

Thousand Peaks Ranch Association Declaration of Covenants, Conditions and Restrictions Voting Letter (January 10, 2021)

Dear Thousand Peaks Ranch Association Members,

Purpose of the letter: this letter is being sent to all TPRA members to describe the proposed changes to the TPRA Declaration of Covenants, Conditions and Restrictions to ensure the wording supports a periodic dues increase, based on inflation index adjustments, to better position the Association to improve the roads during summer maintenance periods, prepare for and improve winter road maintenance, and replace road signage throughout the ranch to improve the current directional challenges.

Current Purchasing Power Reduction: the current purchasing power of \$100.00 in 1986 dollars is now about \$40.00 in 2021 dollars (actually \$39.40). The 2021 monies (and beyond with no change) that the Association can use to work on the roads has only about 40% of the purchasing power of what was initially established in 1986. If all dues of \$33,800 are collected (338 lots x \$100.00), the true current purchasing power is only \$13,317.20. The loss of purchasing power has resulted in a slow decline of the amount of summer road maintenance (or true road improvement) the Association can perform. Summer road maintenance focuses on physical road maintenance and road improvement to support road longevity which also serves to promote better winter access during heavy snow periods. As the conditions of the roads worsen, a greater effort is required to maintain minimal access in the winter months.

Results from a loss of purchasing power: the loss of purchasing power has resulted in the lack of proper road maintenance which has yielded a slow degradation of the established road structure of the ranch, a moratorium on the unfinished road structure of the ranch, and continued street sign degradation. An increase in the number of dwellings with year round occupation has resulted in a greater distance of roads that must be maintained year round. The ranch has approximately 58 miles of road with approximately 35 miles being cleared in the winter to maintain access to the year round residents (4 to 5 years ago it was only 20 miles). The Association has an obligation to try and maintain winter access as best it can (based upon available funds) to support unforeseen emergency conditions.

One of the greatest impacts on property value: well maintained roads for easy access and identifiable road signage for ease of direction have one of the greatest impacts on rural and frontier acreage and living structures. The local real estate market and realtors have estimated that property values can increase between 10 to 14% based upon ease of land/lot access and ease of finding the property location. A land property that is "currently" valued at \$64,000.00 can have an increased value of \$6,400.00 to \$8,960.00 based on a wider selection of buyers due to the increased access and ease of finding.

Proposed Declaration of Covenants, Conditions and Restrictions change and what it would allow the Association to do (changes are in all caps in second paragraph):

Section 13, CREATION OF THE MAINTENANCE ASSESSMENTS currently states "The Declarant, for each Parcel owned within the Properties, hereby covenants, and each Owner of any Parcel by acquiring an ownership interest therein, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges of a maximum of \$100.00 commencing January 1, 1986, as established by the Board of Directors. Such assessment to be established and collected as provided herein. In the event a Parcel has not been sold by Declarant on or before January 1, 1986, the assessment as to the Parcel shall not commence until its first conveyance by Declarant."

Proposed change would state "The Declarant, for each Parcel owned within the Properties, hereby covenants, and each Owner of any Parcel by acquiring an ownership interest therein, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges of a BASELINE of \$100.00 commencing January 1, 1986, as established by the Board of Directors. AN INFLATION INDEX ADJUSTMENT (BASED UPON THE U. S. GOVERNMENT CONSUMER PRICE INDEX) CAN BE IMPLEMENTED EVERY 7 TO 10 YEARS TO MAINTAIN A CONSTANT PURCHASING POWER FOR ASSOCIATION ROAD MAINTENANCE. THIS CALCULATION WILL BE RECORDED AND MADE AVAILABLE TO ALL THOUSAND PEAKS RANCH ASSOCIATION MEMBERS. Such assessments to be established and collected as provided herein. In the event a Parcel has not been sold by Declarant on or before January 1, 1986, the assessment as to the Parcel shall not commence until its first conveyance by Declarant."

The changes would provide clarity in the Declaration of Covenants, Conditions and Restrictions and allow the Board of Directors to increase annual assessment dues to coincide with the Consumer Price Index per lot to adjust for the loss of purchasing power due to inflation and cost of living increases (a full increase for inflation and cost of living adjustment would allow the Board of Directors to initially increase dues from \$100.00 to \$250.00 per lot, since no increase has been implemented in the Association's 36 year history and the Association's established roads are in dire need of maintenance and a moratorium has been placed on ranch roads that have not been completed). This change, if enacted, would go into effect for the 2023 dues.

Voting Conduct and Deadline:

2nd Contact: This second letter is being sent out in mid January describing the TPRA Declaration of Covenants, Conditions and Restrictions changes to include what the changes will, if agreed upon, allow the Association to enact. A voting sheet is provided in this second letter to allow for the Association members to vote for or against the Declaration of Covenants, Conditions and Restrictions changes. This is the second time Association members have seen and reviewed the proposed Declaration of Covenants, Conditions and Restrictions changes so as not to be caught off guard.

3rd Contact: The annual TPRA letter (which includes the dues payment statement, proxy form, and proof of agricultural tax status) will be sent out in mid February again describing the Declaration of Covenants, Conditions and Restrictions changes to include what the proposed changes, if agreed upon, will allow the Associate to enact. A voting sheet will be provided in the third letter to allow for Association members to vote for or against the Declaration of Covenants, Conditions and Restrictions changes. This will be the third time Association members have seen and reviewed the proposed changes.

Voting will continue until May 15, 2022, the voting deadline. Association members not in current standing (current on Association dues/\$0 balance) will not have their votes counted unless their vote is accompanied with payment to make their account current. Annual maintenance assessment dues are not considered late until June 30, 2022, but the voting sheet accompanying the annual letter will be the second opportunity to vote and votes will count if the account is current on June 30, 2022. Please vote and vote early. The Board of Directors recommends members vote YES to allow a dues increase to restore some of the lost purchasing power to adequately care for and improve our roads and access. A YES vote will allow the Association to generate a viable 5 year maintenance plan that will include a priority list of road work to address the most pressing issues. As the most pressing issues are dealt with, the moratorium on unfinished roads may be lifted and road signage improved. A NO vote will essentially allow our current limitations to stand and our roads to continue to deteriorate.

Respectfully,
Thousand Peaks Ranch Association Board of Directors

T.P.R.A. Voting Sheet

TPRA DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS VOTING SHEET
PLEASE RETURN THIS VOTING SHEET BACK TO TPRA, P.O. BOX 817, FAIRPLAY, CO 80440

**Proposed T.P.R.A. Declaration of Covenants, Conditions and Restrictions change
(changes are in all caps in second paragraph):**

Section 13, CREATION OF THE MAINTENANCE ASSESSMENTS currently states "The Declarant, for each Parcel owned within the Properties, hereby covenants, and each Owner of any Parcel by acquiring an ownership interest therein, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges of a maximum of \$100.00 commencing January 1, 1986, as established by the Board of Directors. Such assessment to be established and collected as provided herein. In the event a Parcel has not been sold by Declarant on or before January 1, 1986, the assessment as to the Parcel shall not commence until its first conveyance by Declarant."

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Lot Owner's Name(s): _____

Lot(s) Owned (Lot numbers): _____

Vote Cast: YES _____ NO _____

The voting deadline is May 15, 2022.

The Association is also attempting to decrease its mailing costs and increase communications to its members via email. By obtaining email address of Association members, the Association can shift saved mailing costs to road maintenance activities while improving communications that can be sent out periodically at no cost. Please provide an email address, that can be included in the Association's data base, along with your vote.

email address: _____

T.P.R.A. Voting Sheet