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**From:** Kings Deer HOA <kingsdeerhoa@gmail.com>  
**Sent:** Thursday, November 6, 2025 11:34 AM  
**To:** Kings Deer HOA  
**Subject:** Annual Meeting Recap and Covenant Vote  
**Attachments:** 2025 Assessment FAQ 2025-10-31.pdf; 2025 KD HOA Annual Meeting Slides 2025-11-04.pdf

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## 2025 Annual HOA Meeting was a success!

The HOA's 2025 Annual Meeting was held at 7:00 pm on November 4<sup>th</sup> at Troon Tavern, King's Deer Golf Club. Over 50 residents (representing 39 properties) were in attendance, asked great questions, and provided some very positive feedback and suggestions for the new board to consider in the coming year. The door prizes were also a big hit to the four happy winners!

For those who were unable to attend in person, the meeting slides are attached and posted on the King's Deer website. We welcome any additional feedback or comments about the meeting.

## **\*\*Please Vote "YES" on Covenant Change to Increase Annual Assessment Cap\*\***

Meeting attendees were provided in-depth information about the need for an increase in the annual assessment cap and **the election that begins tomorrow (Friday, Nov 7).**

- **This election is to increase the annual assessment cap to \$450 per year from \$300 per year in both Classic and Highlands – no other changes.** This is an increase of \$150 per year (\$12.50 per month). There are options for paying in installments outlined in the FAQs attachment.
- **The assessment cap has not been changed since its inception in the 1990's and it has been over 20 years since the last assessment increase hit the cap.** To date, the board has operated within this budget. However, with flat revenues and inflation-driven cost increases, we are now operating at a deficit that will continue to grow unless the covenant change passes.
- **The board now asks for your support to enable them to continue to operate in a fiscally responsible way that keeps your neighborhood one of the area's premier communities, providing enjoyment of common areas today and maintaining property values in the future.** Specific uses for the additional funds are detailed on slide 26 from the Annual Meeting (attached).

Additional information is provided in the attached meeting slides and FAQs including the specific covenant language and will be attached to the voting ballot.

**Voting Process.** To ensure the maximum outreach, ballots are being mailed both by US mail and to the email of record for the HOA. **You may vote either ballot but only one ballot per property is counted and is non-revocable once submitted.** Voting closes November 21, 2025, 5:00 PM. The requirements for amending the covenants are outlined in paragraph 27 of both covenants. We must receive 99 approval votes approving the change in the Classic subdivision, and 192 approval votes for the Highlands subdivision. Failure to cast a vote is recorded as a negative vote.

- **Electronic voting (Preferred).** Follow the directions in your email from **VoteHOANow** mailed on Friday, November 7.
- **Paper ballots,** if used, will be entered into the electronic voting system to tabulate the results and ensure election integrity.

Thank you in advance for your “Approve” vote!

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This email is sent from an unattended email address. If you have questions, comments, or concerns about our King’s Deer Community, please contact:

John Highhouse  
Executive Director  
King’s Deer Homeowners Association. Inc.  
<mailto:admin@kingsdeer.org>  
Office: 719-488-2840

You are also invited to follow us on Facebook at <https://www.facebook.com/KingsDeerHOA>



2025  
Annual Meeting

November 4  
7:00 pm – 8:30 pm  
Troon Tavern

*“A Year of Progress”*

### **Agenda**

- **Welcome & Introduction of HOA Leadership for 2024-2025**
- **2025 Election Results – Alex Gray**
- **Maintenance & Amenities Report – Kevin Pratt**
- **Architectural Control Committee (ACC) Report – Mike Sauer**
- **Covenants Enforcement – John Highhouse**
- **Water Augmentation Update – Lorrie Kresge**
- **Communications Update – Carol Goode**
- **Financial Update and Assessment Request – Tom Anderson**
- **Open Discussion and Community Feedback**

Slides will be emailed and on the KD website following the meeting.<sup>1</sup>

Welcome  
Steve Shurgot – President  
Alex Gray - Presenter

## What Does our HOA do for Homeowners?



### Protecting & Maintaining Homeowner Interests

Dues/Assessments are managed responsibly and used to pay for the upkeep, repair, and operation of shared spaces, e.g. parks, entrances, common grounds.



### Enforcing Covenants & Community Standards

Covenants and standards protect property values and community assets and ensure neighborhood quality and standard of living

The Board is a group of volunteers that makes decisions on behalf of the community to ensure the collective interests of the residents are addressed.  
The following slides will highlight the accomplishments of 2025.

# 2024 – 2025 HOA Leadership



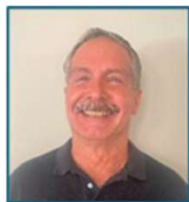
Steve



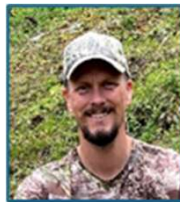
Kevin



Tom



Mike



Nathan



Alex

The Board oversees management and operations of the HOA

## King’s Deer HOA Board of Directors – 2024-25

Director	Role	Director Since	Term Expires
Steve Shurgot	President	2016	Nov 2025
Kevin Pratt	Vice President & Common Area Maintenance	2023	Nov 2025
Tom Anderson	Treasurer	2022	Nov 2026
Mike Sauer	Secretary & Architectural Control Committee	2024	Nov 2026
Nathan Kettner	Director & Trails	2024	Nov 2026
Alex Gray	Director at Large (Appointed to vacancy)	2025	Nov 2025
(Vacancy)			Nov 2026

Josh Klenda served on the board until May, 2025  
 Ken Harris served on the board until September, 2025

Executive Director / Community Manager  
**John Highhouse**  
 Conducts the daily business of the HOA  
[admin@kingsdeer.org](mailto:admin@kingsdeer.org)





# 2025 Director Election Results

## Alex Gray

# 2025 Director Election Results



HOA Board Elections  
September 15 - October 24



## Director Election Process & Voting Participation

- 3 Candidates    3 Positions    2-Year Term
  - Elected: **Kevin Pratt, Alex Gray, Ron Baumert**
  - 244 votes cast (160 required for quorum) = 45.95% participation rate!
- Tally Committee Members: Tom Anderson, Jack Batson
- 2025/26 Board: **Tom Anderson, Kevin Pratt, Mike Sauer, Nathan Kettner, Alex Gray, Ron Baumert (+1 vacancy)**

Steve Shurgot will be retiring from 9 years of board service at the end of this term/annual meeting.

# Director & Committee Updates

## Agenda

- Welcome & Introduction of HOA Leadership for 2024-2025
- 2025 Election Results
- Maintenance & Amenities Report
- Architectural Control Committee (ACC) Report
- Covenants Enforcement
- Water Augmentation Update
- Communications Report
- Financial Update and Assessment Request
- Open Discussion and Community Feedback

# Maintenance & Amenities Report

Kevin Pratt – Vice President  
Mike Sauer - Presenter

# Common Area Maintenance & Amenities Report



## Completed

- ✓ **Gazebo** – removed and replaced with picnic table near pond
- ✓ **Pond** – repaired aeration system
- ✓ **Walls** – prepared, repaired and repainted the walls along Hwy 105 & Archers
- ✓ **Light pole** – manufacturer stopped making the 9- and 12-foot poles. Removed street signs and stop sign and refurbished the first pole at Archers and Trumpeters
- ✓ **Entrance monuments** – repainted signs; removed dead trees and bushes; addressed weeds; mowed
- ✓ **Common areas** – mowed 50+ acres
- ✓ **Trails** – mowed; sprayed weeds; trimmed trees

## In Progress

- Trails** – address wash out areas
- Monuments** – update sprinkler systems
- Abandoned well in open space** – close
- Light poles** - Refurbish remaining 60 poles

# Architectural Control Committee (ACC) Report Mike Sauer – Secretary & ACC Liaison

# About the Architectural Control Committee



## ACC Members

- **Allen Alchian, Chair**
- **Dan Snelling**
- **Rob Schule**
- **Mike Sauer**
- **Joel Dixon**

## **Request Review Process**

Architectural requests are carefully reviewed to ensure alignment with community standards and guidelines.

## **Approval and Denial Outcomes**

Requests are either approved or denied based on compliance with established design and community regulations.

## **Submission Process**

Clearly define the steps required to submit architectural requests to streamline approval and compliance.

## **Compliance Criteria**

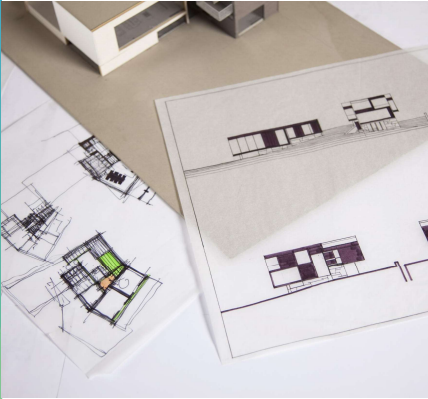
Outline the key community covenant standards that all architectural requests must meet for approval.

## **Maintaining & Ensuring Community Standards**

The ACC emphasizes maintaining integrity and harmony within the community through proper request evaluation to preserve neighborhood aesthetics and property values.

***All ACC processes, design standards, and application forms are available on the website:  
[www.kingsdeer.org/acc.php](http://www.kingsdeer.org/acc.php)***

# Summary of 2025 ACC Activities and Approvals



## **Construction**

Ancillary Building	3
Change Order	5
Deck	6
Driveway	5
Driveway Monument	1
Extension	4
Gazebo	1
New House	2
Playset	2

## **Landscape**

Artificial Grass	1
Fence	11
Flagpole	1
Landscape	2

## **Home Maintenance**

Asphalt Patch	1
Front Door	2
Garage Door	2
Gutter	1
Paint	14
Shingles	11
Stucco	4
Windows	3

## **Recreation**

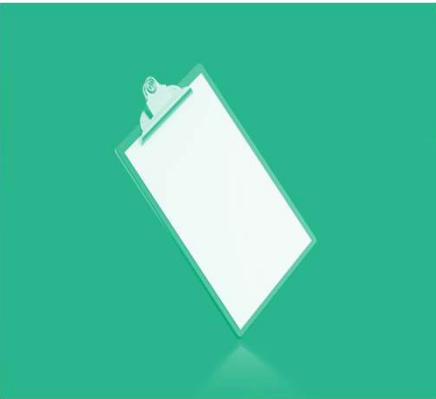
Hot Tub	1
Pickleball	1
Trampoline	2

**TOTAL 86**

# Covenants Enforcement

## John Highhouse – Community Manager

# Recent Covenant Enforcement and Compliance Updates



## **Community Manager's Role** - *More than just Covenant Enforcement*

- ☑ Financial Operations
- ☑ Administrative Duties
- ☑ Architectural Control Functions
- ☑ Legal and Compliance
- ☑ HOA Website
- ☑ Water Reporting
- ☑ Community Liaison

## **Updates and New Policies**

- New! E-bike Policy
- New! Greenhouse Policy
- Updated Fireworks fine - \$5000
- Updated Fine Schedule for non-compliance (i.e., mowing, ACC, e-bike)

## **Enforcement Actions Overview and Compliance Trends**

Recent enforcement actions address violations to effectively uphold neighborhood standards.

The Board's approach to covenant violations was published earlier this year.

# Covenant Violations - 2025



## Summary (Jan 1- Oct 21, 2025)

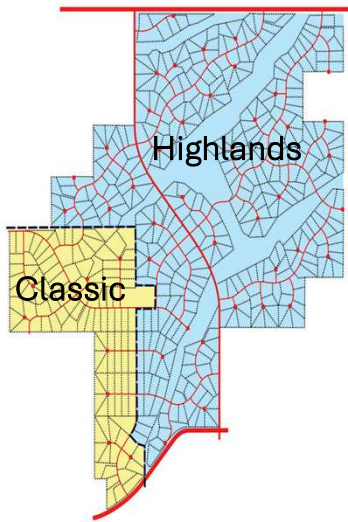
**168** Covenant Violations

<b>Violation</b>	<b>Number</b>	<b>Violation</b>	<b>Number</b>
ACC non-approved/incomplete	4	Parking/RV/Trailers	31
Dog barking/off leash	6	Signage	3
Dead Tree	25	Slash/debris	3
Equip Outside	7	Trash Cans	12
Mowing-Noxious Weeds	33	Unpaid assessment	40
Fireworks	2	Other/Misc	1
Noise	2	Water Meter Reading	0
Landscaping	1		

# Water Augmentation

## Lorrie Kresge – Deputy for Water

# Explanation of Water Rights and Augmentation Requirements



## Understanding Water Rights

- Developers needed water decrees granted to be able to develop land. They agreed to 3% Classic augmentation.
- 30-year delay on Highlands augmentation based on each property's well installation date (Beginning in 2026).

## Impact of Augmentation

- HOA absorbs augmentation costs for all properties. \$3615 for last year. Going up every year as we build out and start paying for Golf Course augmentation in 2028.

## Regulatory Compliance

- HOA is mandated to report water usage annually by lot address. Augmentation requirements are generated from this report.
- Up to the State to enforce any punitive action on over-pumpers.

**70 Lots have .38 Acre Feet**  
(123,824 Gallons) - '93 Decree

**246 Lots have .419 Acre Feet**  
(136,532 Gallons) - '94 Decree

**188 Lots have .75 Acre Feet**  
(244,389 Gallons) - '19 Decree

**2 Lots have 1.419 Acre Feet**  
(462,382 Gallons) - '08

## 2025 Meter Reading Summary as of Nov 3, 2025 (First year for photo requirement)



[water@kingsdeer.org](mailto:water@kingsdeer.org)

- **442 Homes have reported - leaving 64 to do so**
- **Homes Reporting Overages:**
  - 2024 Water Year: 14%
  - 2025 Water Year: 10% (so far)
- **Photos are helping to improve accuracy for reporting to Colorado**
- **Ways to reduce water usage:**
  - Monitor Drip lines
    - Compromised by animals
    - Or landscape mishaps
  - Take monthly readings (**Winter** and **Summer**)
  - Turn off sprinklers during rainy season
  - Don't water daily
  - Limit Landscape area to 3,000 Sq Ft

**For questions about your water usage, contact Lorrie Kresge or John Highhouse at [water@kingsdeer.org](mailto:water@kingsdeer.org)**

# Communications Report

## Carol Goode – Comms Volunteer

# Communication Platforms and Improvements

<b>Social Media</b> <ul style="list-style-type: none"><li>• Facebook followers increased to 350+ from 307 last November</li><li>• Next Door - next year (No specific KD group yet)</li></ul>	<b>Direct Emails</b> <ul style="list-style-type: none"><li>• News &amp; Announcements launched</li><li>• 40+ sent to homeowners of record</li></ul>
<b>Website Updating</b> <ul style="list-style-type: none"><li>• Evaluated 2 all-in-one HOA software packages</li><li>• New custom website is under development</li></ul>	<b>Community Outreach</b> <ul style="list-style-type: none"><li>• 4 Open Forums in 2025</li><li>• 3 Surveys (Amenities, Trash, Greenhouses)</li><li>• Volunteering Opportunities</li></ul>

- Enhancing Information Sharing through various tools and platforms for timely & effective information exchange\*
- Promoting Transparency & Open Dialogue to Build Trust & Accountability
- Encouraging Participation & Engagement

\*Communication Calendar in Appendix



# Financial Update and Assessment Vote for 2026 Tom Anderson - Treasurer

# Balance Sheet as of Sept 30, 2025

000's	SEPT 2025	DEC 2024	Change	SEPT 2024	Change
<b>ASSETS</b>					
Compliance Fee Acct - ENT	\$25	\$11	\$14	\$13	\$13
Operating Cash & Equiv	60	110	(51)	57	2
General Reserve Balance	329	322	6	319	10
Reserve: Water Initiative	173	167	6	166	7
Reserve: Other	4	4	0	3	1
<b>Total Bank Accounts</b>	<b>\$590</b>	<b>\$615</b>	<b>(\$24)</b>	<b>\$557</b>	<b>\$33</b>
Accounts Receivable	2	70	(69)	1	1
Other Current Assets	2	9	(7)	2	(0)
<b>TOTAL ASSETS</b>	<b>\$594</b>	<b>\$694</b>	<b>(\$100)</b>	<b>\$561</b>	<b>\$34</b>
<b>LIABILITIES AND EQUITY</b>					
AP and Accrued Expenses	\$0	\$6	(\$6)	\$6	(\$6)
Compliance Fee Deposits	25	11	14	13	13
Prebilled Assessments	0	159	(159)	0	0
Prebilled Insurance&Unearned Fees	2	10	(7)	3	(1)
Unearned Owner Assessments	40	0	40	40	0
<b>TOTAL LIABILITIES</b>	<b>\$67</b>	<b>\$186</b>	<b>(\$118)</b>	<b>\$61</b>	<b>\$6</b>
<b>EQUITY</b>					
Reserve Fund - Unallocated	\$329	\$322	\$6	\$320	\$9
Reserve Fund - Water Initiative	173	167	6	166	7
Other	25	19	6	13	12
<b>TOTAL EQUITY</b>	<b>\$527</b>	<b>\$509</b>	<b>\$18</b>	<b>\$499</b>	<b>\$28</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$594</b>	<b>\$694</b>	<b>(\$100)</b>	<b>\$561</b>	<b>\$34</b>

- Budget shortfalls in 2025 and beyond will deteriorate reserve position
- Currently in sound financial position per Association Reserves 2024 assessment with updates

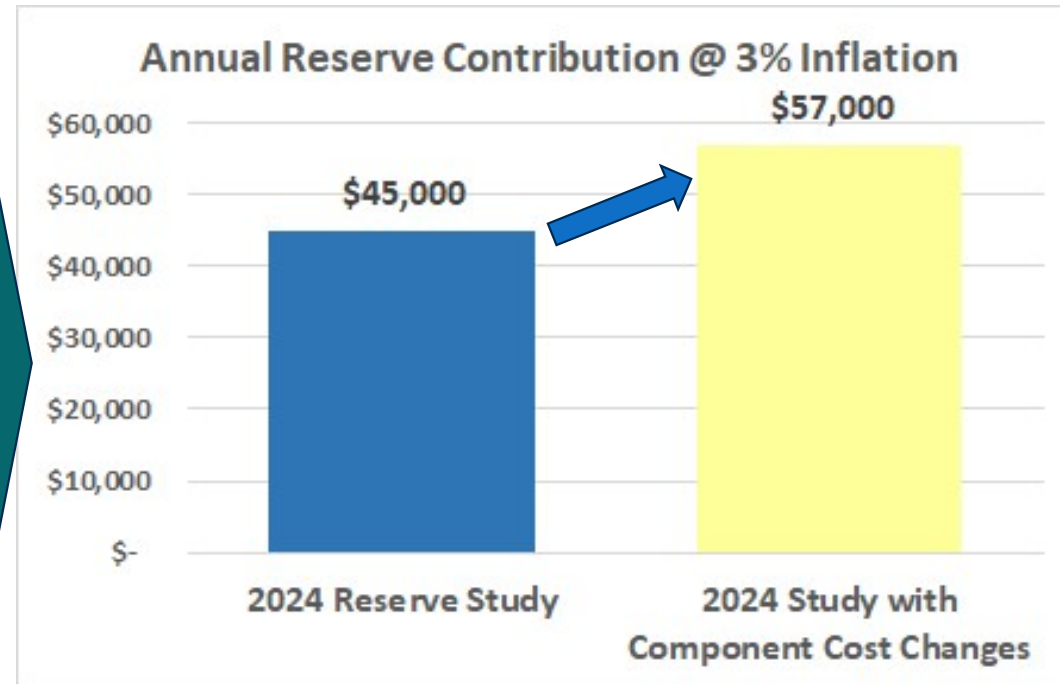
# Reserve Study Updates and Annual Cost Impact

- Association Reserves model updated in September
- Monuments and Stucco Wall refurbishment costs updated to actual costs
- Website added to the Component Asset List

Component values increased \$103,500:

	CURRENT \$	RESERVE	INCREASE
Monuments	\$ 120,000	\$ 39,500	\$ 80,500
Stucco Walls	22,000	11,000	11,000
Website	12,000	-	12,000
<b>TOTAL</b>	<b>\$ 154,000</b>	<b>\$ 50,500</b>	<b>\$ 103,500</b>

Annual Reserve Contribution Increased \$12,000



## 2026 Budget

	2026 BUDGET	2025 FORECAST	2024 ACTUALS
Income Less Water Rights and Interest	\$ 181,830	\$ 192,900	\$ 190,575
Interest	18,741	24,979	21,596
<b>TOTAL INCOME</b>	<b>\$ 200,571</b>	<b>\$ 217,880</b>	<b>\$ 212,171</b>
Administrative Expenses	\$ 119,672	\$ 116,336	\$ 111,010
Maintenance	29,304	22,910	22,828
Insurance	8,844	7,541	9,802
Utilities/Water	13,732	13,164	13,569
Professional Fees Ex Legal-Water	13,116	10,549	13,485
Federal Income Tax	3,800	3,337	4,130
Bad Debt	1	1	(206)
Mailbox Expense	-	515	1,546
Legal-Water	41	39	39
<b>TOTAL EXPENSES</b>	<b>\$ 188,509</b>	<b>\$ 174,393</b>	<b>\$ 176,203</b>
<b>INCOME BEFORE RESERVE CONTRIBUTION</b>	<b>\$ 12,062</b>	<b>\$ 43,487</b>	<b>\$ 35,968</b>
<b>RESERVE CONTRIBUTIONS:</b>			
ANNUAL REQUIRED	\$ 59,280	\$ 57,000	\$ 28,800
PRIOR SHORTFALL/(EXCESS)	6,345	(7,168)	-
<b>TOTAL RESERVE REQUIREMENTS</b>	<b>\$ 65,625</b>	<b>\$ 49,832</b>	<b>\$ 28,800</b>
<b>SURPLUS (SHORTFALL)</b>	<b>\$ (53,563)</b>	<b>\$ (6,345)</b>	<b>\$ 7,168</b>

- CD interest decreasing as rates decline
- Maintenance costs increasing to support additional ongoing needs

## The Board Proposes Increasing Assessments to \$450 Per Year



- Annual Assessment has been capped at \$300 for 30 years while costs increase
- Sound financial management and cost controls have 1) Increased Revenue and 2) Reduced costs – delaying the need to increase assessments
- Additional funding will address community needs: **Trail improvements, Monument upgrades, Web Site redesign, Lighting, and other projects**

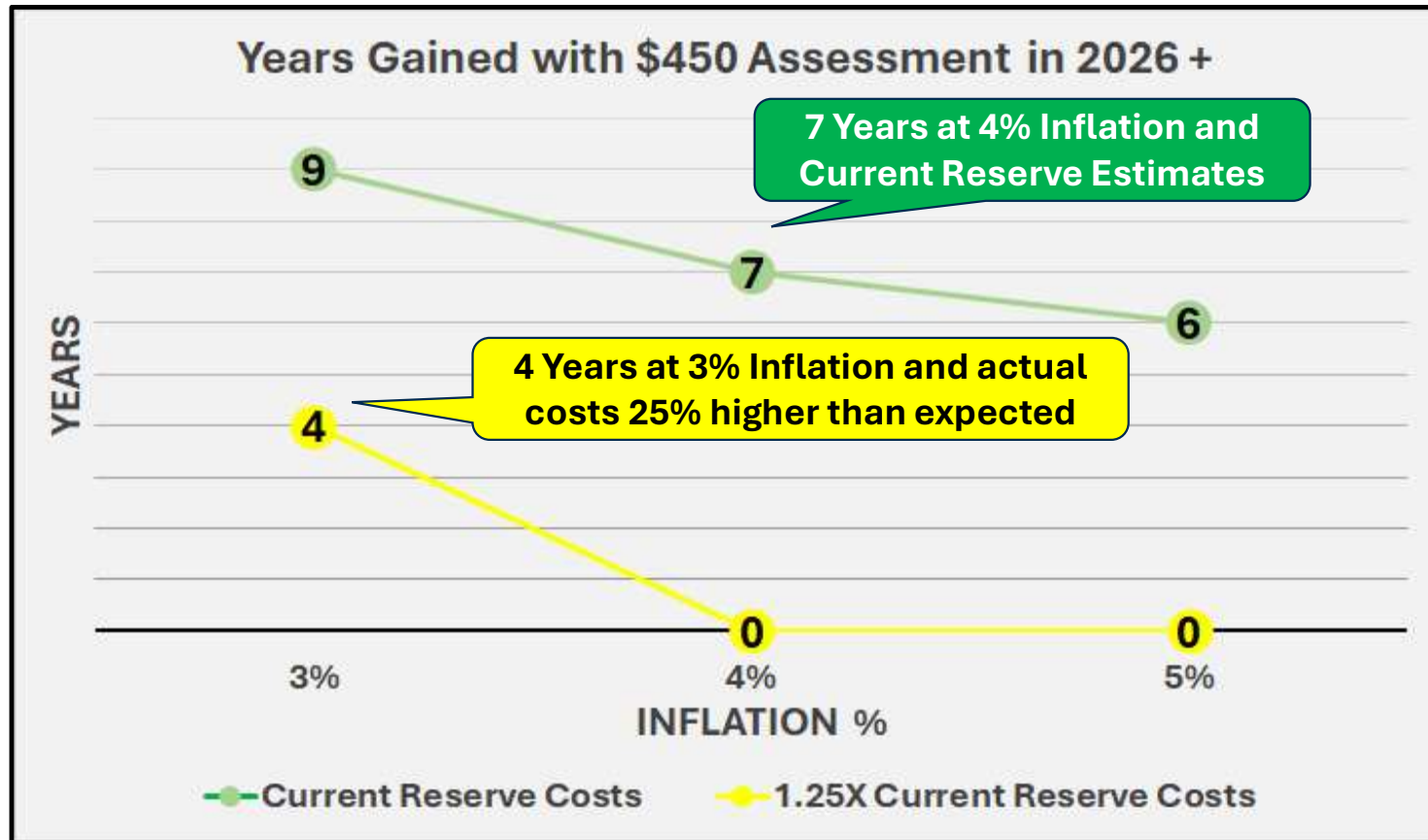
*Providing enjoyment today.*



*Enhancing property values over time.*



## Estimated Years Gained from Assessment Increase



- Unexpected increases in costs to replace/fix trails, monuments, etc. are the biggest risk factor
- Inflation is also a risk but less of an impact
- This is a projection based on many factors and is intended to give directional guidance

## 2025 Assessment Increase Proposal: FAQ

#	QUESTION	ANSWER
1	<b>Is it true the HOA Board is recommending a covenant change to increase in the assessment cap?</b>	<ul style="list-style-type: none"> <li>▪ Yes, an increase is necessary to responsibly maintain assets and support property values</li> <li>▪ The annual assessment has not been increased for 20+ years, while revenue from new construction has diminished as the community matured, and expenses continue to rise</li> <li>▪ Sound financial management including competitive bidding, increasing interest income, cost reduction efforts, and dozens of volunteers contributing by volunteering their time have delayed the need for an increase</li> <li>▪ The HOA Board conducted several information sessions this past year and published monthly financial statements to increase transparency of our status and assure members that the Board is a good steward of HOA finances</li> </ul>
2	<b>What is being proposed?</b>	<ul style="list-style-type: none"> <li>▪ The only change is amending covenants to increase the annual assessment cap from \$300 to \$450</li> <li>▪ The Board expects to increase the assessment pending election outcome and new board</li> </ul>
3	<b>What is the HOA Assessment used for?</b>	<ul style="list-style-type: none"> <li>▪ Annual maintenance and administrative costs detailed in the Operating Budget</li> <li>▪ Adding to the Long-Term Reserve fund for major refurbishments of common areas including the trail system, monuments, street lights and other assets</li> </ul>
4	<b>What are the key election dates?</b>	<ul style="list-style-type: none"> <li>▪ <b>Start Date:</b> Friday November 7<sup>th</sup>      <b>End Date:</b> Friday, November 21<sup>st</sup></li> <li>▪ <b>Results:</b> Emailed to all members by end of day Wednesday November 26<sup>th</sup></li> </ul>
5	<b>How are we voting?</b>	<ul style="list-style-type: none"> <li>▪ Electronic voting using Vote HOA Now software- you will receive an email Nov 7th with a link to the HOA NOW site, the same software we have been using</li> <li>▪ Paper ballots will be mailed as well</li> </ul>

Additional FAQs in Appendix

## Summary

- The Board, with volunteer help, has been a good steward of HOA funds**
- Maintaining the Trails, Monuments, Playgrounds, and other Common Areas to a high standard:**
  - Provides enjoyment today
  - Supports property values over time
- Please support the assessment increase of \$150/Year (\$12.50 per month)**

# Open Discussion and Community Feedback

- Questions & Answers
- Suggestions
- Stay for the Door Prizes!

Thank you!



HOA  
ANNUAL MEETING  
NOVEMBER 4, 2025

## Door Prize Drawing !

Golf Foursome at King's Deer Course  
*including Cart & Greens Fees*  
*valued at \$300+*  
*Donated by King's Deer Golf Course*

Three \$100 Amazon Gift Certificates

One entry per household

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Must be present to win

# Appendix

## 2024 – 2025 Breakdown of Volunteer Hours (Estimated)

Board Hours	500
Architectural Control Committee (ACC)	126
Deputy of Water	90
Communication matters	200
Maintenance projects*	250
<b>Total Hours</b>	<b>1,166+</b>

\*Volunteers on Maintenance projects donated **250+ hours** this year, saving the HOA **\$12,250**

Gazebo Demolition	\$1,500
14 Trees Cut Down and Removed	\$5,000
Stucco Wall Maintenance	\$3,500
Monuments Maintenance	\$2,250
<b>Total Savings</b>	<b>\$12,250</b>

## Water Initiative

- Water Decree 2019CW3057 signed in Feb 2021 allows Palmer Divide Water Company (PDWC) (aka the developers), to sell water shares to bring annual limits up to .75 Acre Feet or 244,389 gallons.
- At least 47 of 75 Classic shares have been sold and 145 of 200 Highlands shares have been sold.
- Current price is \$8500.

# Communications Calendar

## HOA Calendar for Communication to Community

Action	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. <b>Notice of Monthly Board Meeting &amp; Agenda summary</b> – 1 day prior via FB & email	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. <b>Minutes of Monthly Board Meeting</b> – by end of each month via FB & email	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. <b>Snow Fence Notices</b> (Oct 15 – Apr 30)				✓					✓			
4. <b>Mowing Notice</b> – Once per summer, by June 30						✓						
5. <b>Reminder: Fireworks Prohibition</b>						✓						
6. <b>KD Annual Garage Sale Notice</b> – for August							✓					
7. <b>Annual Meeting Notices &amp; Call for Director Nominations</b>									✓	✓	✓	
8. <b>Voting for HOA Board of Directors</b>									✓	✓		
9. <b>Water Meter Reading Notice</b> -due Oct 31									✓	✓		
10. <b>Annual Assessment Notice</b> -due Jan 1-2											✓	✓
11. <b>News &amp; Announcements, Ad Hoc notices</b>	➔											

**Communication Channels:**

1. *FB -- Facebook page will be used for most notices*
2. *KDW – King’s Deer Website will be used for all official notices*
3. *Email – will be used for select notices to entire community*
4. *USPS – Mailing via US Postal service when legally required or when content is important to reach all homeowners*

# Votes Required for Covenant Change

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Addressed in Paragraph 27  
of both subdivision  
covenants

- **Highlands** – *“amended at any time by an instrument signed by a majority of the owners of the Lots (one vote per lot)”*

- **Highlands (383 lots) requires 192 votes “for”**

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- **Classic** – *“amended at any time by an instrument signed by two-thirds of the owners of the Lots (one vote per lot)”*

- **Classic (148 lots) requires 99 votes “for”**

# Proposed Covenant Language Change

## CLASSIC

D. **Limit on Annual Assessments:** Until January 1, 1996 the maximum annual Assessments on each Lot shall be Fifty Dollars (\$50.00), and thereafter until January 1, 1997, the maximum annual assessment shall not exceed One Hundred and Fifty Dollars (\$150.00) and after that date it may be increased by the Association's Board of Directors at a rate not to exceed ten percent (10%) per year thereafter, provided however, that the annual Assessment, exclusive of any optional user's fees and any insurance premiums paid by the Association, shall not exceed ~~\$300.00~~ **\$450.00** per year.

E. **Procedure for Annual Assessments:** The Assessments shall be payable in an annual amount and shall commence as to all Lots, including Lots owned by Declarant, when the first Lot is conveyed to a purchaser from Declarant. The Association's Board of Directors may fix the annual Assessment at an amount not in excess of the maximum stated above and shall provide such notice and procedure for budgeting and collection as the Board deems appropriate in its sole discretion. The Association may furnish to an Owner, upon written request delivered to the Association's registered agent, a written statement setting forth the amount of any unpaid Assessments levied against a Lot, and the statement may be relied upon all Owners acting in good faith thereon as conclusive evidence of payment of such Assessment.

## HIGHLANDS

### Limit on Annual Assessments:

The maximum annual Assessment shall not exceed two hundred dollars \$200.00 per Lot for the fiscal year ending December, 1998; after that year, the maximum annual Assessment may be increased by the Association's Board of Directors at a rate not to exceed ten percent (10%) per annum cumulated each year thereafter, provided however, the maximum may be increased by a two-thirds vote of the Owners present at an annual or special meeting of the Association, at which a quorum is present. Notwithstanding any contrary provision of this Declaration, (a) any Lot owned by the Declarant shall be assessed at the rate of \$50.00 per year until the earlier of the date on which the Lot is sold or 48 months after the final plat is recorded on each filing, at which time Declarant shall pay dues at the same rate as the other Owners, and (b) the annual Assessment for any Lot, exclusive of any optional user's fees and any insurance premiums paid by the Association, shall never exceed ~~three hundred dollars (\$300.00)~~ **four hundred fifty ( \$450.00) per year.**

E. **Procedure for Annual Assessments:** The Assessments shall be payable in an annual amount and shall commence as to all Lots in that Filing, including Lots owned by Declarant, on January 1 of the year following the conveyance of the first Lot in that Filing from the Declarant. The Association's Board of Directors may fix the annual Assessment at an amount not in excess of the maximum stated above and shall provide such notice and procedure for budgeting and collection as the Board deems appropriate in its sole discretion. The Association may furnish to an Owner, upon written request delivered to the Association's registered agent, a written statement setting forth the amount of any unpaid Assessments levied against a Lot, and the statement may be relied upon all Owners acting in good faith thereon as conclusive evidence of payment of such Assessment.

## 2025 Assessment Increase Proposal FAQ (continued)

#	QUESTION	ANSWER
6	<b>What is recent feedback from 2024 voting, the 2025 Open Forum meetings, and 2025 Amenities Survey?</b>	<ul style="list-style-type: none"> <li>▪ Highlands (383 owners) previously approved an increase ( 50% +1 approval required) while Classic (148 owners) previously rejected the increase per their 67% approval requirement - although 63% of those who voted approved</li> <li>▪ Most members recognize and support a fee increase although some members were not comfortable with a CPI inflation-adjusted amount that has no future cap</li> <li>▪ The Board listened to the community and removed the CPI</li> </ul>
7	<b>How was the increase determined?</b>	<ul style="list-style-type: none"> <li>▪ Currently we can cover annual operating expenses but not our Reserve Fund contribution in 2025 and beyond needed to preserve our existing assets</li> <li>▪ The Board completed a thorough analysis Revenue and Expense projections over the next several years and determined that additional Reserve Fund contributions are</li> <li>▪ Revenues – Expenses = annual Reserve Fund contribution</li> </ul>
8	<b>Can the assessment increase beyond the \$450 + Insurance if this passes?</b>	<ul style="list-style-type: none"> <li>▪ No</li> <li>▪ Any increase above this \$450 proposal requires another vote and approval</li> </ul>
9	<b>What happens if the change is rejected?</b>	<ul style="list-style-type: none"> <li>▪ Assets could be removed or left to disrepair. Operating budget cuts will also occur reducing maintenance or administrative services</li> </ul>
10	<b>Are there payment options other than 1X annually?</b>	<ul style="list-style-type: none"> <li>▪ Payments are typically made annually but there are options for 2 or 4 equal installments for an additional administrative fee of \$10 per payment</li> </ul>

# A Well-Funded HOA Supports Property Values

 Redfin Blog

## FAQs: How HOA management maintains property value

### What is the role of an HOA in maintaining property values?

An HOA ensures that community standards are upheld, common areas are well-maintained, and rules are enforced. This creates a consistent, attractive neighborhood that supports home values over time.

### How often does an HOA maintain common areas?

Maintenance schedules vary by community, but professional HOAs perform regular inspections and upkeep of landscaping, parks, clubhouses, and shared amenities to prevent deterioration and preserve property appeal.

### Can HOA management help prevent costly home repairs?

Yes. Proactive infrastructure management, such as inspecting sidewalks, roofs, and shared facilities, helps identify issues early and prevent expensive damage, protecting both individual homes and overall property values.

### How does an HOA's financial management impact my property value?

Transparent budgeting, reserve funds, and strategic financial planning ensure the community can cover maintenance and improvements. A well-funded HOA keeps the neighborhood in top condition, which directly supports property values.

## 2025 Assessment Increase Proposal: FAQ

#	QUESTION	ANSWER
1	<b>Is it true the HOA Board is recommending a covenant change to increase in the assessment cap?</b>	<ul style="list-style-type: none"> <li>▪ Yes, an increase is necessary to responsibly maintain assets and support property values</li> <li>▪ The annual assessment has not been increased for 20+ years, while revenue from new construction has diminished as the community matured, and expenses continue to rise</li> <li>▪ Sound financial management including competitive bidding, increasing interest income, cost reduction efforts, and dozens of volunteers contributing by volunteering their time have delayed the need for an increase</li> <li>▪ The HOA Board conducted several information sessions this past year and published monthly financial statements to increase transparency of our status and assure members that the Board is a good steward of HOA finances</li> </ul>
2	<b>What is being proposed?</b>	<ul style="list-style-type: none"> <li>▪ The only change is amending covenants to increase the annual assessment cap from \$300 to \$450</li> <li>▪ The Board expects to increase the assessment pending election outcome and new board</li> </ul>
3	<b>What is the HOA Assessment used for?</b>	<ul style="list-style-type: none"> <li>▪ Annual maintenance and administrative costs detailed in the Operating Budget</li> <li>▪ Adding to the Long-Term Reserve fund for major refurbishments of common areas including the trail system, monuments, street lights and other assets</li> </ul>
4	<b>What are the key election dates?</b>	<ul style="list-style-type: none"> <li>▪ <b>Start Date:</b> Friday November 7<sup>th</sup>      <b>End Date:</b> Friday, November 21<sup>st</sup></li> <li>▪ <b>Results:</b> Emailed to all members by end of day Wednesday November 26<sup>th</sup></li> </ul>
5	<b>How are we voting?</b>	<ul style="list-style-type: none"> <li>▪ Electronic voting using Vote HOA Now software- you will receive an email Nov 7th with a link to the HOA NOW site, the same software we have been using</li> <li>▪ Paper ballots will be mailed as well</li> </ul>

## 2025 Assessment Increase Proposal FAQ (continued)

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