

## **2026 SHAY WAY ROAD CONSTRUCTION PROJECT**

Pursuant to Article IV, 1, §d of the Stagecoach Declaration of Covenants, Conditions and Restrictions, it is hereby **Resolved** by the Directors of the Stagecoach Property Owners Association that the Owners of the Lots listed below shall be specially assessed for the purpose of constructing a gravel road in the Sky Hitch I and Sky Hitch IV subdivisions, within the Shay Way right of way, pursuant to plans dated August 8, 2025 prepared by Four Points Surveying and Engineering. This Resolution shall become effective upon approval by Lot owners owning 67%, or more, of the Lots listed below.

**Description of the capital improvement to be constructed using the assessment funds:** SPOA will employ a contractor licensed in Routt County to construct a new 24-foot wide gravel road, within the platted Shay Way right of way, that will extend from a point that is approximately 700 feet from the intersection of Shay Way and Whiffle Tree Trail to the intersection of Shay Way and Hay Wagon Trail, a distance of approximately 1,620 feet. The road will be constructed in accordance with the plans prepared by Four Points Engineering and Surveying, dated August 8, 2025,, a copy of which plans is attached to this Resolution,

**List of Lots that will benefit from the construction of the gravel road:** Sky Hitch I Lots 38, 39. Sky Hitch IV Lots 64 through 167. South Station I Lots 1 through 32.

**Amount, Duration and Terms of the Proposed Assessment:** The special assessment shall be \$679.00 per Lot, payable within 60 days from the date the Association provides written notice that the proposed assessment has been approved by the owners of 67% or more of the Lots. The portion of the assessment remaining unpaid from time to time shall bear interest at the rate of 8% per year, with interest starting on the date that is 60 days after the date the Association provides written notice that the proposed assessment has been approved by the owners of 67% or more of the Lots.

If SPOA is unable to enter into a satisfactory construction contract, as determined by SPOA, in its absolute discretion, within 120 days from the date the Association provides written notice that the proposed assessment has been approved by the owners of 67% or more of the Lots, then all amounts collected by SPOA from a Lot Owner shall be returned to a Lot Owner, without interest, within 10 days of the expiration of the 120 day period, and the special assessment shall be void and have no further effect.

**Description of how the Directors determined the amount of the assessment:**

The cost of construction has been determined by reference to a fixed price proposal made by Highline Contracting, LLC, a contractor licensed in Routt County, a copy of which is attached to this resolution. That proposal states a construction price of \$100,209. SPOA has determined that the unit values and quantity estimates for materials and labor that were used are reasonable. To determine the amount of the assessment, SPOA has added a \$20,000 contingency fee to the proposed price. SPOA has also added approximately \$4,700 to pay for reimbursement of the cost of preparing construction plans and for minor expenses [such as permitting fees] that will be incurred in the future.

The special assessment will not pay for the total cost of construction. However, SPOA has a general policy of encouraging the construction by Lot Owners of necessary infrastructure. For that reason the Directors have allocated the sum of \$60,000 in the 2026 Projects Budget for reimbursement of Owners who pay for infrastructure. For this project, to encourage participation by the Owners of the benefitted Lots, SPOA will pay 25% of the actual costs. The assessment per Lot was determined by subtracting the share of the total to be paid by SPOA and dividing the remainder by the number of Lots [138].

If the actual costs, after deduction of the 25% share paid by SPOA, are less than the total special assessment, the accounts of the Lot owners will be adjusted accordingly. So, if an owner pays more than their actual share, they will receive a credit on their account which will be applied against future annual assessments.

**Effect of this Resolution on Lot owners who vote to reject the assessment or fail to vote:**

If the Owners of 93 of the total 138 Lots vote to approve the proposed assessment, then, pursuant to Article IV, 1, §d of the Stagecoach Declaration of Covenants, Conditions and Restrictions, as amended, the assessment, in the amount of \$679.00 per Lot, **will be levied against all 138 Lots.** If the proposed assessment is approved, **lot Owners who fail to vote or who vote to reject the proposed special assessment will be obligated to pay their share of the special assessment, despite their "no" vote.**

If the Owners of 46 or more of the 138 Lots vote to either reject the proposed assessment, or fail to return their ballot to the Association within 180 days from the date that the Secretary of the Association mails a copy of this Resolution and a

ballot form to the Lot Owners, then the proposed assessment shall be rejected and have no further effect.

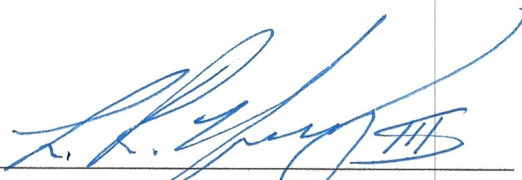
**The rights of the Association if a Lot Owner fails to pay the assessment.**

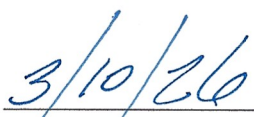
If the special assessment is approved by the Owners of 93 or more of the 138 Lots, then the failure to pay the assessment and all accrued interest shall be grounds for the Association to take action to collect the delinquent payment from the Lot owner, including foreclosure of the Association's lien against the Lot, as described in Article IV, sections 1.a, 1.h, 1.i, and 1.j of the Covenants.

**Why the Special Assessment should be approved.**

Almost all of our Owners would like to one day construct a house on the Lot they own. But to obtain a building permit, the Owner must show that emergency vehicles [such as a firetruck or ambulance] can access the house on the Lot. Currently, Shay Way, over most of its length, will not allow travel by an emergency vehicle. No one has a legal obligation to improve Shay Way to allow for such travel. Routt County has taken the position since the 1980s that it does not have an obligation to improve, or even maintain, the road. SPOA has money set aside each year to help maintain constructed roads not maintained by the County. But it does not have sufficient funds to build roads. The best it can do, at present, is help Owners organize to pay for construction. The Special Assessment process in our Covenants is one of ways that SPOA can organize such construction. The current proposed construction will only improve a portion of Shay Way. But if this Special Assessment is successful, then perhaps we can plan next year to extend the constructed portion of the road. Eventually, if there is sufficient community support, the entire road will be improved to the point where emergency vehicles can access all the Lots along the road.

I hereby certify that the above resolution was adopted and approved by the SPOA Directors at their meeting on February 23, 2026.

  
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Ray Hendry, SPOA Secretary

  
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Date