

Heritage Place Homeowner's Association
c/o Association Management Agent
558 Castle Pines Parkway #409, Castle Rock, CO 80108
303-850-7766

July 22, 2009

Dear Homeowner,

The Heritage Place Homeowners' Association is facing a critical financial situation that cannot be avoided or delayed and requires homeowner approval to resolve. Failure to take action will almost certainly result in several, or all, of the following:

- Another \$85,000 drain pan failure in Open Space G or F
- Drastic cutbacks in watering, mowing and maintenance of the open spaces
- A deteriorating or collapsed Caley Street fence (even with ongoing annual repairs)
- A special assessment in excess of \$1,000 per family

The HOA Board is asking your approval to increase annual dues from \$307.19 to \$550.

The current situation is partially due to longstanding issues which have not been addressed to date because of the existing annual dues amount, which cannot be raised more than 3% annually, while our costs increase more than this every year. Several of these issues are safety related, but remain unfinished because our reserve levels are not sufficient to address them.

Examples include:

- Concrete drain pans: \$85,000 already spent, \$170,000 - \$200,000 for remaining repairs
- Rock retaining walls: \$9,400 already spent, \$50,000 - \$75,000 for remaining repairs
- Caley Street fence: \$110,000 - \$150,000
- Sprinkler system update: \$200,000
- TOTAL: \$530,000 - \$625,000 (equals \$1,188 - \$1,401 per household)

In addition, earlier this year the HOA had the required Reserve Analysis update performed. The findings indicate that we should target a total reserve of \$224,000. This is \$165,500 greater than the December 31, 2008 reserve balance of \$58,529.

To make this dues increase easier on homeowners, the Board proposes splitting and delaying the payments, so that \$275 is due on both March 1 and September 1 every year, instead of the full annual balance due on January 1. It is the Board's hope that with this change we can avoid any special assessments. The increase in annual dues requires approval from a two-thirds majority of homeowners. The vote will take place at the annual meeting on September 17.

Additional documents have been placed on the HOA website (www.heritageplacehoa.com) and the HOA monthly meeting on **August 20** is being devoted to this matter. Homeowners are encouraged to attend. Please welcome a visit from a Heritage Place neighborhood volunteer at your door in the next two weeks to discuss this increase with you.

Your support as a concerned member of this community is greatly appreciated.

Yours Truly,
Heritage Place HOA Board of Directors