

# Proposed Victorian Gables HOA (VGHOA) Covenant Changes

October 8, 2018

## Background

Thanks to the dedication of past Board members, VGHOA members have enjoyed high quality exterior and common grounds maintenance with reasonable dues. After 25+ years, replacement costs are expected to increase as exterior features wear out. For example, almost all exterior decks have been replaced, many window wells are in poor condition and the road will likely need to be resurfaced soon. While all VGHOA members pay the same dues, as required by the current covenants, actual repair and replacement costs vary by unit. Just as units had different features from the start, it makes sense to align dues accordingly.

## Alternative Dues Assessment

To align maintenance and replacement dues with those receiving the benefit, the VGHOA Board is exploring an alternative dues allocation method based on differences among units. Exterior features varying by individual units include, but are not limited to:

- Decks
- Window wells
- Skylights
- Patios & fencing
- Interior road usage for only units 1-36 (excludes units 37-40)

Using this new method, the VGHOA would continue to manage all exterior maintenance and replacement projects. Dues would either increase or decrease based on the exterior features of each unit.

There would be two components for calculating dues.

- Base dues would be assessed equally among all units to include shared maintenance (e.g., lawns, trees, snow shoveling, water) and replacement costs that are the same for all units, such as roofs.
- Differential dues for each unit would be calculated using the anticipated future cost to replace the unit's exterior features at the appropriate time.

## Differential Dues Example – Unit 18 (numbers are approximate)

In this example of differential dues, unit 18 has these non-common exterior features.

Unit 18	Base Dues	Deck	Window Wells	Skylights	Patio & Fences	Road Portion	Total
Replacement Cost	-	\$5,275	\$2,500	\$1,900	n/a	\$2,778	-
Useful Life in Years	-	30	30	30	30	30	-
Annual Dues	\$2,500	\$176	\$83	\$63	-	\$93	\$2,915

## Next Steps

To enact a different dues allocation method, the VGHOA covenants must change. Changing the VGHOA covenants, requires 60% (24 of 40) or greater approval by VGHOA owners. This topic will be discussed at the 2018 VGHOA Annual Meeting

