

Ballot Item

The Reserve Study provided to Elk Meadows by Association Reserves showed that EMHOA was at 117.8% for Reserves on account. This was in part due to USDA and State Requirements for Reserves and to the foresight of our previous Boards.

The Reserve Study recommended that our contribution increase by 2% each year beginning in 2020 to adjust for inflation and use of the reserves.

As of April 2019 our Reserves are at 94.5% of fully funded, a result of lawsuit expenses and improvements to the Water System. The Elk Meadows BOD elected to pay legal expenses from our General Fund Reserves in lieu of a Legal Fund Special Assessment up front. This allowed us to smoothly pay for the legal expenses as they came in as well as having a final accounting of the expenses in which to then ask for a onetime special assessment. Therefore this proposal is only addressing the replenishment of the legal expenses.

General Fund Recovery Options

- A.** Through a onetime special assessment Elk Meadows can bring the General Fund Reserves back to its pre-lawsuit level and thereby bringing our total Reserves back to 117.8% with a onetime payment of \$267/lot. Payable through 2020 in installments.
- B.** Through a onetime special assessment Elk Meadows can bring the General Fund Reserves to 102% which would include the recommended 2% increase in 2020 with a onetime payment of \$86/lot. Payable through 2020 in installments.
- C.** Through a onetime special assessment Elk Meadows can bring the General Fund Reserves to 100% for 2019 with a onetime payment of \$63/lot. Payable through 2020 in installments.