similarities between sections



Proposing Revisions (3/3)

- Where differences between sections' restrictions that must remain in the combined covenants, spell out those differences by lot# or property type
 - Examples are setbacks, flood protection grades, villa vs. SF restriction differences, etc.
- Use “change tracking” or text highlighting to facilitate communication of revisions to committee members as review process progresses



Generating the Combined Draft

- Word processor used to generate a combined draft of the revised covenants
 - Text from spreadsheet exported to word processor to avoid typos
- Versions created showing changes made to each section's original covenants
 - Used to convey changes to each member's respective section's covenants

Combined
Covenants

Section 1
Covenants
changes

Section 3
Covenants
changes

Section 2
Covenants
changes



Obtaining Committee Review / Approval of Draft

- Combined draft and section change versions distributed to all committee members for review
 - Comments / corrections incorporated as required



Obtaining Legal Counsel Review of Draft

- Following committee approval of final draft, legal counsel review was performed
 - Comments / revisions incorporated as required



Generating Summary of Substantive Changes

- This is a 1 page top-level summary of all changes being made to the covenants
 - Distributed to membership along with final proposed combined covenants
 - Use to help focus members review of the combined covenants to the changes being made



Distribution of Proposed Changes to Membership

- “Section Changes” versions and summary distributed for review
- Members also notified that a vote will be held at an open meeting and all members were requested to participate in vote



Obtaining Vote to Approve Changes

- Vote to approve revised combined covenants by the membership held at open meeting
 - 75% of members required to vote FOR the changes to pass
 - Notary Public on hand to notarize each vote
- Substantive changes summary reviewed with members prior to voting followed by Q&A session
- Door-to-door solicitation of votes may be required following meeting to secure necessary majority vote to pass proposed changes



Filing Approved Covenants

- Approved covenants and notarized votes filed with the county recorder's office



Distribution of Approved Covenants

- Approved covenants distributed to the membership
 - Email .PDF file of filed version and link to county recorder's office web site provided to members
 - Hardcopies made and distributed to those members without computer or email



Summary

- Participation by members from all sections in change process
 - Transparency of process key to credibility
- Obtain legal counsel review of proposed changes
- Notarize votes
- File Approved Covenants

QUESTIONS?

